General Ledger
Transaction Detail
NOV 2011 To NOV 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131.25 CASH IN BANK - AVALON WATER CONS					Department: 0		Beginning Balance:	41[illegible]
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:							0.00	
Grand Total:						415.27	0.00	41[illegible]

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
OCTOBER 2011

Bank:	Citizens State Bank - Itasca	131 25	Fund Account:	30404970 Construction
Book	Balance as of September 30, 2011			$ 415 27
	Debits:			
	Deposits		$ -	
	Interest		$ -	
	Misc.		$ -	
			-	
	Subtotal			$ 415 27
	Credits:			
	Checks		$ -	
	Returned Checks & ACH Returns		$ -	
	Returned Check Charges		$ -	
	Bank Service Charges		$ -	
	Misc Adjustments: Check Printing		$ -	
			$ -	$ -
	Balance After Adjustments:			**$ 415.27**
	Balance as of October 31, 2011			$ 415 27
	Outstanding Deposits to bank.		$ -	
	Outstanding Deposits to book		$ -	
			$ -	
	Misc Adjustments		$ -	
			$ -	
	Subtotal		$ -	$ 415 27
	Outstanding Checks		$ -	
	Other Outstanding Withdrawals			
			-	
	Balance After Adjustments:			**$ 415.27**

Prepared by Joe Lol Date 11/2/11

Reviewed by Paula Farquhar Date 11-7-11

AVALON002412

CITIZENS STATE BANK

PO Box 278
Buffalo, TX 75831
Phone (903) 322-4256

ACCOUNT: 30404970 10/31/2011
DOCUMENTS: 0

BUF1

Return Service Requested

002989 0.4500 AV 0.240 TR00012

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX 76055-0246

ID THEFT PROTECTION TIP-Never give out account numbers or other personal financial information, unless you can validate the authenticity of the requestor.

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT 09/30/11		415.27
	CREDITS	.00
	DEBITS	.00
THIS STATEMENT 10/31/11		415.27

- - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

BUF1 001 002989 001 000 111101 002989 X02

AVALON002413

General Ledger
Transaction Detail
OCT 2011 To OCT 2011

AVALON002414

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131.25 CASH IN BANK - AVALON WATER CONS					Department: 0		Beginning Balance:	[illegible]
Grand Total Beginning Balance:						415.27	0.00	
Grand Total Transactions:							0.00	
Grand Total:						415.27	0.00	[illegible]

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
SEPTEMBER 2011

Bank. Citizens State Bank - Itasca 131 25 Fund Account. 30404970 Construction

Book	Balance as of August 31, 2011		$ 415.27
	Debits:		
	Deposits	$ -	
	Interest	$ -	
	Misc.	$ -	
		-	-
	Subtotal		$ 415.27
	Credits:		
	Checks	$ -	
	Returned Checks & ACH Returns	$ -	
	Returned Check Charges	$ -	
	Bank Service Charges	$ -	
	Misc Adjustments. Check Printing	$ -	
		-	
		$ -	$ -
	Balance After Adjustments:		**$ 415.27**
	Balance as of September 30, 2011		$ 415.27
	Outstanding Deposits to bank.	$ -	
	Outstanding Deposits to book:		
		$ -	
	Misc Adjustments:	$ -	
		$ -	
	Subtotal	$ -	- $ 415.27
	Outstanding Checks	$ -	
	Other Outstanding Withdrawals		
		-	-
	Balance After Adjustments:		**$ 415.27**

Prepared by: Joe Keler Date: 10-11-11

Reviewed by: Paula Farquhar Date: 10-11-11

AVALON002415

CITIZENS STATE BANK

PO Box 279
Buffalo, TX 75831
Phone (903) 322-4256

PAGE: 1

ACCOUNT: 30404970 09/30/2011
DOCUMENTS: 0

Return Service Requested

BUF1

003110 0.5600 AV 0.340 TP00014

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX 76055-0246

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT 08/31/11		[illegible]
	CREDITS	.00
	DEBITS	.00
THIS STATEMENT 09/30/11		[illegible]

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

BUF1-001-003010 001-000-111003 003010 3E5

AVALON002416

General Ledger
Transaction Detail
SEP 2011 To SEP 2011

AVALON002417

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 25 CASH IN BANK - AVALON WATER CONS					Department: 0		Beginning Balance:	[illegible]
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:							0.00	
Grand Total:						415.27	0.00	[illegible]

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
AUGUST 2011

Bank:	Citizens State Bank - Itasca	131 25	Fund Account:	30404970 Construction
Book	Balance as of July 31, 2011			$ 415 27
	Debits:			
	Deposits	$ -		
	Interest	$ -		
	Misc	$ -		
		-		
	Subtotal			$ 415.27
	Credits:			
	Checks	$ -		
	Returned Checks & ACH Returns	$ -		
	Returned Check Charges	$ -		
	Bank Service Charges	$ -		
	Misc Adjustments. Check Printing	$		
		$ -		$ -
	Balance After Adjustments:			**$ 415.27**
	Balance as of August 31, 2011			$ 415 27
	Outstanding Deposits to bank:	$ -		
	Outstanding Deposits to book bk refunding fee	$ -		
		$ -		
	Misc Adjustments	$ -		
		$ -		
	Subtotal	$ -		$ 415.27
	Outstanding Checks	$ -		
	Other Outstanding Withdrawals			
		-		
	Balance After Adjustments:			**$ 415.27**

Prepared by ______ Date 9-12-11

Reviewed by: Paula Farquhar Date. 9-12-11

AVALON002418

CITIZENS
STATE BANK

PO Box 278
Buffalo, TX 75831
Phone (903) 322-4256

ACCOUNT: 30404970 PAGE: 1
DOCUMENTS: 0 08/31/2011

Return Service Requested

BUF1

038004 0.5050 AV 0 340 TR00013

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX 76055-0246

CHANGE IN TERMS AND CONDITIONS: Effective July 21,2011, If we place hold on your deposit, the first $200.00 of your deposit will be available on the first business day following your deposit.
Effective August 1, 2011 Citizens State Bank's Overdraft Fee and Return Item Fee will increase to $30.00 per item.

