

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE AT MEMPHIS**

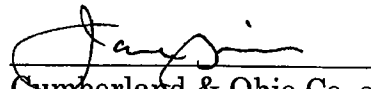
REGIONS BANK,)	
as Indenture Trustee,)	
)	
Plaintiff,)	
)	
v.)	Case No. 06-cv-2239-JPM
)	
CME-CORNERS, INC., and)	
THE HEALTH, EDUCATIONAL AND)	
HOUSING FACILITY BOARD OF THE)	
COUNTY OF SHELBY, TENNESSEE,)	
)	
Defendants.)	

**RECEIVER'S NOTICE OF RECEIVER'S REPORT
PURSUANT TO ORDER APPOINTING RECEIVER, GRANTING
INJUNCTIVE RELIEF, AND SETTING BOND**

TO THE HONORABLE JON PHIPPS MCCALLA
AND ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE THAT attached hereto is the Receiver's Report of actions taken for the periods August 16 – September 15 with September, October and November 2006 cash operating budgets. This Notice is in compliance with that certain Order Appointing Receiver, Granting Injunctive Relief, and Setting Bond, which was entered on May 4, 2006 and amended on May 9, 2006.

Respectfully submitted:


Cumberland & Ohio Co. of Texas
James A. Skinner, President
732 Harpeth Trace Drive
Nashville, Tennessee 37221
TEL (615) 352-2351
FAX (615) 352-9117
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CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Notice to be served via first-class mail, postage pre-paid, upon the following named parties to this action on this the 15th day of September, 2006.

CME-Corners, Inc. (Attention: Legal Department)
4466 Elvis Presley Boulevard, Suite 300
Memphis, TN 38116

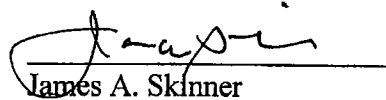
Dr. Annie J. Carter
2513 Oak Forrest Drive
Antioch, TN 37013

Farris Mathews Branan Bobango Hellen & Dunlap PLC (Attn: James E. Bailey III)
1 Commerce Square, Suite 2000
Memphis, TN 38103

The Health, Educational and Housing Facility Board
of the County of Shelby, Tennessee
c/o Donnie Wilson, County Attorney
160 North Main Street, Suite 801
Memphis, TN 38103

The Winchester Law Firm (Attn: Stephen L. Anderson)
6060 Poplar Avenue, Suite 295
P.O. Box 17236
Memphis, Tennessee 38187

Neal & Harwell, PLC
One Nashville Place, Suite 2000
150 4th Avenue North
Nashville, Tennessee 37219-2498
Attention: Tom Dundon, Esq.


James A. Skinner

RECEIVER'S REPORT SEPTEMBER 15, 2006

1. **SALE:** CB Richard Ellis Memphis reports that perspective buyers continue to tour and evaluate the project. Four prospects have toured twice and have indicated an interest but no offers have been received.
2. **OCCUPANCY:** Residents who have failed to bring their rents current are being evicted however new residents are being recruited and are moving in. Net occupancy remains at 18% with 31 residents.
3. **FINANCIAL RESULTS:**
 - Exhibit A: Cash receipts & disbursements 7/31/06 – 9/14/06
 - Exhibit B: Operating Budgets for September, October and November 2006

