

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 August, 2006.

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

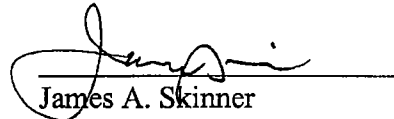
Dr. Annie J. Carter
2513 Oak Forrest Drive
Antioch, TN 37013

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 AUGUST 15, 2006

1. **SALE:** CB Richard Ellis Memphis has conducted tours of the facility over the past several weeks and obtained one Letter of Intent. Other prospective buyers are expected to make offers shortly.
2. **OCCUPANCY:** At August 1, 2006 there were 36 residents of which 4 were delinquent and given notice to become current or move by August 22, 2006. Occupancy is at 20%.
3. **BAR DATE:** The Bar Date and Proof of Claim forms were sent to 49 pre-receivership creditors.
4. **SUBPOENA OF TALIFARO:** Talifaro, Inc. response to subpoena has raised additional questions which Receiver's counsel is pursuing.
5. **MEMPHIS LIGHT, GAS & WATER:** On August 9, 2006 the refund of \$23,586.11 was received from Memphis Light, Gas & Water.
6. **FINANCIAL RESULTS:**
 - Exhibit A: Cash receipts & disbursements July 2006
 - Exhibit B: Budget v. Actual Operating Statement June 2006
 - Exhibit C: Budgets, July, August, September 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>
06/30/06		Balance forward			77,431.86
07/03/06		deposit Rent	645.00		78,076.86
07/05/06	1037	Budget Premium Co - liab and prop insur		(8,760.75)	69,316.11
07/06/06		deposit Rent	3,704.00		73,020.11
07/07/06		deposit Rent	1,005.00		74,025.11
07/10/06		deposit Rent	789.00		74,814.11
07/10/06	1038	Memphis Light Gas and Water-electricity		(5,709.11)	69,105.00
07/10/06	1039	Crocker and Niarhos - legal		(419.00)	68,686.00
07/10/06	1040	Puryear Hamilton Hausman and Wood - acctg		(3,100.09)	65,585.91
07/10/06		deposit Transfer from Security Deposit account	5,460.00		71,045.91
07/10/06		auto w/d Invoice for Paychex charges		(49.85)	70,996.06
07/13/06		deposit Remittance from Automatic Laundry Co., Ltd	148.88		71,144.94
07/13/06	1041	Anthony D Sledge - petty cash and phone		(558.77)	70,586.17
07/13/06		auto w/d Payroll, net		(2,266.16)	68,320.01
07/14/06		auto w/d Payroll taxes		(775.42)	67,544.59
07/17/06	1042	Petty Cash for unit repairs 3499 #3 and 3496 #1		(800.00)	66,744.59
07/17/06		deposit Rent	625.00		67,369.59
07/18/06	1043	ADT Security		(35.00)	67,334.59
07/18/06	1044	ADT Security		(45.00)	67,289.59
07/18/06	1045	Verizon/MCI - phone		(148.55)	67,141.04
07/19/06		deposit Rent	748.00		67,889.04
07/21/06		deposit Rent	947.00		68,836.04
07/21/06	1046	Petty Cash for replacement of stolen office equip		(1,080.69)	67,755.35
07/21/06	1047	Cumberland and Ohio Company of Texas		(11,625.00)	56,130.35
07/24/06		deposit Rent	1,054.00		57,184.35
07/25/06		deposit Rent	1,490.00		58,674.35
	1048	void			58,674.35
07/27/06		deposit Rent	495.00		59,169.35
07/27/06	1049	Callahan Landscape		(1,500.00)	57,669.35
07/27/06		auto w/d Payroll, net		(2,041.15)	55,628.20
07/28/06		auto w/d Payroll taxes		(742.15)	54,886.05
07/31/06		deposit interest income for checking acct for June	13.52		54,899.57
07/31/06		auto w/d Maintenance fee		(10.00)	54,889.57
07/31/06		auto w/d Bank charges		(12.17)	54,877.40