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT 07/29/11		415.27
	CREDITS	.00
	DEBITS	.00
THIS STATEMENT 08/31/11		415.27

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

BUF1 001 038004 001 000 119001 S07R004 X04
76055024646

AVALON002419

General Ledger
Transaction Detail
AUG 2011 To AUG 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131.25 CASH IN BANK - AVALON WATER CONS					Department: 0		Beginning Balance:	415.27
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						415.27	0.00	

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
JULY 2011

Bank	Citizens State Bank - Itasca	131 25	Fund Account	30404970	Construction
Book	Balance as of June 30, 2011			$	415.27
	Debits:				
	Deposits	$ -			
	Interest	$ -			
	Misc	$ -			
		-			-
	Subtotal			$	415.27
	Credits:				
	Checks	$ -			
	Returned Checks & ACH Returns	$ -			
	Returned Check Charges	$ -			
	Bank Service Charges	$ -			
	Misc Adjustments. Check Printing	$ -			
		$ -		$	-
	Balance After Adjustments:			**$**	**415.27**
	Balance as of July 31, 2011			$	415.27
	Outstanding Deposits to bank	$ -			
	Outstanding Deposits to book.	$ -			
		$ -			
	Misc Adjustments.	$ -			
		$ -			-
	Subtotal	$ -		$	415.27
	Outstanding Checks	$ -			
	Other Outstanding Withdrawals				
		-			-
	Balance After Adjustments:			**$**	**415.27**

Prepared by. [signature] Date. 8-9-11

Reviewed by Paula Farquhar Date 8-9-11

AVALON002421

CITIZENS STATE BANK

PO Box 276
Buffalo TX 75831
Phone (903) 322 4256

ACCOUNT: 30404976 PAGE: 1
DOCUMENTS: 1 07/29/2011

Return Service Requested

BUFI

000669 0.4500 AV 0.340 TR00012

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX [illegible]

CHANGE IN TERMS AND CONDITIONS: Effective July 21, 2011, If we place hold on your deposit, the first $200.00 of your deposit will be available on the first business day following your deposit.
Effective August 1, 2011 Citizens State Bank's Overdraft Fee and Return Item Fee will increase to $30.00 per item.

COMMERCIAL CHECKING ACCOUNT 30404976

LAST STATEMENT 06/30/11	415.27
CREDITS	.00
DEBITS	.00
THIS STATEMENT 07/29/11	415.27

ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

AVALON002422

Avalon Water Supply

Revision: 45187

08/09/2011 11:38:34 am

General Ledger
Transaction Detail

Page: 1

JUL 2011 To JUL 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 25	CASH IN BANK - AVALON WATER CONS			Department: 0			Beginning Balance	41[illegible]
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						415.27	0.00	41[illegible]

AVALON02423

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
JUNE 2011

Bank: Citizens State Bank - Itasca 131.25 Fund Account: 30404970 Construction

Book	Balance as of May 31, 2011		$ 415.27
	Debits:		
	Deposits	$ -	
	Interest	$ -	
	Misc.	$ -	
		-	
	Subtotal		$ 415.27
	Credits:		
	Checks	$ -	
	Returned Checks & ACH Returns	$ -	
	Returned Check Charges	$ -	
	Bank Service Charges	$ -	
	Misc Adjustments. Check Printing	$ -	
		-	$ -
	Balance After Adjustments:	$ -	**$ 415.27**
	Balance as of June 30, 2011		$ 415.27
	Outstanding Deposits to bank.	$ -	
	Outstanding Deposits to book:	$ -	
		$ -	
	Misc Adjustments.	$ -	
		$ -	-
	Subtotal	$ -	$ 415.27
	Outstanding Checks	$ -	
	Other Outstanding Withdrawals		
		-	-
	Balance After Adjustments:		**$ 415.27**

Prepared by [signature] Date. 7-8-11

Reviewed by Paula Farquhar Date: 7-8-11

AVALON002424

CITIZENS STATE BANK

PO Box 278
Buffalo, TX 75831
Phone (903) 322-4256

Return Service Requested

RIF1

ACCOUNT: 30404970
DOCUMENTS: 0

PAGE: 1
06/30/2011

002984 0.4500 AV 0.340 TR00012

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 146
ITASCA TX 76055-0146

CHANGE IN TERMS AND CONDITIONS: Effective July 21,2011, if we place hold on your deposit, the first $200.00 of your deposit will be available on the first business day following your deposit.
Effective August 1, 2011 Citizens State Bank's Overdraft Fee and Return Item Fee will increase to $30.00 per item.

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT	05/31/11	415.27
CREDITS		.00
DEBITS		.00
THIS STATEMENT	06/30/11	415.27

- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

AVALON002425

07/08/2011 2:17:08 pm

General Ledger
Transaction Detail

AVALON002426

JUN 2011 To JUN 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 25 CASH IN BANK - AVALON WATER CONS					Department: 0		Beginning Balance:	415.27
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						415.27	0.00	415.27

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
MAY 2011

Bank	Citizens State Bank - Itasca	131.25	Fund Account	30404970 Construction
Book	Balance as of April 30, 2011			$ 415.27
	Debits:			
	Deposits	$ -		
	Interest	$ -		
	Misc.	$ -		
		-		-
	Subtotal			$ 415.27
	Credits:			
	Checks	$ -		
	Returned Checks & ACH Returns	$ -		
	Returned Check Charges	$ -		
	Bank Service Charges	$ -		
	Misc Adjustments. Check Printing	$ -		
		$ -		$ -
	Balance After Adjustments:			**$ 415.27**
	Balance as of May 31, 2011			$ 415.27
	Outstanding Deposits to bank.	$ -		
	Outstanding Deposits to book	$ -		
		$ -		
	Misc Adjustments	$ -		
		$ -		-
	Subtotal	$ -		$ 415.27
	Outstanding Checks	$.		
	Other Outstanding Withdrawals			
		-		-
	Balance After Adjustments:			**$ 415.27**

Prepared by: [signature] Date: 6/2/11

Reviewed by: Paula Farquhar Date: 6-7-11

CITIZENS STATE BANK

PO Box 278
Buffalo, TX 75831
Phone (903) 322-4256

PAGE: [illegible]

ACCOUNT: [illegible] [illegible]/2011
DOCUMENTS: [illegible]

BUF1

Return Service Requested

002822 [illegible] AV 0 340 TR00011

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITALY TX 76651 0246

CHANGE IN TERMS AND CONDITIONS: Effective August [illegible], 2011 Citizens State Bank's Overdraft Fee and Return Item Fee will increase to $30.00 per item

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT 04/29/11		[illegible]
	CREDITS	.00
	DEBITS	.00
THIS STATEMENT 05/[illegible]/11		[illegible]

- - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

AVALON002428

General Ledger
Transaction Detail
MAY 2011 To MAY 2011

Date	Journal Description	Acts	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 25 CASH IN BANK - AVALON WATER CONS				Department 0			Beginning Balance	[illegible]
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						415.27	0.00	[illegible]

AVALON002429

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
APRIL 2011

Bank: Citizens State Bank - Itasca 131 25 Fund Account: 30404970 Construction

Book	Balance as of March 31, 2011			$ 415.27
	Debits:			
	Deposits	$	-	
	Interest	$	-	
	Misc.	$	-	
			-	-
	Subtotal			$ 415.27
	Credits:			
	Checks	$	-	
	Returned Checks & ACH Returns	$	-	
	Returned Check Charges	$	-	
	Bank Service Charges	$	-	
	Misc Adjustments: Check Printing	$	-	
			-	
		$	-	$ -
	Balance After Adjustments:			**$ 415.27**
	Balance as of April 30, 2011			$ 415.27
	Outstanding Deposits to bank	$	-	
	Outstanding Deposits to book:	$	-	
		$	-	
	Misc Adjustments:	$	-	
		$	-	-
	Subtotal	$	-	$ 415.27
	Outstanding Checks	$	-	
	Other Outstanding Withdrawals			
			-	-
	Balance After Adjustments:			**$ 415.27**

