

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap and utility cut-off and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

It is the customer's responsibility to properly maintain any grinder pumps located on their property. Corix will not be responsible for any maintenance, repair, or replacement costs associated with grinder pumps. Corix may levy a fee to inspect a grinder pump at the customer's request.

2.06 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University Of Southern California Manual Of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

### Section 2.10 - Billing

#### (A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

#### (B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

#### (C) Information on Bill

Each bill will provide all information required by the TCEQ Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

#### (D) Prorated Bills

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

### Section 2.12 - Service Disconnection

#### (A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TCEQ Rules.

#### (B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the TCEQ Rules.

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 24 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

### Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

### Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules.

### Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Commission on Environmental Quality complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

Please refer to the following pages to view:

- Section 3 (Extension Policy - Sewer)

## SECTION 3.0 -- EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TCEQ rules and policies, and upon extension of the Utility's certified service area boundaries by the TCEQ.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TCEQ rules and policies, and upon extension of the Utility's certificated service area boundaries by the TCEQ.

### SECTION 3.0 -- EXTENSION POLICY (Continued)

#### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the TCEQ's Executive Director, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the TCEQ Executive Director if

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

(Utility Name)

**SECTION 3.0 -- EXTENSION POLICY (Continued)**

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

Applicants may be subject to a Service Availability Review Fee, Engineering Review Fee and a Project Administration, Review & Inspection Fee for projects associated with extending service to Customers if deemed appropriate by the Utility. All such fees shall be charged based upon the cost incurred by the Utility.

The utility will bear the incremental cost of any over-sizing of sewer mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

**Section 3.03 - Contributions in Aid of Construction**

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage or Texas Commission on Environmental Quality minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the Texas Commission on Environmental Quality minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the Texas Commission on Environmental Quality minimum design criteria. As provided by 30 T.A.C. 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

### **SECTION 3.0 -- EXTENSION POLICY (Continued)**

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

#### Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, TCEQ rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

#### Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

(Utility Name)

### **SECTION 3.0 -- EXTENSION POLICY (Continued)**

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the TCEQ for resolution.

#### Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, TCEQ rules and/or TCEQ order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TCEQ rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by TCEQ rules.

#### Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

Please refer to the following pages to view:

- Appendix A - Application For Service Form
- Appendix B - Blank Application Form

APPENDIX A -- SAMPLE SERVICE AGREEMENT  
From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

- I. PURPOSE. The NAME OF SEWER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer system will not re-establish service unless it has a signed copy of this agreement.
  
- II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.
  - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).

- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises are connected to the Sewer System.
- B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Sewer System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Sewer System's normal business hours.
- C. The Sewer System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Sewer System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

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CUSTOMER'S SIGNATURE

DATE

APPENDIX B -- APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)



# WATER/WASTEWATER UTILITY APPLICATION

Corix Utilities (Texas) Inc.  
6836 Bee Caves Road, Ste. 209  
Austin, TX 78746  
Tel: 877-718-4396 Fax: 512-306-4009

Date: \_\_\_\_\_

Name of applicant: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Street or PO Box \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home phone: ( ) \_\_\_\_\_ Social Security #XXX-XX-\_\_\_\_\_

Work phone: ( ) \_\_\_\_\_ Cell phone: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

Name of authorized person to make changes to the account: \_\_\_\_\_

Address of requested service: \_\_\_\_\_  
Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

County: \_\_\_\_\_ Subdivision: \_\_\_\_\_ Block: \_\_\_\_\_ Lot: \_\_\_\_\_

### Services Requested

- water at existing location
- wastewater at existing location
  - with grinder pump
  - supplemental agreement executed
- water at a new location
- wastewater at a new location
  - with grinder pump
  - supplemental agreement executed

### Applicant is

- owner
- renter/leasee

### Meter Size

- 5/8"
- 3/4"
- 1"
- 

### Type of Customer

- Residential
- Commercial
- Mutli-Unit

- temporary service – Fire Hydrant Meter
- extension of service unserved area Landlord Account:  Yes  No

Approximate date service is needed: \_\_\_\_\_

Are you or any person authorized on this account 60 or older? (Please provide verification for age status)  
\_\_\_Yes \_\_\_No

I acknowledge by signing this agreement that upon accepting service I will be subject to the terms and conditions of retail water and/or wastewater service as contained in the Rate Schedule. I further acknowledge and agree that the terms and conditions of retail water and/or wastewater service contained in the Rate Schedule shall constitute a contract between CORIX and me and may be enforced as such.

Signature \_\_\_\_\_ Date \_\_\_\_\_

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**EXHIBIT J: CORIX INFRASTRUCTURE (US) INC. FINANCIAL STATEMENTS**

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Please refer to the following pages for Exhibit J, including:

- Historical Financial Statement - For Year End. December 31 2007-11
- Historical Financial Statement – 6 Month (June 30, 2012)
- Financial Ratios

Note: All financial data has been classified Confidential.