Corners, Inc.
July 2006 budget and actual -Operating account
Cash Basis

% Variance
Over (Under)
Budget

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Beginning Cash Balance	77,413.81	77,431.86	18.05	
Cash receipts:				
Rental income	11,000.00	11,502.00	502.00	4.56%
Other income	-	5,072.40	5,072.40	>99.99%
Total cash receipts	11,000.00	16,574.40	5,574.40	\$4,910 transfer from security depo acct

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Cash disbursements:				
Petty Cash	525.00	394.87	(130.13)	-24.79%
Petty cash -Replacement of stolen items	-	1,080.69	1,080.69	>99.99%
Utilities - Electricity and gas	2,500.00	2,846.17	346.17	13.85%
Utilities - Water and sewer	5,600.00	2,862.94	(2,737.06)	-48.88%
ADT Security	80.00	80.00	-	0.00%
MC/I/Phone	140.00	312.45	172.45	123.18%
Security services-Memphis city wide	1,889.00	-	(1,889.00)	-100.00%
Lawn service	1,600.00	1,500.00	(100.00)	-6.25%
Payroll and payroll taxes	7,700.00	5,824.88	(1,875.12)	-24.35%
Equipment lease (computer, fax, etc.)	100.00	-	(100.00)	-100.00%
General maintenance	800.00	800.00	-	0.00%
Office supplies	300.00	-	(300.00)	-100.00%
Security deposit refunds	-	(550.00)	(550.00)	>-99.99%
Late fees and bank charges	-	72.02	72.02	>99.99%
Background checks/credit reports	125.00	-	(125.00)	-100.00%
Property and General liability insurance	8,760.00	8,760.75	0.75	0.01%
Accounting and legal	8,000.00	3,519.09	(4,480.91)	-56.01%
Receiver expenses	14,000.00	11,625.00	(2,375.00)	-16.96%

Total cash disbursements	52,119.00	39,128.86	(12,990.14)	
Net cash receipts (disbursements)	(41,119.00)	(22,554.46)	18,564.54	

Ending Cash Balance	36,294.81	54,877.40	18,582.59	
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CME - Corners, Inc.
Budgets
July, August, and September 2006

	<u>July 2006</u>	<u>August 2006</u>	<u>September 2006</u>
Opening balance	\$ 77,413.81	\$ 36,294.81	\$ (4,324.19)
Cash receipts:			
Rental income	11,000.00	11,500.00	12,000.00
Other income	-	-	-
	<u>11,000.00</u>	<u>11,500.00</u>	<u>12,000.00</u>
Total cash receipts			
	<u>11,000.00</u>	<u>11,500.00</u>	<u>12,000.00</u>
Cash disbursements:			
Petty Cash	525.00	525.00	525.00
Utilities - Electricity	2,500.00	2,500.00	2,500.00
Utilities - Water and sewer	5,600.00	5,600.00	5,600.00
Utilities - Security deposit	-	-	-
ADT Security	80.00	80.00	80.00
MCI/Phone	140.00	140.00	140.00
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	7,700.00	7,700.00	7,700.00
Equipment lease	100.00	100.00	100.00
General maintenance	800.00	800.00	800.00
Office supplies	300.00	300.00	300.00
Late fees and bank charges	-	-	-
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	8,000.00	8,000.00	6,000.00
Receiver expenses	14,000.00	14,000.00	14,000.00
	<u>52,119.00</u>	<u>52,119.00</u>	<u>50,119.00</u>
Total cash disbursements			
	<u>52,119.00</u>	<u>52,119.00</u>	<u>50,119.00</u>
Net cash receipts (disbursements)	<u>(41,119.00)</u>	<u>(40,619.00)</u>	<u>(38,119.00)</u>
Closing balance	<u>\$ 36,294.81</u>	<u>\$ (4,324.19)</u>	<u>\$ (42,443.19)</u>