CME - Corners, Inc.- Operating account
Cash receipts and disbursements

<u>Date</u>	<u>Ck #</u>		<u>Debits</u>	<u>Credits</u>	<u>Adjusted Balance</u>
07/31/06		Balance forward			54,877.40
08/01/06	1050	Budget Premium Co - liab and prop insur		(8,760.75)	46,116.65
08/01/06	1051	Memphis City Wide Security		(1,889.00)	44,227.65
08/01/06	1052	ADT Security		(35.00)	44,192.65
08/01/06	1053	ADT Security		(45.00)	44,147.65
08/01/06	1054	Verizon/MCI - phone		(148.55)	43,999.10
08/01/06	deposit	Rent	1,390.00		45,389.10
08/02/06	1055	Memphis Light Gas and Water-utilities		(4,378.61)	41,010.49
08/02/06	1056	Puryear Hamilton Hausman and Wood - acctg		(2,442.12)	38,568.37
08/07/06	deposit	Rent	2,801.00		41,369.37
08/07/06	1057	Crocker and Niarhos - legal services		(2,207.71)	39,161.66
08/10/06	1058	Bowes Sewer and Drain - clear out sewer drain		(225.00)	38,936.66
08/10/06	deposit	Refund from Memphis light, gas, water	23,586.11		62,522.77
08/10/06	auto w/d	Payroll, net		(1,874.36)	60,648.41
08/10/06	auto w/d	Paychex EIB		(108.43)	60,539.98
08/11/06	auto w/d	Payroll taxes		(643.68)	59,896.30
08/11/06	deposit	Rent & Laundry	930.13		60,826.43
08/11/06	deposit	Rent	1,290.00		62,116.43
08/17/06	deposit	Transfer forfeited security deposits to operations	450.00		62,566.43
08/17/06	1059	Cumberland and Ohio Company of Texas		(11,000.00)	51,566.43
08/21/06	deposit	Rent	350.00		51,916.43
08/22/06	deposit	Rent	1,100.00		53,016.43
08/24/06	deposit	Transfer forfeited security deposits to operations	150.00		53,166.43
08/24/06	1060	C & C Construction pmt #1 to replace stolen A/C unit		(3,000.00)	50,166.43
08/24/06	deposit	Rent	999.00		51,165.43
08/24/06	auto w/d	Payroll, net		(1,874.36)	49,291.07
08/25/06	auto w/d	Payroll taxes		(614.32)	48,676.75
08/28/06	1061	CLM Landscape		(1,500.00)	47,176.75
08/28/06	1062	Bowes Sewer and Drain - clear out sewer drain		(194.00)	46,982.75
08/29/06	deposit	Rent	512.00		47,494.75
08/31/06	deposit	Rent	945.00		48,439.75
08/31/06	deposit	Rent	502.00		48,941.75
08/31/06	deposit	interest income for checking acct for Aug	10.19		48,951.94
08/31/06	auto w/d	Maintenance fee		(10.00)	48,941.94
08/31/06	auto w/d	Bank charges		(11.25)	48,930.69

Total August 2006

Total from Inception through August 31, 2006

		Balance forward			48,930.69
09/01/06	1063	Memphis City Wide Security		(1,889.00)	47,041.69
09/01/06	1064	Budget Premium Co - liab and prop insur		(8,760.75)	38,280.94
09/01/06	1065	Memphis Light Gas and Water-utilities		(4,118.39)	34,162.55
09/01/06	1066	Petty Cash		(587.65)	33,574.90
09/01/06	deposit	Rent	550.00		34,124.90
09/01/06	1067	ADT Security Services Inc.		(35.00)	34,089.90
09/01/06	1068	ADT Security Services Inc.		(45.00)	34,044.90
09/05/06	deposit	Rent	2,720.00		36,764.90
09/06/06	1069	Puryear Hamilton Hausman and Wood - acctg		(2,442.50)	34,322.40
09/06/06	1070	Crocker and Niarhos - legal services		(4,305.59)	30,016.81
09/07/06	deposit	Transfer forfeited security deposits to operations	150.00		30,166.81
09/08/06	deposit	Rent	540.00		30,706.81
09/12/06	deposit	Rent	855.00		31,561.81
09/12/06	1071	Petty Cash		(415.99)	31,145.82
09/12/06	1072	C & C Construction final pmt to replace stolen A/C unit		(1,850.00)	29,295.82
09/13/06	deposit	Rent and laundry	329.50		29,625.32
09/14/06	1073	CLM Landscape		(1,500.00)	28,125.32
09/14/06	1074	T and J Carpet Cleaning		(120.00)	28,005.32

CME - Corners, Inc.
Budgets
September, October, and November 2006

	<u>September 2006</u>	<u>October 2006</u>	<u>November 2006</u>
Opening balance	\$ 48,930.69	\$ 16,951.69	\$ 4,472.69
Cash receipts:			
Rental income	11,000.00	11,500.00	11,500.00
Other income	-	-	-
Priority loan	-	20,000.00	30,000.00
Total cash receipts	<u>11,000.00</u>	<u>31,500.00</u>	<u>41,500.00</u>
Cash disbursements:			
Petty Cash	525.00	525.00	525.00
Utilities	4,500.00	4,500.00	4,500.00
ADT Security	80.00	80.00	80.00
MCI/Phone	150.00	150.00	150.00
Security services-Memphis city wide	1,889.00	1,889.00	1,889.00
Lawn service	1,600.00	1,600.00	1,600.00
Payroll and payroll taxes	5,500.00	5,500.00	5,500.00
General maintenance	800.00	800.00	800.00
Late fees and bank charges	50.00	50.00	50.00
Background checks/credit reports	125.00	125.00	125.00
Property and General liability insurance	8,760.00	8,760.00	8,760.00
Accounting and legal	7,000.00	8,000.00	8,000.00
Receiver expenses	<u>12,000.00</u>	<u>12,000.00</u>	<u>12,000.00</u>
Total cash disbursements	<u>42,979.00</u>	<u>43,979.00</u>	<u>43,979.00</u>
Net cash receipts (disbursements)	<u>(31,979.00)</u>	<u>(12,479.00)</u>	<u>(2,479.00)</u>
Closing balance	<u>\$ 16,951.69</u>	<u>\$ 4,472.69</u>	<u>\$ 1,993.69</u>