**Consolidated Financial Statements of  
CORIX INFRASTRUCTURE (US) INC.**  
For the Six Months Ended June 30, 2012  
*Unaudited - Prepared by Management*  
Expressed in Thousands of United States Dollars

	June 30, 2012	December 31, 2011
<b>Assets</b>		
Current assets		
Cash	\$ 22,380	2,363
Accounts receivable and unbilled revenues	44,551	38,407
Inventories	5,335	6,652
Income taxes recoverable	1,855	3,952
Prepaid expenses and deposits	1,910	1,704
Total current assets	76,031	53,078
Property, plant and equipment	383,675	380,722
Intangible assets	11,692	11,005
Goodwill	38,648	38,648
Future income tax assets	33,642	29,434
Other assets	10,834	14,016
	478,491	473,825
	\$ 554,522	\$ 526,903
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Bank indebtedness	\$ -	1,668
Accounts payable and accrued liabilities	17,793	14,425
Deferred revenues	1,332	1,309



**CORIX**

Current portion of debts and obligations	16,726	16,571
Total current liabilities	35,851	33,973
Capital lease obligation	19,458	18,810
Contracts payable	95,369	136,375
Long term debt	105,141	59,543
Future income tax liabilities	64,670	57,712
Other liabilities	18,472	19,792
Notes payable and due to affiliated companies	139,347	127,880
Total liabilities	478,308	454,085
Shareholders' equity		
Share capital	12,271	12,271
Contributed surplus	25,363	25,363
Retained earnings	38,580	35,184
	76,214	72,818
	\$ 554,522	\$ 526,903
Working Capital	\$ 40,180	\$ 19,105
Current Ratio (CA:CL)	2.12 to one	1.56 to one
Debt to Equity Ratio (D:Eq)	1.38 to one	0.82 to one
Equity to Total Assets (Eq:TA)	0.14 to one	0.14 to one

**CORIX INFRASTRUCTURE (US) INC.**  
Consolidated Statement of Earnings and Retained Earnings  
(Unaudited - Prepared by Management)  
Expressed in Thousands of United States Dollars

For the six months ended For the six months ended



**CORIX**<sup>®</sup>

FINANCIAL STATEMENTS  
STM AND CCN APPLICATIONS  
ACQUISITION OF WATER & WASTEWATER UTILITIES FROM LCRA



	June 30, 2012	June 30, 2011
Revenues	\$ 77,572	\$ 80,409
Cost of revenues	38,999	42,972
Gross margin	38,573	37,437
Selling, general and administration	11,250	9,657
Amortization	6,989	6,429
Foreign exchange loss (gain) from affiliated companies	(43)	649
Interest and financing	11,543	12,561
	29,739	29,296
Earnings before income taxes	8,834	8,141
Income tax expense (benefit)	5,438	5,940
Net earnings	\$ 3,396	\$ 2,201
Retained earnings, beginning of the year	\$ 35,184	\$ 27,875
Retained earnings, end of the year	\$ 38,580	\$ 30,076
% Increase – Revenues	-3.5%	
% Increase – Gross Margin	3.0%	
% Increase – Expenses	1.5%	

Confidential Financial Statements – Corix Infrastructure (US) Inc.



**Consolidated Financial Statements of  
CORIX INFRASTRUCTURE (US) INC.**  
For Each of the Five Years Ended December 31, 2011  
*Unaudited - Prepared by Management*  
*Expressed in Thousands of United States Dollars*

**CORIX INFRASTRUCTURE (US) INC.**  
Consolidated Balance Sheet  
(Unaudited - Prepared by Management)  
Expressed in Thousands of United States  
Dollars

	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
<b>Assets</b>					
Current assets					
Cash	\$ 2,363	\$ 13,947	\$ 7,502	\$ 5,672	\$ 5,048
Accounts receivable and unbilled revenues	38,407	39,054	24,203	17,119	8,065
Inventories	6,652	3,751	3,195	3,362	702
Income taxes recoverable	3,952	3,521	1,369	(18)	631
Prepaid expenses and deposits	1,704	1,552	1,400	869	773
<b>Total current assets</b>	<b>53,078</b>	<b>61,825</b>	<b>37,669</b>	<b>27,004</b>	<b>15,219</b>
Property, plant and equipment	380,722	346,349	200,151	64,982	24,937
Intangible assets	11,005	11,005	7,138	7,138	11,897
Goodwill	38,648	38,648	40,515	4,890	1,979
Future income tax assets					

Confidential Financial Statements – Corix Infrastructure (US) Inc.