Prepared by: Joe Sole Date: 5-6-11

Reviewed by: Paula Farquhar Date: 5-6-11

AVALON002430

CITIZENS STATE BANK

PO Box 278
Buffalo, TX 75831
Phone (903) 322-4256

ACCOUNT: 30404970 PAGE: 1
04/29/2011
DOCUMENTS: 0

BUFL

Return Service Requested

002820 0.4500 AV 0.340 TR00011

AVALON WATER SUPPLY SEWER SER,I
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX 76055-0246

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT 03/31/11	415.27
CREDITS	.00
DEBITS	.00
THIS STATEMENT 04/29/11	415.27

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

AVALON002431

05/06/2011 9.59.30 am

General Ledger
Transaction Detail

APR 2011 To APR 2011

Date	Journal Description	Actv Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131.25 CASH IN BANK - AVALON WATER CONS		Department: 0				Beginning Balance:	415[illegible]
Grand Total Beginning Balances:					415.27	0.00	
Grand Total Transactions:					0.00	0.00	
Grand Total:					415.27	0.00	415[illegible]

AVALON002432

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
MARCH 2011

Bank	Citizens State Bank - Itasca	131 25	Fund Account:	30404970	Construction
Book	Balance as of February 28, 2011			$	415 27
	Debits:				
	Deposits		$ -		
	Interest		$ -		
	Misc.		$ -		
			-		
	Subtotal			$	415 27
	Credits:				
	Checks		$ -		
	Returned Checks & ACH Returns		$ -		
	Returned Check Charges		$ -		
	Bank Service Charges		$ -		
	Misc Adjustments	Check Printing	$ -		
			$ -	$	-
	Balance After Adjustments:			**$**	**415.27**
	Balance as of March 31, 2011			$	415 27
	Outstanding Deposits to bank:		$ -		
	Outstanding Deposits to book:		$ -		
			$ -		
	Misc Adjustments:		$ -		
			$ -		
	Subtotal		$ -	$	415 27
	Outstanding Checks		$ -		
	Other Outstanding Withdrawals				
			-		
	Balance After Adjustments:			**$**	**415.27**

Prepared by: [signature] Date: 4/11/11

Reviewed by: Paula Farquhar Date: 4-11-11

AVALON002433

CITIZENS STATE BANK

PO Box 478
Buffalo, TX 75831
Phone (903) 322-4256

ACCOUNT: [illegible] [illegible]
DOCUMENTS: [illegible]

Return Service Requested

BUF1

002829 1.0180 AV 0 460 TR00019

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX 76055-0246

To continue to have access to your overdraft protection on ATM and point of sale purchases choose 'Yes' and opt-in today. Contact your local branch to obtain an Opt-in form or visit our website www.citizensstatebanktx.com. Form is located under the Application tab.

COMMERCIAL CHECKING ACCOUNT [illegible]

LAST STATEMENT 02/28/11	[illegible]
CREDITS	.00
DEBITS	.00
THIS STATEMENT 03/31/11	[illegible]

ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

BUF1-001-002829-002-000-[illegible] 002829 [illegible]

AVALON002434

[illegible]

04/11/2011 10:42:50 am

General Ledger
Transaction Detail

MAR 2011 To MAR 2011

Date	Journal Description	Actv Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131.25 CASH IN BANK - AVALON WATER CONS		Department: 0				Beginning Balance:	415
Grand Total Beginning Balances:					415.27	0.00	
Grand Total Transactions:					0.00	0.00	
Grand Total:					415.27	0.00	415

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
FEBRUARY 2011

Bank: Citizens State Bank - Itasca 131.25 Fund Account: 30404970 Construction

Book	Balance as of January 31, 2011		$ 415.27
	Debits:		
	Deposits	$ -	
	Interest	$ -	
	Misc	$ -	
		-	
	Subtotal		$ 415.27
	Credits:		
	Checks	$ -	
	Returned Checks & ACH Returns	$ -	
	Returned Check Charges	$ -	
	Bank Service Charges	$ -	
	Misc Adjustments: Check Printing	$ -	
		$ -	$ -
	Balance After Adjustments:		**$ 415.27**
	Balance as of February 28, 2011		$ 415.27
	Outstanding Deposits to bank:	$ -	
	Outstanding Deposits to book:	$ -	
		$ -	
	Misc Adjustments:	$ -	
		$ -	
	Subtotal	$ -	$ 415.27
	Outstanding Checks	$ -	
	Other Outstanding Withdrawals		
		-	
	Balance After Adjustments:		**$ 415.27**

Prepared by: [signature] Date: 3-8-11

Reviewed by: Paula Farquhar Date: 3-8-11

AVALON002436

CITIZENS STATE BANK

PO Box 270
Buffalo, TX 75831
Phone (903) 322-4256

Return Service Requested

BUFL

ACCOUNT: 30404970 PAGE: 1
DOCUMENTS: 0 02/28/2011

002821 0.4500 AV 0.375 TR00011

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITHACA TX 76651 0246 [illegible]

To continue to have access to your overdraft protection on ATM and point of sale purchases choose 'Yes' and opt-in today. Contact your local branch to obtain an Opt In form or visit our website www.[illegible]statebanktx.com. Form is located under the Application tab.

COMMERCIAL CHECKING ACCOUNT 30404970

LAST STATEMENT 01/31/11		415.27
	CREDITS	.00
	DEBITS	.00
THIS STATEMENT 02/28/11		415.27

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE
TOTAL OVERDRAFT FEES:	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00

PO Box 55 Centerville TX 75833 903-536-5601 • PO Box 577 Whitney TX 76692 254-694-4477

General Ledger
Transaction Detail
FEB 2011 To FEB 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131.25 CASH IN BANK - AVALON WATER CONS		Department: 0					Beginning Balance:	415.[illegible]
Grand Total Beginning Balances.						415.27	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						415.27	0.00	415.[illegible]

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
January 2011

Bank: Citizens State Bank - Itasca 131 25 Fund Account: 30404970 Construction

Book	Balance as of December 31, 2010		$	415.27
	Debits:			
	Deposits	$ -		
	Interest	$ -		
	Misc	$ -		
		$ -		
		$ -		
		$ -		
		-		
	Subtotal		$	415.27
	Credits:			
	Checks	$ -		
	Returned Checks & ACH Returns	$ -		
	Returned Check Charges	$ -		
	Bank Service Charges	$ -		
	Bank Drafts	$ -		
	Misc Adjustments: Check Printing	$ -		
		$ -		
		$ -		
		$ -	$	-
	Balance After Adjustments:		$	**415.27**
	Balance as of January 31, 2011		$	415.27
	Outstanding Deposits to bank	$ -		
	Outstanding Deposits to book	$ -		
		$ -		
	Misc Adjustments:	$ -		
		$ -		
	Subtotal	$ -	$	415.27
	Outstanding Checks	$ -		
	Other Outstanding Withdrawals			
		-		
	Balance After Adjustments:		$	**415.27**

