



Liberty Utilities

SUPPLIER:

8020-CAPCON

Capps-Capo Construction Inc.

13044 CR 192

Tyler TX 75703

ATTN:

Phone: (903) 561-6657

Facsimile: (903) 531-9670

Please direct Invoices to the following address:

12725 West Indian School Road

Avondale AZ 85392

Purchase Order No.	PO000044145
Date	3/8/2017

This P.O. No. to appear on all invoices & correspondence.**SHIP TO:**

Tall Timbers

16623 FM 2493

Suite E

Tyler

TX

75703

Ordered By: Shana Mahaffey**Email:** Shana.Mahaffey@libertyutilities.com**Telephone:****Facsimile:**

LINE#	PAYMENT TERMS	Site ID	Item Number	QTY	REQUIRED DATE
			Algonquin Entity	U/M	UNIT PRICE
			DESCRIPTION	GL ACCOUNT	COST CODE

1	NET 30	8300-TT	FORCEMAIN TAP AT 17726 FM 2493	1	03/08/2017
				LS	\$1238.60
					\$1238.60
From Req/Line: 16769/1 Dept: OPSTX 80 SM				8300-2-0200-50-5200-736	

2	NET 30	8300-TT	FORCEMAIN RECONNECT - CR 1299	1	03/08/2017
				LS	\$2440.70
					\$2440.70
From Req/Line: 16777/1 Dept: OPSTX 80 SM				8400-15015-3600	36000-0001-0005-2000-

ALL PRICED ARE IN US DOLLARS**F.O.B.** None**Order Total**

\$3679.30

Every Order MUST be confirmed back to Liberty here.

EXPECTED SHIPMENT DATE

SIGNATURE

DATE CONFIRMED

ACCEPTED BY: SUPPLIER'S NAME

DATE

Approved By

LIBERTY WATER CO

As agent for the Algonquin Entity named above

The attached Terms & Conditions apply to this Purchase Order

INVOICES MUST SHOW ALL APPLICABLE TAXES AND CHARGES SEPARATELY



PROPOSAL # 03-2017-007C

**Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - 17726 FM 2493**

PROPOSAL

ITEM NO		QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Forcemain tap at Gullett's Welding	1.00	LS	\$224.50	\$224.50
2.00	truck charge	1.00	EA	\$35.00	\$35.00
3.00	Backhoe	1.00	HR	\$65.00	\$65.00
4.00	Materials - valve box, 2" brass nipple, 2" check valve, 2" pvc				
	cap, MJ gasket set, 20' of pvc pipe	1.00	LS	\$914.10	\$914.10
TOTAL BID					\$1,238.60

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



PROPOSAL # 03-2017-008C

**Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - CR 1299**

PROPOSAL

ITEM NO		QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Forcemain reconnect	1.00	LS	\$1,672.00	\$1,672.00
2.00	truck charge	2.00	EA	\$35.00	\$70.00
3.00	Backhoe	2.00	HR	\$65.00	\$130.00
4.00	Materials - 2" check valve and miscellaneous pvc fittings	1.00	LS	\$568.70	\$568.70
TOTAL BID					\$2,440.70

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**

2400-15015-3600



13044 CR 192- Tyler, TX 75703
(903) 531-9670 -Fax (903) 531-9675

Date March 8, 2017

Job No: Liberty Water

Invoice Number: 103660

Liberty Utilities

12725 W. Indian School Rd., Suite D101

Avondale AZ 85392

RE: Tall Timbers - 17726 FM 2493

PO # 44145

<u>Category</u>	<u>Amount</u>
<u>Time/Labor/Equipment Charges</u>	
<u>Forcemain Tap @ 17726 FM 2493</u>	
1 Crew Leader 2 Hours RT (35.75/HR)	\$71.50
1 Pipe Layer 2 Hours RT (27.00/HR)	\$54.00
1 Laborer 2 Hours RT (23.50/HR)	\$47.00
1 Superintendent 1 Hour RT (52.00/HR)	\$52.00
1 Truck Charge @ \$35/EA	\$35.00
Backhoe 1 Hour @ \$65/HR	\$65.00
Materials - valve box, pvc, check valve, 90° bend, brass nipple	\$914.10
TOTAL INVOICE AMOUNT	\$1,238.60