Other assets	29,434	18,425	5,204	2,476	3,175
	14,016	12,140	4,026	1,123	2,412
	473,825	426,567	257,034	80,609	44,400
	\$ 526,903	\$ 488,392	\$ 294,703	\$ 107,613	\$ 59,619

**Liabilities and shareholders' equity**  
**Current liabilities**

Bank indebtedness	\$ 1,668	\$ -	\$ 2,552	\$ 3,375	\$ -
Accounts payable and accrued liabilities	14,425	16,630	15,301	11,162	4,347
Deferred revenues	1,309	1,330	1,288	2,854	-
Current portion of debts and obligations	16,571	19,263	6,414	2,136	223
Total current liabilities	33,973	37,223	25,555	19,527	4,570

Capital lease obligation	18,810	29,210	-	-	-
Contracts payable	136,375	91,297	103,428	25,703	-
Long term debt	59,543	91,370	57,839	14,071	9,685
Future income tax liabilities	57,712	41,655	18,793	8,201	9,373
Other liabilities	19,792	7,283	805	-	-
Notes payable and due to affiliated companies	127,880	139,945	60,749	16,753	19,834
Total liabilities	454,085	437,983	267,169	84,255	43,462

**Shareholders' equity**

Share capital	12,271	12,271	12,271	12,271	12,271
Contributed surplus	25,363	10,263	-	-	-



Retained earnings	35,184	27,875	15,263	11,087	3,886
	72,818	50,409	27,534	23,358	16,157
	\$ 526,903	\$ 488,392	\$ 294,703	\$ 107,613	\$ 59,619

Working Capital	\$ 19,105	\$ 24,602	\$ 12,114	\$ 7,477	\$ 10,649
Current Ratio (CA:CL)	1.56 to one	1.66 to one	1.47 to one	1.38 to one	3.33 to one
Debt to Equity Ratio (D:Eq)	0.82 to one	1.81 to one	2.10 to one	0.60 to one	0.60 to one
Equity to Total Assets (Eq:TA)	0.14 to one	0.10 to one	0.09 to one	0.22 to one	0.27 to one

CONFIDENTIAL



**CORIX INFRASTRUCTURE (US) INC.**  
**Consolidated Statement of Earnings and Retained Earnings**  
**(Unaudited - Prepared by Management)**  
**Expressed in Thousands of United States Dollars**

	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2007
Revenues	\$ 176,624	\$ 162,975	\$ 95,407	\$ 65,565	\$ 40,610	
Cost of revenues	97,713	93,574	64,323	47,692	28,909	
Gross margin	78,911	69,401	31,084	17,873	11,701	
Selling, general and administration	21,880	19,373	7,334	6,294	4,875	
Amortization	10,900	11,753	4,846	1,979	1,711	
Foreign exchange loss (gain) from affiliated companies	(490)	1,232	3,187	(3,742)	3,030	
Interest and financing	32,572	15,207	8,293	2,525	1,736	
	64,862	47,565	23,660	7,056	11,352	
Earnings before income taxes	14,049	21,836	7,424	10,817	349	
Income tax expense (benefit)	6,740	9,224	3,248	3,616	(2,079)	
Net earnings						\$

Confidential Financial Statements – Corix Infrastructure (US) Inc.



**CORIX**

FINANCIAL STATEMENTS  
STM AND CCN APPLICATIONS  
ACQUISITION OF WATER & WASTEWATER UTILITIES FROM LCRA

\$ 7,309      \$ 12,612      4,176      7,201      2,428

Retained earnings, beginning of the year      \$ 27,875      \$ 15,263      \$ 11,087      \$ 3,886      \$ 1,458

Retained earnings, end of the year      \$ 35,184      \$ 27,875      \$ 15,263      \$ 11,087      \$ 3,886

% Increase Per Year – Revenues	8.4%	70.8%	45.5%	61.5%
% Increase Per Year – Gross Margin	13.7%	123.3%	73.9%	52.7%
% Increase Per Year – Expenses	36.4%	101.0%	235.3%	-37.8%

CONFIDENTIAL

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**EXHIBIT K.1: SYSTEM SPECIFIC TECHNICAL DATA - ALLEYTON WATER**

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Please refer to the following pages for Exhibit K.1.

**SPECIFIC TECHNICAL DATA – ALLEYTON WATER SYSTEM**

17. A. For Water Systems. TCEQ Public Water System Identification Number: 0 4 5 0 0 8 7

Date of last inspection: 09/23/2010

**See attached Inspection Report in Section K.3 below**

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q 1 3 7 4 0 0 0 1

-Name of Permittee: Lower Colorado River Authority

-Date of application to transfer Discharge Permit submitted: \_\_\_\_\_

-Date of application to transfer Discharge Permit approved by TCEQ: \_\_\_\_\_

18. A. Are any improvements required to meet TCEQ standards?      Yes. If yes, please explain   X   No

B. Is there a moratorium on new connections?      Yes. If yes, please explain   X   No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries?      Yes   x   No

If yes, indicate the number of customers within the city limits or district boundaries:  
                 Water                  Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source?      Yes   X   No  
     Water      Sewer Purchased on a      Regular      Seasonal      Emergency Basis

• Source: \_\_\_\_\_ % of total supply: \_\_\_\_\_

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered	0	-2" meter	-Residential Connection	48
47	-5/8" or 3/4" meter	0	-3" meter	-Commercial Connection	2
0	-1" meter	0	-4" meter	-Industrial Connection	0
0	-1 1/2" meter	0	-Other	-Other	0
Total Water Connections:			47	Total Sewer Connections	50

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

Yes  No

If yes, please explain what steps are being taken to address the capacity issues:

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**EXHIBIT K.2: SYSTEM SPECIFIC TECHNICAL DATA - ALLEYTON WASTEWATER**

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Please refer to the following pages for Exhibit K.2.