Prepared by: [signature] Date: 2-8-11

Reviewed by: Paula Farquhar Date: 2-8-11

AVALON002439

CITIZENS
STATE BANK

PO Box 278
Buffalo, TX 75831
Phone (903) 322-4256

BUFL

Return Service Requested

		PAGE: 1
ACCOUNT:	3044970	01/31/2011
DOCUMENTS:	0	

007831 0 4700 AV 0 338 TP00011

AVALON WATER SUPPLY SEWER SERVI
CONSTRUCTION ACCOUNT
P O BOX 246
ITASCA TX 76055-0246

To continue to have access to your overdraft protection on ATM and point of sale purchases choose 'Yes' and opt-in today. Contact your local branch to obtain an Opt In form or visit our website www.citizensstatebanktx.com. Form is located under the Application tab.

COMMERCIAL CHECKING ACCOUNT 3044970

LAST STATEMENT 12/31/10	415.27
CREDITS	.00
DEBITS	.00
THIS STATEMENT 01/31/11	415.27

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE	PREVIOUS YEAR TOTAL
TOTAL OVERDRAFT FEES:	.00	.00	.00
TOTAL RETURNED ITEM FEES:	.00	.00	.00

BUFL_RB1 BB2021 001 000-110201 000001 X03
76055024646

AVALON002440

02/08/2011 9:42:32 am

General Ledger
Transaction Detail

JAN 2011 To JAN 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 9 131 25 CASH IN BANK - AVALON WATER CONS		Department: 0					Beginning Balance:	415.[illegible]
Grand Total Beginning Balances:						415.27	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						415.27	0.00	41[illegible]

LPL Financial

Member FINRA/SIPC
9785 Towne Centre Drive
San Diego, CA 92121-1968

ACCT:	CHECK DATE	CHECK NO.
6287-6SO0-1 A	09/22/11	102904730

AVALON WATER SUPPLY & SEWER SE
A CORPORATION
P O BOX 246
ITASCA TX 76055

CHECK ISSUED	379.00
via Regular Mail	
N/A	
TOTAL	379.00

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
June 2011

Bank.	LPL Financial (Martin Lake) MM 131 26	Fund Account 6287-6500		
Book	Balance as of May 31, 2011			$ 379.00
	Debits:			
	Deposits	$ -		
	Interest	$ -		
	Transfer from LPL CD that matured	$ -		
		$ -		
	Subtotal			$ 379.00
	Credits:			
	Transfer from MM to Itasca Checking	$ -		
	Returned Checks & ACH Returns	$ -		
	Returned Check Charges	$ -		
	Bank Service Charges	$ -		
	Bank Drafts	$ -		
	Misc Adjustments:			
		$ -		$ -
	Balance After Adjustments:			**$ 379.00**
Bank	Balance as of June 30, 2011			$ 379.00
	Less extra market value of CD	$ -		
	Outstanding Deposits to bank:	$ -		
	Outstanding Deposits to book:	$ -		
		$ -		
	Misc Adjustments	$ -		
	Subtotal	$ -		
				$ 379.00
	Outstanding Checks	$ -		
	Other Outstanding Withdrawals			
	Balance After Adjustments:			**$ 379.00**

Prepared by [signature] Date: 7/26/11

Reviewed by Paula Farquhar Date: 7-26-11

AVALON002443

Investment Account

Statement Period
May 1 to June 30, 2011

AVALON WATER SUPPLY & SEWER SE A CORPORATION	6287-6500
Investment Objective	Income with Capital Preservation

AVALON0002444

000010
00292872 02 AT 0.485 02 01860 LPOD1128 W8KA W8KA
AVALON WATER SUPPLY & SEWER SE
A CORPORATION
P O BOX 246
ITASCA TX 76055

Total Value of Your Account as of June 30, 2011 — $379.00

INVESTMENTS HELD AT LPL FINANCIAL

Previous Year-End Value as of December 31, 2010	$12,378.63
Beginning Value as of May 1, 2011	$379.00
Additions	—
Withdrawals	—
Dividends, Interest and Capital Gains	—
Increase/decrease in Market Value[1]	—
Ending Value as of June 30, 2011	$379.00

	Year-End Value December 31, 2010	Value on June 30, 2011
TOTAL VALUE OF YOUR ACCOUNT	$12,378.63	$379.00

Your Financial Consultant:
H. Martin Lake • (254)582-7400
PO Box 1304
Hillsboro, TX 76645
henry.lake@LPL.COM

Securities Offered Through
LPL Financial
Member FINRA/SIPC
9785 Towne Centre Drive, San Diego, CA 92121-1968
One Beacon Street, 22nd Floor, Boston, MA 02108-3106

LPL Financial

1 Increase/decrease in Market Value reflects the impact of changes in the value of securities held in your LPL Financial account, as well as the impact of any transfers of securities into or out of your account during the statement period.

Account Holdings as of June 30, 2011

CASH AND CASH EQUIVALENTS

Description	Current Balance
Money Market Funds	$379.00
TOTAL CASH AND CASH EQUIVALENTS	$379.00

Value of Your LPL Financial Account

	Market Value	Estimated Annual Income
	$379.00	----

AVALON002445

LPL Financial

Account Detail as of June 30, 2011

DIVIDEND AND INTEREST SUMMARY

Description	June 30, 2011	Year-to-Date
Money Market Funds	—	$0.[illegible]
TOTAL DIVIDENDS AND INTEREST	—	$0.[illegible]

AVALON002446

LPL Financial

Disclosures and Other Information

Account Protection LPL Financial is a member of the Securities Investor Protection Corporation (SIPC). SIPC provides protection for your account up to $500,000, including $100,000 in free cash balances, in the unlikely event that LPL fails financially. SIPC protection limits apply to all accounts that you hold in a particular capacity. For example, if you hold two accounts at LPL as a sole account holder and a third as a joint account holder, the two individual accounts are protected under SIPC up to a combined limit of $500,000, and the joint account is protected under SIPC separately up to $500,000. Insured Cash Accounts are not protected by SIPC. LPL accounts have excess SIPC-like coverage to cover the net equity of customer accounts subject to a $750 million aggregate firm limit. More information on SIPC, including an SIPC brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting **www.sipc.org**.

Adjusted Cost The cost basis of securities sold, matured, redeemed or exercised is adjusted for return of principal, original issue discount, accrual and partnership distributions for CMO, CDO, REMIC and MLP transactions. Eligible securities on the Realized Gains and Losses Statement have been adjusted for bond amortization, return of capital, liquidating distributions, wash sales or similar items. N/A displays when the information is incomplete or missing and is treated as zero when calculating totals.

