

IN THE CHANCERY COURT FOR CAMPBELL COUNTY, TENNESSEE

DANIEL VALLE, et al.

Plaintiffs,

vs.

MADLINE FIELDS, et al.,

Defendants.

No.: 7CHI-2019-CV-237

REPORT OF RECEIVER AND REQUEST FOR INSTRUCTIONS

Comes the Receiver and offers the following report and requests:

1. The Receiver has engaged the services of Election Buddy to conduct the election of the initial board of directors of the HOA. Election Buddy will handle the distribution of ballots, tallying of ballots, and the certification of election results. In order to do this, Election Buddy will require a list of eligible voters with addresses/email addresses/contact information. Election Buddy has the capability of distributing ballots by mail, email, or texts. Mailing ballots is obviously more expensive.

2. The Receiver anticipates handling the process of securing nominations for Directors although this could be done by Election Buddy for an additional charge.

3. In order to provide Election Buddy with the necessary information, the Receiver requested a voting list from the Fields' Defendants and has received one dated September 25th, 2024. The Receiver has been advised that the list has been updated, but he has yet to receive a copy of the most recent voting list.

4. Receiver has also set up an account with Mailchimp in the name of Deerfield Report Homeowners Association which will facilitate the sending of mass emails to the membership. The Receiver has also made arrangements for a website for the HOA.

5. It was the Receiver's intention to send a mass email to the members of the HOA based upon the current membership list. The Receiver intended to use the initial email to announce and publicize the existence of the website for the HOA. The Receiver intended to include on the website various information for the HOA membership including election procedures, bylaws, restrictive covenants applicable to Deerfield Resort, recent bank statements for the HOA account, and the spreadsheet containing the membership list and information concerning dues payments. It was hoped that this email and the posting of the information concerning the membership list would serve as a means of assuring the accuracy of the membership list and provide a centralized source of information concerning the HOA and the election process.

6. The Receiver sent an email to the attorneys involved in this litigation outlining the proposed website, election procedures, and certain proposed forms for the election. A copy of the proposed forms for use in the election is attached hereto as Collective Exhibit A.

7. The Receiver has been made aware of certain concerns about the proposed election process and the material posted on the proposed website (see email attached as Exhibit B).

8. In order to provide clarity and avoid challenges to the election, the Receiver requests the Court's guidance on the material to be posted on the website and the election procedures.

9. In addition, since the election cannot be completed prior to January 1st, 2025, it will be necessary to send dues notices to the membership, and the Receiver requests the Court's guidance on how those notices are to be sent and the amount of the dues.

10. The Receiver, on numerous previous occasions, has requested a proposal from the Fields' Defendants concerning a management contract for the HOA, including information concerning the duties performed by the Fields for the HOA. To date, no such proposal or information has been received. The Receiver requests that such information and schedule be provided by a date certain and approved by this Court, or the Receiver to be authorized to seek proposals from other entities.

11. Previously, there have been motions/discussions concerning payment of past due fees by certain of the Plaintiffs, and it is the Receiver's understanding that Mr. Hurley has money in his trust account for such unpaid dues. The Receiver requests that this Court enter an Order concerning the payment of those monies as they will be needed to conduct the election.

12. The Court has made aware of an amendment to the restrictive covenants which was filed by the developers amending the restrictive covenants and reserving to the Developer the right to control over amending the restrictions until the initial Board of Directors is elected. Said amendment to the restrictions also exempted property owned by the developer from the restrictions. (see Exhibit C, paragraph 9)

13. Both the Receiver and the Plaintiff's objected to the restrictions, and the Court requested alternative language for paragraph 9 from the parties. No ruling has been made on that issue, and the Receiver believes that this issue should be clarified so that the HOA website can contain an accurate copy of the current restrictions on Deerfield Resort.

14. There was also a document executed and recorded by the developer exempting the golf course from the protective and restrictive covenants of Deerfield Resort. The Receiver has previously expressed his concern that such exemption has potentially

adverse effects on the HOA and the membership of the HOA. The Receiver requests guidance from the Court on whether the Receiver should take action to seek to preserve the rights of the HOA to challenge said release of restrictions pending the election of a board of directors. It should be noted that the owners of the golf course are not parties to this action so that they are not currently subject to orders of this Court and do not necessarily have notice of actions of this Court.