## SPECIFIC TECHNICAL DATA - ALLEYTON WASTEWATER SYSTEM

17. A. For Water Systems. TCEQ Public Water System Identification Number: 04 50 08 7

Date of last inspection: 9/23/2010

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q 00 13 74 00 - 01

-Name of Permittee: Lower Colorado River Authority

-Date of application to transfer Discharge Permit submitted: \_\_\_\_\_

-Date of application to transfer Discharge Permit approved by TCEQ: \_\_\_\_\_

18. A. Are any improvements required to meet TCEQ standards?  Yes. If yes, please explain  No

B. Is there a moratorium on new connections?  Yes. If yes, please explain  No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries?  Yes  No

If yes, indicate the number of customers within the city limits or district boundaries:  
 Water  Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source?  Yes  No  
 Water  Sewer Purchased on a  Regular  Seasonal  Emergency Basis

• Source: \_\_\_\_\_ % of total supply: \_\_\_\_\_

21. List the number of existing connections to be effected by this transaction.

Water			Sewer	
-Non Metered	0	-2"meter	-Residential Connection	48

47	-5/8" or 3/4" meter	0	-3" meter	-Commercial Connection	2
0	-1" meter	0	-4" meter	-Industrial Connection	0
0	-1 1/2" meter	0	-Other	-Other	0
Total Water Connections:			47	Total Sewer Connections	50

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

     Yes       No

If yes, please explain what steps are being taken to address the capacity issues:

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**EXHIBIT K.3: INSPECTION REPORTS - ALLEYTON WATER AND WASTEWATER**

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Please refer the following page for Exhibit K.3, including:

- Water Inspection Report
- Wastewater Inspection Report

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



ORIGINAL

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BEM

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

October 19, 2010

Ms. Gloria Broussard, Sr. Env. Coordinator  
LCRA Alleyton Water System  
11612 Bee Caves Road Bldg 1 Suite # 150  
Austin, Texas 78738-0220

Re: Comprehensive Compliance Investigation at:  
Alleyton Water System, Alleyton Rd off FM 102 and I 10 West, Columbus, Colorado  
Co., TX  
TCEQ ID No. 0450087, Investigation No. 865102

Dear Ms. Broussard:

On September 23, 2010, Mr. David W. Livings, R.S. of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. David W. Livings, in the Houston Region Office at 713-767-3650.

Sincerely,

Leticia De Leon, Team Leader  
Public Water Supply  
Houston Region Office

LD/DWL/ra

REPLY TO: REGION 12 • 5425 POLK ST., STE. H • HOUSTON, TEXAS 77023-1452 • 713-767-3500 • FAX 713-767-3520

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • [www.tceq.state.tx.us](http://www.tceq.state.tx.us)

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*

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## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 19, 2011

Ms. Gloria Broussard, Senior Environmental Coordinator  
Lower Colorado River Authority  
PO Box 220  
MC: S516  
Austin, Texas 78767

Re: Notice of Compliance with Notice of Violation (NOV) dated January 21, 2011:  
Lower Colorado River Authority (LCRA) – Alleyton Wastewater Treatment Plant  
1000 Alleyton Road, Alleyton, (Colorado County), Texas  
TPDES Permit No. WQ0013740001, EPA ID No. TX 0115819

Dear Ms. Broussard:

This letter is to inform you that Texas Commission on Environmental Quality (TCEQ) Houston Region Office received adequate compliance documentation on February 2, 2011 to resolve the alleged violations documented during the investigation of the above-referenced regulated entity conducted on November 23, 2010. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Mr. Scott Avis in the Houston Region Office at 713-767-3656.

Sincerely,



Barbara Sullivan  
Team Leader  
Water Quality Management  
Region 12 Houston

BSS/SIA/cs

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*

ALY-WW  
1002.04  
PERM

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 21, 2011

**CERTIFIED MAIL 7010 1060 0000 1279 4251  
RETURN RECEIPT REQUESTED**

Ms. Gloria Broussard, Senior Environmental Coordinator  
Lower Colorado River Authority  
11612 Bee Caves Road, Bldg. 1, STE. 150  
Austin, Texas 78738

Re: Notice of Violation for the Compliance Evaluation Investigation at:  
Lower Colorado River Authority (LCRA) -- Alleyton Wastewater Treatment Plant  
1000 Alleyton Road, Alleyton, (Colorado County), Texas  
TPDES Permit No. WQ0013740001, EPA ID No. TX 0115819

Dear Mayor Parker:

On November 23, 2010, Scott Avis of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for wastewater treatment. Enclosed is a summary which lists the investigation findings. During the investigation, one concern was noted as an additional issue. In addition, one outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by February 22, 2011 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation.