Agency If LPL Financial acts as your agent, or as agent for both you and another person in a transaction, the transaction details, including the identity of the seller or buyer and the source and amount of any fees or payments will be supplied upon written request. Please note: If you hold an **Advisory Account** with LPL Financial, LPL acts as your agent for all account transactions.

Asset-backed Securities The actual yield from transactions in asset-backed securities (e.g., CMO, FNMA, FHLMC OR GNMA transactions) may vary according to the rate at which the underlying assets or receivables are repaid. Information about yield factors is available from your financial advisor on request.

Called Securities In the event of a partial call of corporate or municipal bonds, or preferred stock held in bulk segregation, the securities to be called will automatically be selected on a random basis, as is customary in the securities industry. The probability that your securities will be selected is proportional to the amount of your holdings relative to the bulk holdings. A detailed description of the random selection procedure is available upon request.

Change of Address Please notify your financial advisor/representative or LPL Financial promptly in writing of any change of address.

Cost Basis Transactions are automatically paired against holdings on a "First In/First-Out" basis (unless manually adjusted). Designating liquidations as "versus payment" date on a trade confirmation will not automatically adjust the cost basis information on your statement. For assets not purchased in the LPL account, you or the previous broker dealer upon transfer may have provided the Date Acquired and Purchase Cost of the position. If no such data was submitted, N/A is listed as the Purchase Cost, and is treated as zero when calculating Gain or Loss totals. Since the cost basis on certain securities may have been provided by another source, the cost basis information on your statement may not reflect accurate data or correspond to data on your trade confirmations. This information should not be relied upon for tax reporting purposes. Please refer to your tax reporting statement, if applicable.

Discrepancies Please notify your financial advisor and LPL Financial immediately of any discrepancies on your statement. If your financial advisor is affiliated with another broker/dealer, you must notify them as well. Please contact your financial advisor for the broker/dealer's contact information. Your financial advisor's address and telephone number can be found on the bottom of each page of this statement. LPL Financial's telephone number is (800) 558-7567 and address can be found on the first page of this statement. Additionally, any verbal communications should be re-confirmed in writing to each of the above parties to further protect your rights, including rights under Securities Investor Protection Act (SIPA).

Free Credit Balances LPL Financial may use your free credit balances subject to the limitations of 17 CFR Section 240.15c3-3 under the Securities Exchange Act of 1934. You have the right to receive from us, upon demand in the course of normal business, the delivery of any free credit balances to which you are entitled, any fully paid securities to which you are entitled, and any securities purchased on margin upon full payment of any indebtedness to LPL Financial.

Insured Cash Accounts (ICA) Cash in the ICA program is protected by the Federal Deposit Insurance Corporation (FDIC). LPL Financial allocates your money in the ICA program to banks listed in the Priority Bank List in increments up to $250,000 per depositor per depository institution ($500,000 for joint accounts) until your balance in the ICA program is allocated up to a total of $1,500,000 ($3,000,000 for joint accounts). Recent legislation permanently increased FDIC coverage to $250,000 per depositor per bank ($500,000 for joint account holders). More information on FDIC insurance is available on request, or by visiting the FDIC website at **www.fdic.gov**. LPL Financial is not a bank. Unless otherwise disclosed, securities and other investments obtained through LPL Financial ARE NOT FDIC INSURED, ARE NOT BANK GUARANTEED AND MAY LOSE VALUE.

Investment Risk LPL Financial is not a bank, savings and loan, or credit union. Securities and insurance offered through LPL and its affiliates are not FDIC, NCUA or government insured, not endorsed or guaranteed by LPL, its affiliates or any other financial institution, are not a deposit, and involve investment risk including possible loss of principal.

Investments Held Outside LPL Financial Information on investments Held Outside LPL is provided for informational purposes only. Values for investments not held in your LPL account are based on the market value of priced securities at the end of the statement period. Values for annuities reflect a pricing date approximately three business days prior to the statement date. Values for alternative investments such as Managed Futures and REITs (Real Estate Investment Trusts) reflect a pricing date three to five business days prior to the statement date, depending on the availability of the data. The account registration for investments held outside LPL may not be the same as the registration for the LPL account with which it is affiliated. For example, an outside investment with a joint registration may be reflected on an LPL account with an individual registration.

Margin Account If you use margin, this statement combines information about your investment account(s) and a special miscellaneous account maintained for you under Section 220.6 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account required by Regulation T is available for your inspection upon request.

Money Market Funds Money market fund transactions, if any, are displayed chronologically. The 30-day yield for the fund is also reflected as of the statement date.

N/A or "--" Data Information that displays as N/A or "--" is unavailable, missing or incomplete and is treated as zero when calculating account totals, market values and performance.

Open Orders Open Orders are transactions pending execution, i.e., purchase and/or sale orders that you have placed, but that have not been executed by the end of the statement period.

Option Clients Information on commissions and other charges incurred in connection with the execution of option transactions has been included in the confirmations of these transactions furnished to you. A summary of this information will be made available upon request. In accordance with the Option Agreement and Approval Form you signed, you must promptly advise the firm of any material change in your investment objectives or financial situation.

Payment for Order Flow LPL Financial acts as your agent and receives payment for order flow, the source and nature of which will be furnished to you upon written request.

Pricing Securities prices shown on this statement may vary from actual liquidation value. Prices shown should only be used as a general guide to portfolio value. We receive prices from various services, which are sometimes unable to provide timely information. Where pricing sources are not readily available, particularly on certain debt instruments including, but not limited to, bills, notes, bonds, banker's acceptances, certificates of deposit, or commercial paper, estimated prices may be generated by a matrix system or market driven pricing model, taking various factors into consideration. These prices may not be the actual price you would receive if you sold before the maturity of a certificate of deposit. The pricing of listed options takes into account the last closing price, as well as the current bid and offer prices. Where securities have not been priced, their values have not been included in the Portfolio Summary information at the beginning of this statement.

Purchase Cost Original cost including fees, commissions and less accrued interest of the security sold or redeemed. For transferred securities, this could be the purchase amount you or the former institution provided to us.* Purchase Cost may be adjusted to reflect corporate actions, such as stock splits, mergers, spin-offs or other events. N/A is displayed when the information is incomplete or missing and is treated as zero when calculating totals. *Transferred securities may not be included in Purchase Cost.

Regulation All transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market--and its clearing house, if any--where the transactions are executed, and of the Financial Industry Regulatory Authority (FINRA).

Reinvestment The dollar amount of mutual fund distributions, money market fund income, or dividends on other securities shown on your statement may have been reinvested in additional shares. You will not receive confirmations for these reinvestment transactions. However, you may request information on these transactions by writing to LPL Financial. LPL will also, if requested, furnish you with the time of execution and the name of the person from whom your security was purchased.