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



13044 CR 192· Tyler, TX 75703
(903) 531-9670 · Fax (903) 531-9675

Date March 8, 2017

Job No: Liberty Water

Invoice Number: 103657

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - CR 1299

PO # 44145

<u>Category</u>	<u>Amount</u>
<u>Time/Labor/Equipment Charges</u>	
<u>Forcemain Reconnect @ CR 1299</u>	
2 Crew Leaders 16 Hours RT (35.75/HR)	\$572.00
2 Pipe Layers 16 Hours RT (27.00/HR)	\$432.00
3 Laborers 24 Hours RT (23.50/HR)	\$564.00
1 Superintendent 2 Hour RT (52.00/HR)	\$104.00
2 Truck Charges @ \$35/EA	\$70.00
Backhoe 2 Hours @ \$65/HR	\$130.00
Materials - 2" check valve, and misc. pvc fittings	\$568.70

TOTAL INVOICE AMOUNT

\$2,440.70

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



MPO 10642

6/22/2017

12725 W. Indian School Rd. (S) D111 JUN 30 2017
Avondale, AZ 85392

Item	Quantity	Unit Price	Amount
8300-2-0200-50-5200-7361	GL Code		
install gravity sewer tap at 7316 Flatrock	1	LS	\$ 1,215.60
		TOTAL:	\$ 1,215.60

SED 6/22/17



13044 CR 192· Tyler, TX 75703
(903) 531-9670 · Fax (903) 531-9675

Date June 22, 2017

Job No: Liberty Water

Invoice Number: 103741

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - 7316 Flatrock
MPO # 10642

<u>Category</u>	<u>Amount</u>
<u>Time/Labor/Equipment Charges</u>	
<u>install gravity sewer tap</u>	
1 Crew Leader 5 Hours OT (\$53.63)	\$268.15
1 Laborer 5 Hours OT (\$35.25/HR)	\$176.25
1 Pipe Layer 5 Hours OT (\$40.50/HR)	\$202.50
1 Truck Charge @ \$35/EA	\$35.00
mobilization for mini excavator	\$150.00
5 hours for mini excavator @ \$45/HR	\$225.00
Materials - 4" elder valve w/plunger, 1" tee, 4" cleanout adapter, 42' of 4" pvc	\$158.70
TOTAL INVOICE AMOUNT	\$1,215.60

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



PROPOSAL # 06-2017-009C

**Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - 7316 Flatrock**

PROPOSAL

ITEM NO	Work performed on 6/10/17	QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	install gravity sewer tap	1.00	LS	\$646.90	\$646.90
2.00	truck charge	1.00	EA	\$35.00	\$35.00
3.00	mii excavator hours	5.00	HRS	\$45.00	\$225.00
4.00	Mobilization for mini excavator	1.00	LS	\$150.00	\$150.00
5.00	Materials - 4" elder valve w/plunger, 1" tee, 4" cleanout adapter, and 42' of 4" pvc pipe	1.00	LS	\$158.70	\$158.70
TOTAL BID					\$1,215.60

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



SUD A 9/19/17



MPO # 106630

PROPOSAL # 09-2017-004C

Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - 8421 Stonebridge Way

PROPOSAL

ITEM NO	Work performed on 9/7/2017	QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Installed a 4" sewer tap	1.00	LS	\$1,317.00	\$1,317.00
2.00	Materials - 4" sdr 26 pipe, 4" couplings, cap, and cleanout				
	1" sch 40 pipe, tee and valve	1.00	LS	\$269.50	\$269.50
3.00	Dumptruck	1.00	HR	\$65.00	\$65.00
4.00	1 truck charge	1.00	EA	\$35.00	\$35.00
5.00	Bore	1.00	LS	\$880.00	\$880.00
6.00	Mini Excavator	8.00	HRS	\$45.00	\$360.00
TOTAL BID					\$2,926.50

Capps-Capco Construction, Inc.
 Contractor
 13044 CR 192
 Tyler, TX 75703

Liberty Utilities
 Owner
 12725 West Indian School Road
 Avondale, AZ 85392

 (Signature)

 (Signature)

 By (Printed Name)

 By (Printed Name)