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules (GI 032)* are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Houston Region Office at (713) 767-3500 or the Central Office Publications Ordering Team at 512-239-0028. Copies of applicable federal regulations may be obtained by calling Environmental Protection Agency's Publications at 800-490-9198.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-Reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, Ms. Barbara Sullivan,

REPLY TO: REGION 12 • 5425 POLK ST., STE. H • HOUSTON, TEXAS 77023-1452 • 713-767-3500 • FAX 713-767-3520

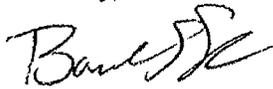
P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • [www.tceq.state.tx.us](http://www.tceq.state.tx.us)

Gloria Broussard  
Page 2  
January 21, 2011

Water Quality Team Leader will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Scott Avis in the Houston Region Office at 713-767-3656.

Sincerely,



Barbara Sullivan  
Team Leader  
Water Quality Management  
Region 12 Houston

BSS/SIA/cs

Enclosures: Summary of Investigation Findings

# Summary of Investigation Findings

ALLEYTON FACILITY

Investigation # 878819

, COLORADO COUNTY,

Investigation Date: 11/23/2010

Additional ID(s): WQ0013740001  
TX0115819

## OUTSTANDING ALLEGED VIOLATION(S)

Track No: 421283 Compliance Due Date: 02/15/2011  
30 TAC Chapter 305.125(1)

PERMIT TPDES Permit No. WQ0013740001  
Effluent Limitations and Monitoring Requirements No. 2

### Alleged Violation:

Investigation: 878819

Comment Date: 1/21/2011

Failure to maintain compliance with the permitted effluent limits. Specifically, the grab sample collected during the investigation was not compliant with the single grab permit limit of 1.0 mg/L to 4.0 mg/L for total chlorine residual. The result of the total chlorine residual analysis was 4.33 mg/L. Compliance with permitted effluent limits must be maintained.

**Recommended Corrective Action:** Submit documentation indicating the chlorine residual is within the permit limits and submit the corrective steps taken to prevent the recurrence of total chlorine residual violations.

## ADDITIONAL ISSUES

### Description

Aeration basin(s) or tank(s)?

### Additional Comments

At the time of the investigation, the thirty-minute settleable solids concentration was 80% in the aeration basin. A mixed liquor suspended solids sample was taken with a result of 7,620 mg/L. In addition, the clarifier contained four foot of sludge in an eight foot depth. No sludge was observed in the chlorine contact chamber or the receiving stream. Solids levels in the plant should be reduced such that the thirty-minute settleable solids concentration is between 30% and 60% and the sludge blanket in the clarifier is less than 25% of the total water depth to prevent the discharge of sludge into the receiving stream.

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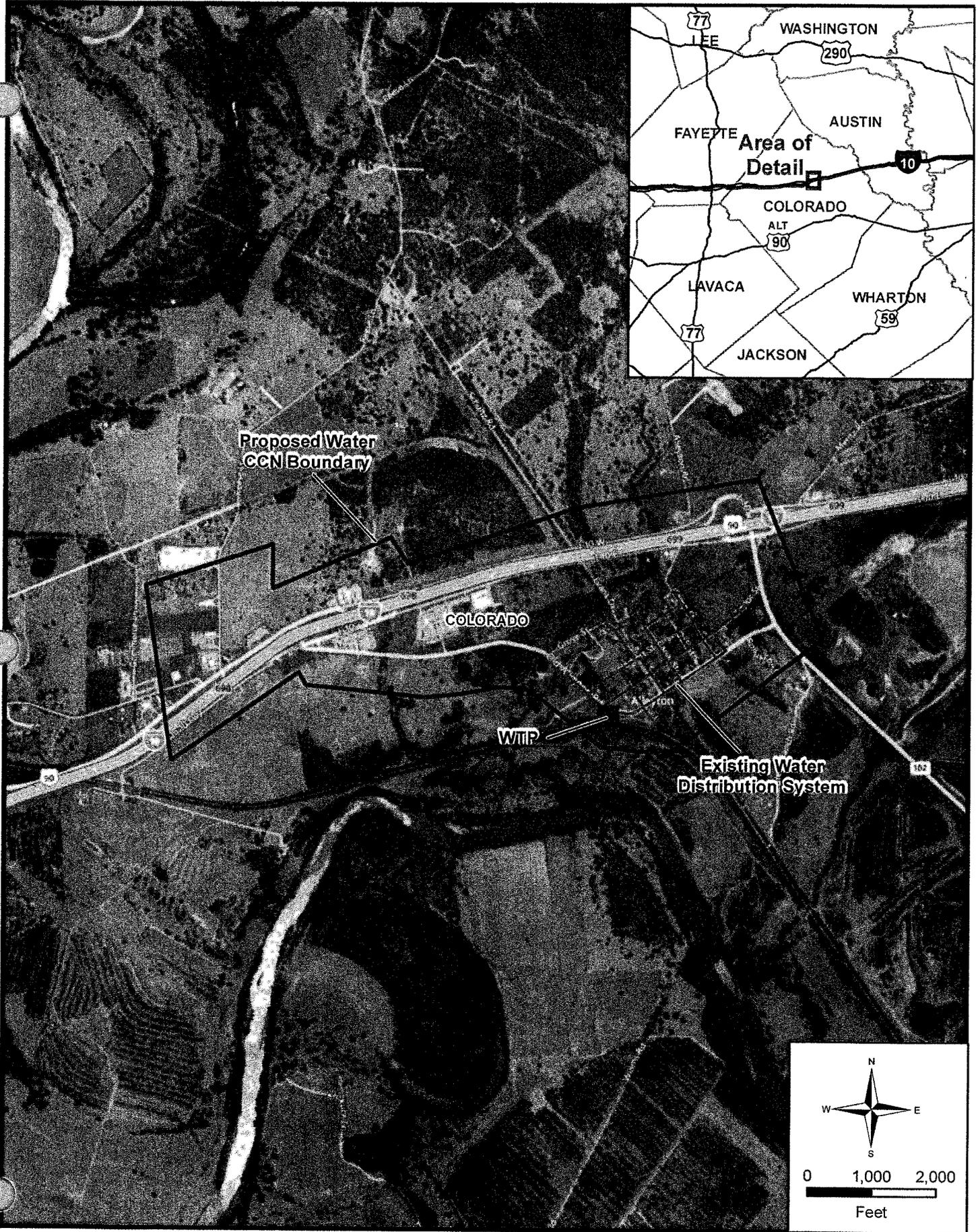
**EXHIBIT L: SYSTEM SPECIFIC MAPS**