15. This Court has previously entered orders which indicate that certain property will be turned over to the HOA, however a complete listing of the property or a schedule for the turnover of the property has not been established. The Receiver believes that a listing of the property is essential to the new Board of Directors, particularly information concerning membership and dues and software and computer hardware necessary to track membership, dues, and finances of the HOA. This information, along with the off-requested information concerning services needed for the operation of the HOA and a proposed cost thereof, would be extremely beneficial, if not essential, to the initial board of directors.

Wherefore, the Receiver seeks a hearing and guidance from the Court on the issues herein set forth.

This the 18th day of December, 2024.



H. SCOTT REAMS (BPR No. 000436)
Receiver

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing pleading was sent this the 18th day of December, 2024, to the following parties by email:

Scott Hurley
scott@thehurleylawfirm.com
205 Mohican Street
Knoxville, TN 37919

Preston Hawkins
phawkins@lewisking.com
Lewis, Thomason, King, Krieg & Waldrop,
P.O. Box 2425
Knoxville, TN 37901

Jimmy G. Carter
jimmy@breedinglaw.com
800 S. Gay Street, Suite 1200
Knoxville, TN 37929



H. SCOTT REAMS, Attorney

H:\WPFILES\7000\10004 Deerfield Receivership\Pleadings\24_1216.Reveiver's Report & Request for Instructions.docx

ELECTION PROCEDURES

1. There will be 9 directors elected. Each eligible member shall be entitled to vote for 9 directors. Cumulative voting is not allowed. Any ballots casting more than one vote for any candidate will be disqualified entirely. If a ballot contains votes for less than 9 directors, it will be allowed unless more than one vote is cast for a particular candidate.
2. Any lot owned by an entity (e.g. trust, partnership, LLC, etc.) can only vote through an individual designated by the entity as the entity's authorized agent. Forms for the designation of an agent are available on the HOA's website.
3. The record date for ownership is_____. Owners of property as of the record date are eligible to vote provided they are current on their dues through 2024.
4. Nominations for director shall be made by completing a Director Nomination Form which is available on the HOA's website or may be requested from the Receiver (H. Scott Reams, 628 East Morris Blvd., Morristown, TN 37813-2349, (423) 586-9302) Please note that the form must be signed by the nominee and 10 property owners in Deerfield Resort. Deadline for submitting nominations for director is_____.
5. The Director Nomination Forms will be posted on the HOA's website, and each candidate will have the opportunity to post biographical information as well as a statement concerning the reasons for running for director and their visions for the resort/HOA.
6. The election will be managed by Election Buddy, and they will send out materials concerning the election and handle the ballots and tally the results of the election. Election Buddy will have additional procedures for the handling of ballots, and those procedures will be available on the HOA website as well.
7. The nine director nominees receiving the most votes will be elected. The top three vote getters will serve three-year terms, the nominee receiving the fourth, fifth, and sixth highest votes will serve two-year terms, and the remaining three will serve a one-year term of office.
8. Questions concerning the election process should be directed to the Receiver or the Election Coordinator with Election buddy.

Ex A
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DIRECTOR NOMINATION FORM

NAME: _____

Deerfield Address: _____

Mailing Address: _____

Email: _____

Phone: _____

of years owned property in Deerfield: _____

Brief statement of background/qualifications (attach additional sheets if necessary):

By signing below, I consent to having my name placed in nomination for the office of Director of Deerfield Resort Homeowners Association, Inc, and I agree to abide by all election rules and procedures governing said election.

(signature)

DATED _____

A.J

The following property owners in Deerfield nominate _____ as a candidate for Director of Deerfield Resort Homeowners Association, Inc. By signing this nomination form, I confirm that I am a member in good standing of Deerfield Resort Homeowners Association, Inc or I am the authorized representative of a member in good standing. (Sign on top line, print name on bottom line) This form may be in multiple copies. Total signing parties must be at least 10. The information and signature must be on a page designating the person being nominated.

<u>Property Owner Name</u>	<u>Property Address</u>	<u>Name/Signature</u>
1. _____	_____	_____ _____
2. _____	_____	_____ _____
3. _____	_____	_____ _____
4. _____	_____	_____ _____
5. _____	_____	_____ _____

DESIGNATION OF AGENT

The undersigned, under penalty of perjury, does hereby state and declare as follows:

The undersigned is duly authorized by _____, an entity owning property in Deerfield Resort ("entity owner"), to designate an individual to cast votes on behalf of the entity owner and to receive notices directed to the entity owner from Deerfield Resort Homeowners Association, Inc. ("HOA") On behalf of the entity owner, the undersigned hereby designates _____ as the person authorized to cast votes in elections and matters involving action by the HOA and to receive notice of events, matters, and/or actions required from the HOA. Notice to the designated agent shall be considered notice to the entity owner for all matters involving the HOA.