 Date

 Date

***PROPOSAL VALID FOR 30 DAYS**



13044 CR 192 · Tyler, TX 75703
(903) 531-9670 · Fax (903) 531-9675

Date September 19, 2017

Job No: Liberty Water

Invoice Number: 103837

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - 8421 Stonebridge Way
MPO # 106630

Category	Amount
<u>Time/Labor/Equipment Charges</u>	
<u>installed new 4" sewer tap</u>	
1 Crew Leader 12 Hours RT (35.75/HR)	\$429.00
1 Pipe Layer 12 Hours RT (27.00/HR)	\$324.00
2 Laborers 24 Hours RT (23.50/HR)	\$564.00
1 truck charge @ \$35/EA	\$35.00
8 Hours for mini excavator @ \$45/HR	\$360.00
bore	\$880.00
1 Hour for Dumptruck @ \$65/HR	\$65.00
Materials - 4" sdr 26 pipe, 4" couplings, cap, cleanout, 1" sch 40 pipe, tee and valve	\$269.50
TOTAL INVOICE AMOUNT	\$2,926.50

As always, we appreciate the opportunity to be of service.
Tax ID # 26-0368802



Liberty Utilities

SUPPLIER:

8020-CAPCON

Capps-Capo Construction Inc.

13044 CR 192

Tyler TX 75703

ATTN:

Phone: (903) 561-6657

Facsimile: (903) 531-9670

Please direct Invoices to the following address:

12725 West Indian School Road

Avondale

AZ

85392

Purchase Order No.

PO000043772

Date

2/20/2017

This P.O. No. to appear on all invoices & correspondence.**SHIP TO:**

Tall Timbers

16623 FM 2493

Suite E

Tyler

REC'D FEB 22 2016
TX 75703**Ordered By:** Shana Mahaffey**Email:** Shana.Mahaffey@libertyutilities.com**Telephone:****Facsimile:**

LINE#	PAYMENT TERMS	Site ID	Item Number	QTY	REQUIRED DATE	
Algonquin Entity			U/M	UNIT PRICE	AMOUNT	
DESCRIPTION			GL ACCOUNT		COST CODE	
1	NET 30	8300-TT	SEWER TAP AT 9311 LONDONBERRY	1	02/20/2017	
				LS	\$2803.34	\$2803.34
From Req/Line: 16386/1 Dept: OPSTX 80 SM				8300-2-0200-50-5200-736		

ALL PRICED ARE IN US DOLLARS**F.O.B.** None**Order Total**

\$2803.34

Every Order MUST be confirmed back to Liberty here.

EXPECTED SHIPMENT DATE

SIGNATURE

DATE CONFIRMED

ACCEPTED BY: SUPPLIER'S NAME

DATE

Approved By

LIBERTY WATER CO.

As agent for the Algonquin Entity named above

The attached Terms & Conditions apply to this Purchase Order

INVOICES MUST SHOW ALL APPLICABLE TAXES AND CHARGES SEPARATELY



PROPOSAL # 02-2017-020C

Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - 9311 Londonberry

PROPOSAL

ITEM NO		QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Install 4" sewer tap	1.00	LS	\$1,510.75	\$1,510.75
2.00	truck charge	2.00	EA	\$35.00	\$70.00
3.00	mini digger	8.00	HRS	\$45.00	\$360.00
4.00	road base and asphalt	1.00	LS	\$625.00	\$625.00
5.00	Materials - (1) 4" 45°, 70' of 4" pipe, 6x4 saddle, sewer				
	cut off tee, cleanout adapter	1.00	LS	\$237.59	\$237.59
TOTAL BID					\$2,803.34

Capps-Capco Construction, Inc.
 Contractor
 13044 CR 192
 Tyler, TX 75703

Liberty Utilities
 Owner
 12725 West Indian School Road
 Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



13044 CR 192- Tyler, TX 75703
(903) 531-9670 -Fax (903) 531-9675

Date February 22, 2017

Job No: Liberty Water

Invoice Number: 103629

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - 9311 Londonberry

PO # 43772

Improvements

Category

Amount

Time/Labor/Equipment Charges

sewer tap at 9311 Londonberry

2 Crew Leaders 14 HRS RT (35.75/HR)	\$500.50
1 Pipe Layer 10 HRS RT (27.00/HR)	\$270.00
6 Laborers 31.5 Hours RT (23.50/HR)	\$740.25
2 Truck Charges @ 35.00/EA	\$70.00
8 Hours for small excavator @45.00/HR	\$360.00
Road base	\$450.00
Asphalt	\$175.00
Materials - 4" 45°, 70' of 4" pipe, 6x4 saddle, sewer cut off tee, and cleanout adapter	\$237.59