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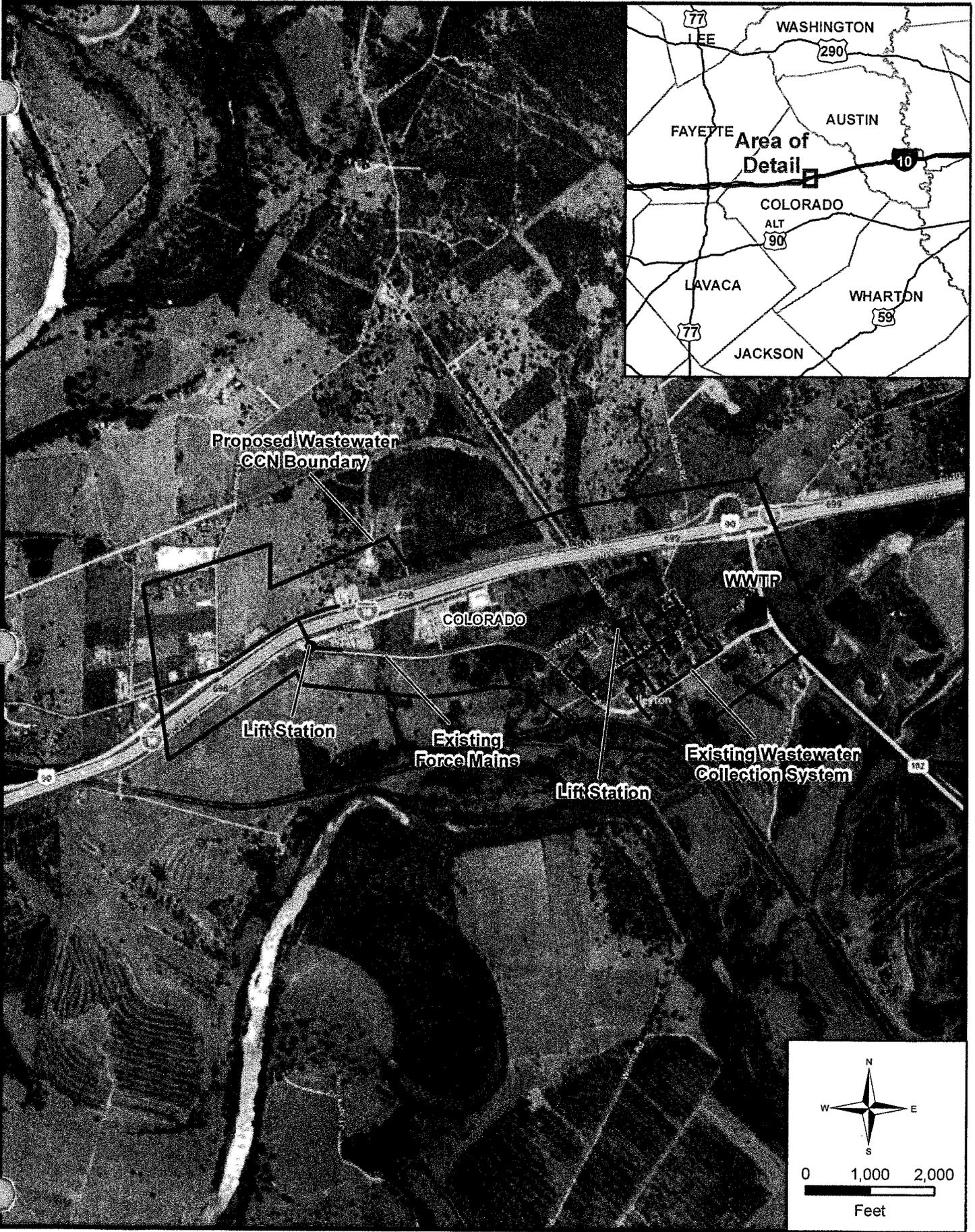
Please refer to the following pages for Exhibit L, including:

- Water System Maps
- Wastewater System Maps

To view the GIS Maps, please refer to the attached CDrom (inside front cover).