The correct mailing address of the Agent is:

The email address of the Agent is:

On behalf of the entity owner, the undersigned acknowledges that this designation shall continue to be effective until such time as the entity owner designates a different agent.

Effective the _____ day of _____, 202__.

(Signature)

(Printed name)

Position with entity owner

A. 4

Scott Reams

From: Jimmy Carter <jimmy@breedinglaw.com>
Sent: Thursday, December 5, 2024 2:11 PM
To: Scott Reams; Scott Hurley Esq. (scott@thehurleylawfirm.com); Hawkins, Preston A.
Cc: Stef Lee
Subject: RE: [External] Progress needed - Deerfield

All –

I am hearing indications of concerns for the amount of data anticipated to be shared on the Election Buddy system and the HOA website being created.

Concerns I have heard about:

1. Owner list not accurate as to those owners current with dues since 2021 (or whatever established date we have agreed to)
2. Dates of various actions for election not established
3. Unnecessary personal and potentially confidential/private homeowner information being shared on the HOA website and potentially publicly accessible
4. Uploading the owner information to Election Buddy prior to confirmation of all eligible voters – this could result in ineligible owners being allowed to vote if not removed from the list prior to upload
5. Apparently, Deerfield bank statements have been requested to be a part of the website. This is concerning without limited access like a login/password system for those eligible to view and a disclosure acceptance of them being confidential to the association and not for public consumption or distribution.

The major concern right now is the amount of personal data being requested to upload and who is going to be responsible for that information being secure. Also, what is the timeline we are looking at as of today?

Happy to discuss as a group if needed, just my thoughts after hearing from my clients.

Jimmy G. Carter, Jr.
Partner

Breeding Carter, PC
800 South Gay Street
Suite 1200
Knoxville, TN 37929
T 865.670.8535 F 865.670.8536
jimmy@breedinglaw.com

This communication (including any attachments) is intended solely for the recipient(s) named above and may contain information that is confidential, privileged or legally protected. Any unauthorized use or dissemination of this communication is prohibited. If you have received this communication in error, please immediately notify the sender and delete all copies of the original communication. Thank you for your cooperation.

Schedule mediation online by clicking this link: <https://breedinghenrybaysanpc.youcanbook.me/>

AMENDED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR DEERFIELD RESORT

THESE RULES, REGULATIONS, AND RESTRICTIONS FOR DEERFIELD RESORT (THE "AMENDED DECLARATION") ARE MADE BY THE DEVELOPER OF DEERFIELD RESORT, FIELDS DEVELOPMENT COMPANY, INC., A TENNESSEE CORPORATION, TO TAKE EFFECT IMMEDIATELY UPON FILING WITH THE OFFICE OF THE REGISTER OF DEEDS FOR CAMPBELL COUNTY, TENNESSEE, AND SHALL BE BINDING ON ALL PERSONS WHO FROM TIME-TO-TIME MAY OWN LOT(S) IN DEERFIELD RESORT AS NOTED ON ANY PARCEL OF RECORD.

1. The original Restrictions for Deerfield Resort, signed by Paul Fields on April 22, 1985, and filed with the Office of the Register of Deeds for Campbell County, Tennessee on March 20, 1986, ("the Restrictions"), as set forth in Note Book 13, Page 39, and Misc. Book 14, Page 128, as well as subsequent amendments and/or iterations of the Restrictions for Deerfield Resort, (collectively referred to as the "Amended Restrictions"), including: "Revision No. 1," signed by Paul Fields on December 1, 1986, and filed with the Office of the Register of Deeds for Campbell County, Tennessee on December 9, 1986, as set forth in Note Book 13, Page 134, and Misc. Book 15, Page 559, "Revision #2," signed by Paul Fields on August 9, 2000, and filed with the Office of the Register of Deeds for Campbell County, Tennessee on August 10, 2000, as set forth in Misc. Book 53, Page 53, and "Amended Declaration of Protective Covenants and Restrictions for Deerfield Resort," signed by Madeline Fields on August 1, 2018, and filed with the Office of the Register of Deeds for Campbell County, Tennessee on August 13, 2018, as set forth in Misc. Book 129, Pages 79-81, where not previously amended or altered, remain in full effect, except as identified below.

2. DEFINITIONS: For purposes of this document, the following terms shall have the meaning set forth herein:

"Association" shall mean the Deerfield Resort Homeowners Association, Inc. and its successors and assigns.