Statement of Financial Condition LPL Financial's financial statement is available for inspection at our office. We will mail a copy to you upon written request.

Sweep Option Your account may provide for a daily sweep into an Insured Cash Account. If you have any questions as to your sweep option, including rates or the depository institutions currently participating in the sweep option, or you would like to change your sweep option, please contact your financial advisor.

LPL Financial LLC is an affiliate of LPL Investment Holdings Inc.

AVALON002447

LPL Financial

General Ledger
Transaction Detail
JUN 2011 To JUN 2011

Date	Journal Description	Acts	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 26 CASH IN BANK-MARTIN LAKE MMA				Department 0			Beginning Balance	[illegible]
Grand Total Beginning Balances:						379.00	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						379.00	0.00	[illegible]

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
May 2011

Bank: LPL Financial (Martin Lake) MM 131 26 Fund Account 6287-6500

Book	Balance as of April 30, 2011		$ 379.00
	Debits:		
	Deposits	$ -	
	Interest	$ -	
	Transfer from LPL CD that matured	$ -	
		$ -	
	Subtotal		$ 379.00
	Credits:		
	Transfer from MM to Itasca Checking	$ -	
	Returned Checks & ACH Returns	$ -	
	Returned Check Charges	$ -	
	Bank Service Charges	$ -	
	Bank Drafts	$ -	
	Misc Adjustments		
		$ -	$ -
	Balance After Adjustments:		**$ 379.00**
Bank	Balance as of May 31, 2011		$ 379.00
	Less extra market value of CD	$ -	
	Outstanding Deposits to bank	$ -	
	Outstanding Deposits to book.	$ -	
		$ -	
	Misc Adjustments:	$ -	
	Subtotal	$ -	
			$ 379.00
	Outstanding Checks	$ -	
	Other Outstanding Withdrawals		
	Balance After Adjustments:		**$ 379.00**

Prepared by [signature] Date. 5/20/11

Reviewed by Paula Farquhar Date. 6-30-11

AVALON002449

General Ledger
Transaction Detail

MAY 2011 To MAY 2011

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 26 CASH IN BANK-MARTIN LAKE MMA				Department: 0			Beginning Balance	379.00
Grand Total Beginning Balances:						379.00	0.00	
Grand Total Transactions:						0.00	0.00	
Grand Total:						379.00	0.00	379.00

AVALON002450

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
April 2011

Bank.	LPL Financial (Martin Lake) MM 131.26	Fund Accoun: 6287-6500	
Book	Balance as of March 31, 2011		$ 12,378.95
	Debits:		
	Deposits	$ -	
	Interest	$ 0.05	
	Transfer from LPL CD that matured	$ -	
		$ -	
		0.05	0.05
	Subtotal		$ 12,379.00
	Credits:		
	Transfer from MM to Itasca Checking	$ 12,000.00	
	Returned Checks & ACH Returns	$ -	
	Returned Check Charges	$ -	
	Bank Service Charges	$ -	
	Bank Drafts	$ -	
	Misc Adjustments:		
		$ 12,000.00	$ 12,000.00
	Balance After Adjustments:		**$ 379.00**
Bank	Balance as of April 30, 2011		$ 379.00
	Less extra market value of CD	$ -	
	Outstanding Deposits to bank	$ -	
	Outstanding Deposits to book:	$ -	
		$ -	
	Misc Adjustments	$ -	
	Subtotal	$ -	-
			$ 379.00
	Outstanding Checks	$ -	
	Other Outstanding Withdrawals		
		-	-
	Balance After Adjustments:		**$ 379.00**

Prepared by ____________ Date: 5/3/11

Reviewed by Paula Farquhar Date. 5-27-11

AVALON002451

Investment Account

Statement Period
April 1 to April 30, 2011

AVALON WATER SUPPLY & SEWER SE A CORPORATION	6287-6500
Investment Objective	Income with Capital Preservation

000000
00189710 02 AT 0.490 02 00803 LPDO1118 W8KA W8KA
AVALON WATER SUPPLY & SEWER SE
A CORPORATION
P. O. BOX 246
ITASCA TX 76055

Total Value of Your Account as of April 30, 2011 — $379.00

INVESTMENTS HELD AT LPL FINANCIAL

Previous Year-End Value as of December 31, 2010	$12,378.63
Beginning Value as of April 1, 2011	$12,378.95
Additions	—
Withdrawals	-12,000.00
Dividends, Interest and Capital Gains	0.05
Increase/decrease in Market Value[1]	—
Ending Value as of April 30, 2011	$379.00

	Year-End Value December 31, 2010	*Value on April 30, 2011*
TOTAL VALUE OF YOUR ACCOUNT	$12,378.63	$379.00

Your Financial Consultant.
H. Martin Lake • (254)582-7400
PO Box 1204
Hillsboro TX 76645
henry.lake@LPL.COM

[1] Increase/decrease in Market Value reflects the impact of changes in the value of securities held in your LPL Financial account, as well as the impact of any transfers of securities into or out of your account during the statement period.

AVALON002452

Account Holdings as of April 30, 2011

CASH AND CASH EQUIVALENTS

Description	Current Balance
Money Market Funds	$379.00
TOTAL CASH AND CASH EQUIVALENTS	$379.00

Value of Your LPL Financial Account

	Market Value	Estimated Annual Income
	$379.00	—

AVALON002454

MESSAGES FROM LPL FINANCIAL

GO GREEN. USE PAPERLESS STATEMENTS

Through LPL Account View, you can turn off your paper statements to reduce paper clutter and positively impact the environment. Paperless statements include electronic statements and other account information posted online in LPL Account View. You will receive an email notifying you of the availability of your paperless statements online, which are provided at no cost to you. To go paperless, click on the LPL Account View link accessible through your financial advisor or institution website.

AVOIDING IDENTITY THEFT

Identity theft is a serious crime, one that affects millions of Americans each year according to statistics published by the Federal Trade Commission (FTC). Identity theft occurs when someone steals your personal information in order to commit fraud or other crimes such as opening credit in your name or using your information to make unauthorized purchases. Unfortunately, anyone can be victimized and it can cost you hundreds of dollars and many hours of your time to repair the damage that can be done to your credit and your personal reputation. LPL Financial is committed to protect your privacy, but there are specific steps you can take to reduce your risk of identity theft.

- Shred all documents containing personal information before you discard them.
- Protect your Social Security number. Don't carry your Social Security card with you and do not provide it to anyone unless absolutely necessary.
- Keep your personal information in a secure place.
- Never click on unsolicited emails and do not provide passwords or personal information on sites that you do not know or look suspicious.
- Monitor your accounts and billing statements for any unusual activity and take immediate action when you spot it.
- Check your credit reports annually from all three major credit bureaus: Equifax, Experian, and TransUnion. Place fraud alerts on your credit report with the credit bureaus if you suspect suspicious activity.
- Close any accounts where suspicious activity has occurred or that are no longer active or being used by you.
- If you become a victim of identity theft, file a police report and report your incident to the Federal Trade Commission.