**Question 24 - Attachment 1**  
**Alleynon - Proposed Water CCN Boundary**



**Question 24 - Attachment 1**  
**Alleynon - Proposed Wastewater CCN Boundary**

**+Exhibit O – Oath of Purchaser**  
**OATH FOR PURCHASER OR ACQUIRING ENTITY**

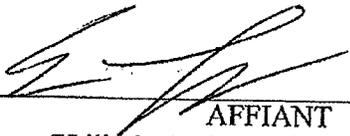
STATE OF Texas

COUNTY OF Travis

I, EDWARD YANOSHITA, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as GENERAL MANAGER  
(indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

  
\_\_\_\_\_  
AFFIANT  
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

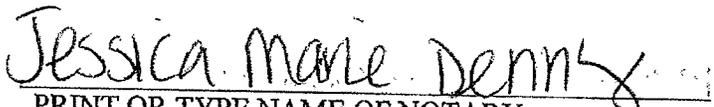
Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, day 1st of NOV., 20 12.

SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 2/3/2014

CORIX UTILITIES (TEXAS) INC.

INCUMBENCY CERTIFICATE

I, HAMISH CUMMING, HEREBY CERTIFY THAT:

1. I am the duly appointed Corporate Secretary of Corix Utilities (Texas) Inc. (the "Corporation"), a corporation organized under the laws of Delaware, and as such have access to its corporate records and am familiar with the matters herein certified.
2. Edward Yanoshita, General Manager of the Corporation, has authority to file the application on behalf of the Corporation with the Texas Commission on Environmental Quality and in connection therewith to swear the Oath of Purchaser for the Corporation.

IN WITNESS WHEREOF I have set my hand in the name and on behalf of the Corporation effective this 1<sup>st</sup> day of November, 2012.



Corporate Secretary

---

**EXHIBIT M: NOTICE TO CUSTOMERS (FORMS A AND B)**

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Please refer to the following pages for Exhibit M, including:

- Form A: Notice to Current Customers, Neighboring Systems, and Cities
- Form B: Notice to Current Customers, Neighboring Systems, Landowners and Cities

## CUSTOMER NOTICES

**FORM A**

Alleyton Water and Wastewater Systems

Application No. (# to be assigned)

***Notice to Current Customers, Neighboring Systems, and Cities***

THE LOWER COLORADO RIVER AUTHORITY'S NOTICE OF INTENT TO SELL FACILITIES TO CORIX UTILITIES (TEXAS) INC. AND FOR CORIX UTILITIES (TEXAS) INC. TO OBTAIN WATER AND WASTEWATER CERTIFICATES OF CONVENIENCE AND NECESSITY IN COLORADO COUNTY, TEXAS.

To: (Neighboring System)  
(System Address)  
(City), Texas (Zip)

Date Notice Mailed: December \_\_, 2013

The Lower Colorado River Authority, P.O. Box 220, Austin, Texas 78767-0220 has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer Water and Wastewater CCN Nos. (# to be assigned) in Colorado County, Texas to Corix Utilities (Texas) Inc., 6836 Bee Caves Road, Suite 209, Austin, Texas 78746.

The transferee has also requested to obtain water and wastewater CCNs in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A, Water Code §13.301). The transaction and the proposed service area include the following subdivision and zip codes:

Subdivisions: Community of Alleyton      Zip Codes: 78934 and 78935

The area subject to this transaction is located approximately four miles east of downtown Columbus, Texas, and is generally bounded on the north by a quarter mile buffer off I-10; on the east by FM 102; on the south by a half mile buffer off I-10; and on the west by Commerce Lane.

The total area being requested includes approximately 630 acres (water and wastewater) and currently serves 47 water customers and 50 wastewater customers.

This transaction will have the following effect on the current customer's rates and services: Corix proposes to adopt the existing rates currently charged by LCRA and maintain those rates for a 12-month period following our acquisition of the utilities. During this 12 month period, Corix will undertake detailed cost of service studies. After the 12 month period and based on the results of the cost of service studies, Corix will be better able to determine any required rate adjustments.

---

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

1. state your name, mailing address, and daytime telephone number;
2. state the applicant's name, application number, or other recognizable reference to this application;
3. include the statement "I/we request a public hearing";

4. write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
5. state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after the publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality  
Water Supply Division  
Utilities and Districts Section, MC-153  
P.O. Box 13087, Austin, Texas 78711-3087

**Se desea informacion on Espanol, puede llamar al 512-239-0200**

Darrin Barker, Operations Manager  
Utility Representative

Corix Utilities (Texas) Inc.  
Utility Name

**FORM B**

Application No. (App #)

***Notice to Current Customers, Neighboring Systems, Landowner and Cities***

LOWER COLORADO RIVER AUTHORITY'S NOTICE OF INTENT TO SELL FACILITIES TO CORIX UTILITIES, TEXAS AND FOR CORIX TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN (COUNTY NAME) COUNTY, TEXAS.