"Board" shall mean and refer to the Board of Directors of the Deerfield Resort Homeowners Association Inc.

"Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or other property designated by the Developer for the common use and enjoyment of all lots, including roads, and any and all portions of the property which are designated as joint permanent access easements.

"Developer" shall mean and refer to Fields Development Company, Inc.

"Lot" shall mean and refer to any plot of land, regardless of size, in the area known as Deerfield Resort as shown on the attached diagram ("Exhibit A") and/or shall include any lot that references the Restrictions or Amended Restrictions set forth in Section 1 above in

Ex C

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the chain of title to the lot. "Lot" shall include unimproved vacant lots, homes, condominiums, townhomes, cottages, villas, airplane hangars, and/or separately deeded garages developed and constructed on any plot of land within the area known as Deerfield Resort. Parcels/plots that are used exclusively for septic fields are considered a part of and appurtenant to the lot the septic system serves.

3. **CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENT** Each Owner of any Lot, by acceptance of a deed therefore, whether or not it is explicitly stated in such deed, is deemed to covenant and agree to pay the Association: (a) Annual Assessments or charges as provided in these Restrictions; (b) Emergency Assessments to be established and collected from time to time as provided below; and (c) Default Assessments, including fines, which may be assessed against an Owner's Lot pursuant to these Restrictions and/or the Association's Bylaws or because the Association has incurred an expense on behalf or because of the Owner. The Annual, Emergency, and Default Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and may become a continuing lien upon the Lot against which each such Assessment is made until paid in full. Each such Assessment, together with interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the Owner of such Lot at the time the Assessment fell due. The personal obligation for delinquent assessments shall pass to successors in title. Additionally, Developer expressly conveys to the Association the right to levy a charge on the land and establish a lien on any Lot(s) for unpaid maintenance and security fees invoiced from the Developer for the years 2019-2023 and for which the Developer has a right to lien said Lot(s) under the Amended Restrictions.
4. **ANNUAL ASSESSMENTS:** The purpose of annual Assessments is to provide funding for the Association: (a) to maintain the Common Area; (b) to pay for maintenance of Deerfield Resort and related expenses; (c) to pay for security of Deerfield Resort and related expenses; (d) to pay for future capital improvements projects; and (e) to pay for any other Association obligations. Annual Assessments are due and payable as follows:
- (a) The Annual Assessment for each Lot shall be set by the Board each year. Should the Board fail to establish an Annual Assessment in any year, the most recent the Annual Assessment shall be deemed to be the Annual Assessment for that year. The Annual Assessment is due and payable to the Association by each Owner thirty (30) days after the Association mails, emails, or otherwise provides reasonable notice to each owner of the annual assessment at the Owners last provided address or the mailing address for the lot owner according to the records in the Trustees office for Campbell County, Tennessee.
 - (b) The Board may establish different Annual Assessments, as well as other assessments authorized herein, for different types of properties meeting the definition of Lot such as unimproved lots, improved lots, condominiums, townhomes, airplane hangars, etc.

5. EMERGENCY ASSESSMENTS: At any time that it shall appear to the Board that funds on hand or in deposit by the Association are insufficient to pay the outstanding obligations of the Association, the Board shall implement the following actions:

- (a) Notify Association members of the situation.
- (b) Initially determine which of the outstanding obligations relate to the preservation of the Association assets such as maintenance, insurance or any other such obligations as necessary to discharge the fiduciary duties of the Board.
- (c) Exercise all available contractual rights of cancellation in any contract not deemed essential for preservation of the assets of the Association and utilize all other available means of lessening the financial burdens of the Association while ensuring no defaults.
- (d) After taking these measures, the Board shall determine if a projected shortfall remains for the fiscal year and shall remediate this shortfall by issuing an Emergency Assessment which shall be sent to all Owners in the manner utilized for distribution of Annual Assessments and make available for review by all Owners the balance sheet utilized in the calculation of any shortfall.

6. DEFAULT ASSESSMENT: All monetary fines assessed against an Owner pursuant to these Restrictions and/or any Bylaws of the Association, as well as any expense that is incurred by the Association on behalf or because of the owner, including cost associated with the Association's enforcement of its Bylaws and/or the Restrictions (including all attorney fees and costs), shall be a default Assessment and may become a lien against such Owner's Lot, which may be foreclosed upon or otherwise collected as provided in the Restrictions and/or Bylaws of the Association. Notice of the amount and due date of a default Assessment shall be sent to the Owner at least thirty (30) days before the due date, provided that failure to give thirty (30) days prior notice does not constitute a waiver thereof but may only postpone the due date for payment until the expiration of the 30-day period.