If you do become a victim of identity theft, here are the steps you should immediately take:

- Contact the financial institution immediately where the suspicious activity occurred to let them know of the incident and possible fraudulent activity.
- File a complaint with the Federal Trade Commission. Their Identity Theft hotline can be reached, toll-free at (877) 438-4338. Any suspicious emails or calls should also be reported to the Federal Trade Commission.
- File a police report with your local police department.
- Notify your major creditors. Contact your credit card companies to check for fraudulent charges and to stop future charges.
- Place a fraud alert on your credit bureau reports and review your reports for any suspicious activity. You only need to contact one of the reporting agencies to place the alert on your report. That agency is required to notify the other agencies. The contact information for the credit bureaus is as follows:

Equifax Credit Information Services, Inc.	TransUnion Fraud Victim Assistance Department	Experian
P.O. Box 6790	P.O. Box 740241	475 Anton Blvd.
Fullerton, CA 92834	Atlanta, GA 30374	Costa Mesa, CA 92626
(800) 680-7289	(888) 766-0008	(714) 830-7000
		(888) 397-3742

If you would like more information about identity theft, please contact:

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue NW
Washington, DC 20580
(877) FTC-HELP (877-382-4357)
www.ftc.gov click on Avoid ID Theft

LPL Financial

Questions? Contact H. Martin Lake
(254)582-7400 • henry.lake@LPL.COM

Disclosures and Other Information

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Adjusted Cost The cost basis of securities sold, matured, redeemed or exercised is adjusted for return of principal, original issue discount, accrual and partnership distributions for CMO, CDO, REMIC and MLP transactions. Eligible securities on the Realized Gains and Losses Statement have been adjusted for bond amortization, return of capital, liquidating distributions, wash sales or similar items. N/A displays when the information is incomplete or missing and is treated as zero when calculating totals.

Agency If LPL Financial acts as your agent, or as agent for both you and another person in a transaction, the transaction details, including the identity of the seller or buyer and the source and amount of any fees or payments will be supplied upon written request. Please note: if you hold an **Advisory Account** with LPL Financial, LPL acts as your agent for all account transactions.

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Called Securities In the event of a partial call of corporate or municipal bonds, or preferred stock held in bulk segregation, the securities to be called will automatically be selected on a random basis, as is customary in the securities industry. The probability that your securities will be selected is proportional to the amount of your holdings relative to the bulk holdings. A detailed description of the random selection procedure is available upon request.

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Cost Basis Transactions are automatically paired against holdings on a "First In/First Out" basis (unless manually adjusted). Designating liquidations as "versus payment" date on a trade confirmation will not automatically adjust the cost basis information on your statement. For assets not purchased in the LPL account, you or the previous broker/dealer upon transfer may have provided the Date Acquired and Purchase Cost of the position. If no such data was submitted, N/A is listed as the Purchase Cost, and is treated as zero when calculating Gain or Loss totals. Since the cost basis on certain securities may have been provided by another source, the cost basis information on your statement may not reflect accurate data or correspond to data on your trade confirmations. This information should not be relied upon for tax reporting purposes. Please refer to your tax reporting statement, if applicable.

Discrepancies Please notify your financial advisor and LPL Financial immediately of any discrepancies on your statement. If your financial advisor is affiliated with another broker/dealer, you must notify them as well. Please contact your financial advisor for the broker/dealer's contact information. Your financial advisor's address and telephone number can be found on the bottom of each page of this statement. LPL Financial's telephone number is (800) 558-7567 and all three can be found on the first page of this statement. Additionally, any verbal communications should be re-confirmed in writing to each of the above parties to further protect your rights, including rights under Securities Investor Protection Act (SIPA).

Free Credit Balances LPL Financial may use your free credit balances subject to the limitations of 17 CFR Section 240.15c3-3 under the Securities Exchange Act of 1934. You have the right to receive from us, upon demand in the course of normal business, the delivery of any free credit balances to which you are entitled, any fully paid securities to which you are entitled, and any securities purchased on margin upon full payment of any indebtedness to LPL Financial.

Insured Cash Accounts (ICA) Cash in the ICA program is protected by the Federal Deposit Insurance Corporation (FDIC). LPL Financial allocates your money in the ICA program to banks listed in the Priority Bank List in increments up to $250,000 per depositor per depository institution ($500,000 for joint accounts) until your balance in the ICA program is allocated up to a limit of $1,500,000 ($3,000,000 for joint accounts). Recent legislation permanently increased FDIC coverage to $250,000 per depositor per bank ($500,000 for joint account holders). More information on FDIC insurance is available on request, or by visiting the FDIC website at **www.fdic.gov**. LPL Financial is not a bank. Unless otherwise disclosed, securities and other investments obtained through LPL Financial ARE NOT FDIC INSURED, ARE NOT BANK GUARANTEED AND MAY LOSE VALUE.

Investment Risk LPL Financial is not a bank, savings and loan, or credit union. Securities and insurance offered through LPL and its affiliates are not FDIC, NCUA or government insured, not endorsed or guaranteed by LPL, its affiliates or any other financial institution, are not a deposit, and involve investment risk including possible loss of principal.

Investments Held Outside LPL Financial Information on investments Held Outside LPL is provided for informational purposes only. Values for investments not held in your LPL account are based on the market value of priced securities at the end of the statement period. Values for annuities reflect a pricing date approximately three business days prior to the statement date. Values for alternative investments such as Managed Futures and REITs (Real Estate Investment Trusts) reflect a pricing date three to five business days prior to the statement date, depending on the availability of the data. The account registration for investments held outside LPL may not be the same as the registration for the LPL account with which it is affiliated. For example, an outside investment with a joint registration may be reflected on an LPL account with an individual registration.

Margin Account If you use margin, this statement combines information about your investment account(s) and a special miscellaneous account maintained for you under Section 220.6 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account required by Regulation T is available for your inspection upon request.

Money Market Funds Money market fund transactions, if any, are displayed chronologically. The 30-day yield for the fund is also reflected as of the statement date.

N/A or "--" Data Information that displays as N/A or "--" is unavailable, missing or incomplete and is treated as zero when calculating account totals, market values and performance.

Open Orders Open Orders are transactions pending execution, i.e., purchase and/or sale orders that you have placed, but that have not been executed by the end of the statement period.

Option Clients Information on commissions and other charges incurred in connection with the execution of option transactions has been included in the confirmations of these transactions furnished to you. A summary of this information will be made available upon request. In accordance with the Option Agreement and Approval Form you signed, you must promptly advise the firm of any material change in your investment objectives or financial situation.

Payment for Order Flow LPL Financial acts as your agent and receives payment for order flow, the source and nature of which will be furnished to you upon written request.