To: (Neighboring System)  
(System Address)  
(City), Texas (Zip)

Date Notice Mailed: December \_\_, 2013

Lower Colorado River Authority, P.O. Box 220, Austin, Texas 78767-0220 has submitted an application with the Texas Commission on Environmental Quality to sell (System Type) Facilities in (County Name) County to:

Corix Utilities (Texas) Inc., Suite 209, 6836 Bee Caves Road, Austin, Texas 78746

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A, Water Code §13.301). The transaction and the proposed service area include the following subdivision(s) and zip codes:

(Subdivision list)  
(Zipcode list)

The area subject to this transaction is located approximately (Distance) miles (Direction) of downtown (CityName), Texas, and is generally bounded on the north by \_\_\_\_\_; on the east by \_\_\_\_\_; on the south by \_\_\_\_\_; and on the west by \_\_\_\_\_.

The total area being requested includes approximately (Service Area) acres and serves (Customer Number) current customers.

This transaction will have the following effect on the current customer's rates and services  
\_\_\_\_\_.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

1. state your name, mailing address, and daytime telephone number;
2. state the applicant's name, application number, or other recognizable reference to this application;
3. include the statement "I/we request a public hearing";
4. write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
5. state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after the publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality  
Water Supply Division  
Utilities and Districts Section, MC-153  
P.O. Box 13087, Austin, Texas 78711-3087

**Se desea informacion on Espanol, puede llamar al 512-239-0200**

Darrin Barker, Operations Manager  
Utility Representative

Corix Utilities (Texas) Inc.  
Utility Name

**EXHIBIT N: OATH OF SELLER**

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Please refer to the following page for Exhibit N.

**EXHIBIT N  
OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF TRAVIS

I, Rebecca S. Motal, being duly sworn, file this application for sale, lease, rental or merger or consolidation as General Manager (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

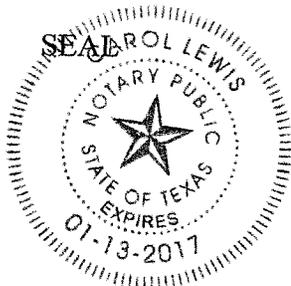
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.

  
\_\_\_\_\_  
AFFIANT (Utility's Authorized Representative)



If the Affiant to this form is any person other than the sole owner, partner, officer of the applicant or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State and County above-named, this 26th day of April, 2013.



  
\_\_\_\_\_  
Notary Public in and for the State of Texas

Carol Lewis  
\_\_\_\_\_  
Print Name of Notary  
My Commission Expires: 1/13/17

One copy of this page must be submitted for each utility involved in this transaction.

Alleyton Water and Wastewater System

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**EXHIBIT O: OATH OF PURCHASER**

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Please refer to the following page for Exhibit O, including Certificate of Incumbency.

**Exhibit O – Oath of Purchaser**  
**OATH FOR PURCHASER OR ACQUIRING ENTITY**

STATE OF Texas

COUNTY OF Travis

I, EDWARD YANOSHITA, being duly sworn, file this application for sale, lease, rental or merger or consolidation as GENERAL MANAGER (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

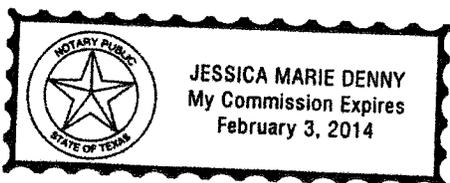
  
\_\_\_\_\_  
AFFIANT  
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, day 14 of NOV, 20 12.

SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 2/3/2014

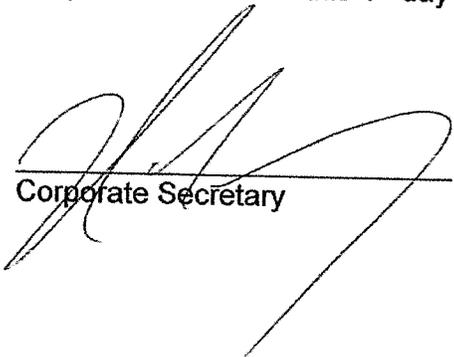
CORIX UTILITIES (TEXAS) INC.

INCUMBENCY CERTIFICATE

I, HAMISH CUMMING, HEREBY CERTIFY THAT:

1. I am the duly appointed Corporate Secretary of Corix Utilities (Texas) Inc. (the "Corporation"), a corporation organized under the laws of Delaware, and as such have access to its corporate records and am familiar with the matters herein certified.
2. Edward Yanoshita, General Manager of the Corporation, has authority to file the application on behalf of the Corporation with the Texas Commission on Environmental Quality and in connection therewith to swear the Oath of Purchaser for the Corporation.

IN WITNESS WHEREOF I have set my hand in the name and on behalf of the Corporation effective this 1<sup>st</sup> day of November, 2012.



Corporate Secretary