7. EFFECT OF NON-PAYMENT OF ASSESSMENT: Remedies of Association. Any assessment, whether pertaining to annual, emergency, or default Assessments, not paid within thirty (30) days of its due date will be delinquent. If an Assessment becomes delinquent, the Association's Board of Directors may, in its sole discretion, take any or all of the following actions:

- (a) Assess a late charge on the outstanding balance;
- (b) Assess an interest charge from the date of the delinquency at a rate per annum that is two percentage points above the prime rate charged by the Association's principal bank;

- (c) Suspend the voting rights of the delinquent Owner during any period of delinquency;
- (d) Suspend all privileges to recreational facilities, services, and amenities owned, managed, or controlled by the Association;
- (e) Accelerate any unpaid annual Assessments for the fiscal year such that they shall be due and payable at once;
- (f) Bring a legal action against any Owner personally obligated to pay the delinquent Assessments; and
- (g) File a statement of lien with respect of the Lot and foreclose as set forth in more detail below;
- (h) Suspend all clearing, construction, or approval of any other improvements on delinquent Owner's lot(s).

Failure of the Board to enforce any of the above-listed remedies does not constitute a waiver of the Board's right to enforce such remedies in the future.

8. **FILING A STATEMENT OF LIEN:** The Association's Board of Directors may file a statement of lien by recording with the Register of Deeds for Campbell County, Tennessee, a written statement with respect to the Lot setting forth the name(s) of the Owner, the legal description of the Lot, the name of the Association, and the amount of delinquent Assessments then owing and which shall be served upon the owner of the Lot by certified mail to the address of the Lot or at such other address as the Association may have in its records for the Owner. Thirty (30) days after the mailing of such notice, the Board may proceed to foreclose the lien in the same manner provided for the foreclosure of mortgages under the statutes of the State of Tennessee. Such lien shall be in favor of the Association for the benefit of all other Owners. In either a personal or foreclosure action, the Association shall be entitled to recover as part of the action interest, costs, and reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The remedies provided herein are not exclusive, and the Association may enforce any other remedies to collect delinquent Assessments that are provided by law.
9. **FURTHER AMENDMENT OF RESTRICTIONS:** The Developer continues to reserve the right to develop property in Deerfield Resort and to be involved in the promotion of Deerfield Resort. Effective upon the election of the Association's initial Board of Directors (the "Board"), the Developer assigns to the Board the sole authority to amend the Restrictions as they relate to previously conveyed and developed properties in Deerfield Resort; provided, however, that any property owned by the Developer in Deerfield Resort as of the effective date of this Amended Declaration shall not be subject to any regulations, Covenants or Restrictions adopted by the Board until such time as the Developer conveys

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undeveloped parcels and submits to the HOA and recorded restrictions. The Developer retains the right to amend the Restrictions and Covenants as they relate to undeveloped parcels.

FIELDS DEVELOPMENT COMPANY, INC.

BY: Paula Lejeune
Paula Lejeune

ITS: Secretary

BK/PG: M152/371-376	
24002044	
6 PGS-AL-AMENDED RESTRICTIONS	
ANGLE BATCH: 131864 05/02/2024 - 02:00 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	30.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	32.00

STATE OF TENNESSEE, CAMPBELL COUNTY
BRITTANY FOUST
REGISTER OF DEEDS

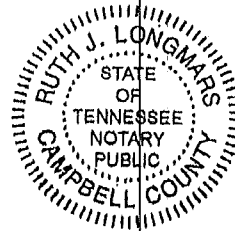
STATE OF TENNESSEE)
)
COUNTY OF CAMPBELL) ss.

Before me, Ruth J Longmars, of the state and county aforesaid, personally appeared, Paula Lejeune, with whom I am personally acquainted, and who, upon oath, acknowledged herself to be the Secretary of Fields Development Company, Inc., the within named bargainer and that she as Secretary of the said Fields Development Company, Inc., being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as Secretary.

Witness my hand and official seal, this 2ND day of May 2024.

Ruth J Longmars
Notary Public

My Commission expires: 9-29-2024



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- Hangar
- Home
- Condominium
- Garage
- Deer Hill Villa
- No Dot = Vacant Lot
- Deerfield Resort
- Golf Course
- NOT Deerfield
- Developer Owned
- Lake

- Well Head / Wellhouse
- Common Area
- Not Common Road



EXHIBIT
A