Pricing Securities prices shown on this statement may vary from actual liquidation value. Prices shown should only be used as a general guide to portfolio value. We receive prices from various services, which are sometimes unable to provide timely information. Where pricing sources are not readily available, particularly on certain debt instruments including, but not limited to, bills, notes, bonds, banker's acceptances, certificates of deposit, or commercial paper, estimated prices may be generated by a matrix system or market driven pricing model, taking various factors into consideration. These prices may not be the actual price you would receive if you sold before the maturity of a certificate of deposit. The pricing of listed options takes into account the last closing price, as well as the current bid and offer prices. Where securities have not been priced, their values have not been included in the Portfolio Summary information at the beginning of this statement.

Purchase Cost Original cost including fees, commissions and less accrued interest of the quantity sold or redeemed. For transferred securities, this could be the purchase amount you or the former institution provided to us.* Purchase Cost may be adjusted to reflect corporate actions, such as stock splits, mergers, spin-offs or other events. N/A is displayed when the information is incomplete or missing and is treated as zero when calculating totals. **Transferred securities may not be included in Purchase Cost.*

Regulation All transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market—and its clearing house, if any—where the transactions are executed, and of the Financial Industry Regulatory Authority (FINRA).

Reinvestment The dollar amount of mutual fund distributions, money market fund income, or dividends on other securities shown on your statement may have been reinvested in additional shares. You will not receive confirmations for these reinvestment transactions. However, you may request information on these transactions by writing to LPL Financial. LPL will also, if requested, furnish you with the time of execution and the name of the person from whom your security was purchased.

Statement of Financial Condition LPL Financial's financial statement is available for inspection at our office. We will mail a copy to you upon written request.

Sweep Option Your account may provide for a daily sweep into an Insured Cash Account. If you have any questions about your sweep option, including rates or the depository institutions currently participating in the sweep option or you would like to change your sweep option, please contact your financial advisor.

LPL Financial LLC is an affiliate of LPL Investment Holdings Inc.

AVALON002455

Account Activity as of April 30, 2011

NET MONEY MARKET FUND ACTIVITY[1]

JPMorgan Prime Money Market Fund - Service Shares

Date	Activity Type	Description	30-Day Yield	Amount	Balance
04/01/11	Opening Balance				$12,378.[illegible]
04/15/11	Shares Redeemed	JPMORGAN PRIME MONEY		-12,000.00	378.[illegible]
04/29/11	Dividend Reinvest	JPMORGAN PRIME MONEY		0.05	379.[illegible]
04/30/11	Closing Balance				379.[illegible]
JPMorgan Prime Money Market Fund - Service Shares			0.010%		
NET CHANGE IN MONEY MARKET FUND BALANCE				-$11,999.95	

AVALON002456

[1] Money Market activity reflects the net of all transfers of funds to and from your money market account on the date referenced.

General Ledger
Transaction Detail
APR 2011 To APR 2011

AVALON002457

Date	Journal Description	Actv	Mod	Jrnl Code	Reference	Debit	Credit	Balance
Account: 0 131 26 CASH IN BANK-MARTIN LAKE MMA					Department: 0		Beginning Balance:	12,378.95
04/19/2011	1632 Rec Transfer Ck	0	GL	3	Rec Transfer Ck		12,000.00	378.95
04/30/2011	1650 Rec LPL MM Interest	0	GL	3	Rec LPL MM Interest	0.05		379.00
			Net Amount For APR 2011:		-11,999.95	0.05	12,000.00	
Subtotal For Account:	0 131 26		Department:0			0.05	12,000.00	
Grand Total Beginning Balances:						12,378.95	0.00	
Grand Total Transactions:	2					0.05	12,000.00	
Grand Total:						12,379.00	12,000.00	379.00

AVALON WATER SUPPLY & SEWER SERVICE CORP
BANK RECONCILIATION
March 2011

Bank.	LPL Financial (Martin Lake) MM 131.26	Fund Accoun 6287-6500	
Book	Balance as of February 28, 2011		$ 12,378.84
	Debits:		
	Deposits	$ -	
	Interest	$ 0.11	
	Transfer from LPL CD that matured	$ -	
		$ -	
		0.11	0.11
	Subtotal		$ 12,378.95
	Credits:		
	Transfer from MM to Itasca Checking	$ -	
	Returned Checks & ACH Returns	$ -	
	Returned Check Charges	$ -	
	Bank Service Charges	$ -	
	Bank Drafts	$ -	
	Misc Adjustments:		
		$ -	$ -
	Balance After Adjustments:		**$ 12,378.95**
Bank	Balance as of March 31, 2011		$ 12,378.95
	Less extra market value of CD	$ -	
	Outstanding Deposits to bank	$ -	
	Outstanding Deposits to book	$ -	
		$ -	
	Misc Adjustments	$ -	
	Subtotal	$ -	-
			$ 12,378.95
	Outstanding Checks	$ -	
	Other Outstanding Withdrawals		
		-	-
	Balance After Adjustments:		**$ 12,378.95**

Prepared by [illegible] Date: 4/11/11

Reviewed by Paula Farquhar Date 4-11-11

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00298882.01 AT 0.357 01 01386 LPOD1130 W8KA W8KA
AVALON WATER SUPPLY & SEWER SE
A CORPORATION
P.O. BOX 246
ITASCA TX 76609

Investment Account

Statement Period
March 1 to March 31, 2011

AVALON WATER SUPPLY & SEWER SE A CORPORATION 6287-6...
Investment Objective Income with Capital Preserva...

AVALON0002459

Total Value of Your Account as of March 31, 2011 $12,378.9...

INVESTMENTS HELD AT LPL FINANCIAL

Previous Year-End Value as of December 31, 2010	$12,378.63
Beginning Value as of March 1, 2011	$12,378.84
Additions	—
Withdrawals	—
Dividends, Interest and Capital Gains	0.11
Increase/decrease in Market Value[1]	—
Ending Value as of March 31, 2011	$12,378.95

	Year-End Value December 31, 2010	*Value on March 31, 2011*
TOTAL VALUE OF YOUR ACCOUNT	$12,378.63	$12,378.95

Your Financial Consultant:
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PO Box 1304
Hillsboro, TX 76645
henry.lake@LPL.COM

Securities Offered Through
LPL Financial
Member FINRA/SIPC
9785 Towne Centre Drive, San Diego, CA 92121-1968
One Beacon Street, 22nd Floor, Boston, MA 02108-3106

1 Increase/decrease in Market Value reflects the impact of changes in the value of securities held in your LPL Financial account, as well as the impact of any transfers of securities into or out of your account during the statement period.

LPL Financial

PA8880 LPOD1130 002296

Account Holdings as of March 31, 2011

CASH AND CASH EQUIVALENTS

Description	Current Balance
Money Market Funds	$12,378.95
TOTAL CASH AND CASH EQUIVALENTS	$12,378.95

Value of Your LPL Financial Account

Market Value	Estimated Annual Income
$12,378.95	—