

From: [REDACTED] Angela - RD, McKinney, TX
To: [REDACTED] Michael - RD, Temple, TX
Cc: [REDACTED] Allen - RD, McKinney, TX; [REDACTED] Jerry - RD, Temple, TX
Subject: City of Hawk Cove
Date: Monday, March 25, 2019 11:37:27 AM

Good morning,

Received a call from Phyllis (Communities Unlimited) and Evelyn Cupit [REDACTED] apparently since Ms. Evelyn started working with the City. She advised them that they could no longer use funds from water/sewer revenues to fund general operating expenses for the City (Police Department, Salaries) etc. Rhonda (Police Chief/City Administrator) apparently has notified Ms. Evelyn that she is going to have shutdown the police department because they have no money to continue operations. Since Ms. Evelyn had been working with them they have accumulated (b) (4) in their water/sewer account.

The email below is from Ms. Evelyn stating to the City that she could not advise them on how to manage those funds (b) (4). Basically they want to use those funds to pay for city general operations, because that is what they have been doing all along. Basically borrower from Peter to pay Paul and never putting funds back in Peter's account. This is just her documentation that she would not take on that liability of advising them of that continued practice. But advised/reminded them of their loan covenants with USDA.

I just wanted to provide you a FYI

From: [REDACTED] CUPIT [REDACTED]
Sent: Monday, March 25, 2019 11:18 AM
To: City Of Hawk Cove <thecityofhawkcove@gmail.com>
Subject: ATTN: RHONDA

PER OUR CONVERSATION CALL TODAY WITH MYSELF, PHYLLIS, RHONDA AND TRICIA, I CAN NO LONGER ADVISE YOU HOW TO MANAGE THE INCOME AND EXPENSES OF THE CITY OF HAWK COVE. MOVE FORWARD WITH WHATEVER ACTIONS YOU DECIDE ARE IN COMPLIANCE WITH YOUR GOVERNING COVENANTS WITH THE USDA.

I WILL BE REQUESTING DOCUMENT TO DO THE FINANCIALS THAT THE BONDING COMPANY AND USDA NEED TO COMPLETE THEIR DOCUMENTS ON YOUR LOAN.

THANKS,
EVELYN CUPIT