TOTAL INVOICE AMOUNT

\$2,803.34

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



10649

6/27/2017

Avondale, AZ 85392

REC'D JUN 30 2017

Item	Quantity	Unit Price	Amount
8300-2-0200-50-5200-7361	GL Code		
install gravity sewer tap at 16568 Echo Glen	1	1237.50	\$ 1,237.50
		TOTAL:	\$ 1,237.50

Approval:

TOTAL: \$ 1,23

[Signature] 6/27/17



13044 CR 192 Tyler, TX 75703
(903) 531-9670 Fax (903) 531-9675

Date June 27 , 2017

Job No: Liberty Water

Invoice Number: 103756

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - 16568 Echo Glen
PO # 10649

<u>Category</u>	<u>Amount</u>
<u>Time/Labor/Equipment Charges</u>	
Install gravity sewer tap	\$658.50
Truck Charge	\$35.00
Backhoe	\$390.00
Materials - 6" inlet, 4" plug vavle, 4" cleanout assembly and quickrete	\$154.00

TOTAL INVOICE AMOUNT

\$1,237.50

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



**Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - 16568 Echo Glen**

PROPOSAL # 06-2017-023C

PROPOSAL

ITEM NO	Work performed on 8/21/2017	QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Install gravity sewer tap	1.00	LS	\$658.50	\$658.50
2.00	truck charge	1.00	EA	\$35.00	\$35.00
3.00	Backhoe	6.00	HRS	\$65.00	\$390.00
4.00	Materials - 6" inlet, 4" plug valve, 4" cleanout assembly and				
	quickrete	1.00	LS	\$154.00	\$154.00
TOTAL BID					\$1,237.50

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



Purchase Order No.	MPO10580
Date	4/21/2017

Supplier 8020-CAPCON

Name	Capps-Capco Construction Inc.
Address	13044 CR 192 Tyler, TX 75703

Ship To:
Liberty Utilities
12725 W. Indian School Rd., Ste D101
Avondale, AZ 85392

REC'D MAY 01 2017

Item	Quantity	Unit Price	Amount
8300-2-0200-50-5200-7361	GL Code		
installed sewer tap at 16749 Shady Ridge	1	1517.25	\$ 1,517.25
		TOTAL:	\$ 1,517.25

Operations Manager
Operations Director
President - AZ, TX

Approval:
Approval:
Approval:

Druck 4-21-17

975-4-21-17



PROPOSAL # 03-2017-018C

Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - 16749 Shady Ridge

PROPOSAL

ITEM NO	Work performed on 3/14/17	QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Installed sewer tap	1.00	LS	\$1,098.00	\$1,098.00
2.00	truck charge	1.00	EA	\$35.00	\$35.00
3.00	Materials - 3x2 saddle, 2" brass gate valve, 2" nipple, 2" coupling, and 2" pvc pipe	1.00	LS	\$384.25	\$384.25
TOTAL BID					\$1,517.25

Capps-Capco Construction, Inc.
 Contractor
 13044 CR 192
 Tyler, TX 75703

Liberty Utilities
 Owner
 12725 West Indian School Road
 Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



13044 CR 192· Tyler, TX 75703
(903) 531-9670 · Fax (903) 531-9675

Date April 24, 2017

Job No: Liberty Water

Invoice Number: 103676

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - 16749 Shady Ridge
MPO # 10580

Category	Amount
<u>Time/Labor/Equipment Charges</u>	
<u> Installed sewer tap</u>	
2 Crew Leaders 18 Hours RT (35.75/HR)	\$643.50
1 Pipe Layer 9 Hours RT (27.00/HR)	\$243.00
1 Laborer 9 Hours RT (23.50/HR)	\$211.50
1 Truck Charge @ \$35/EA	\$35.00
Materials - 3x2 saddle, 2" brass gate valve, 2" nipple, 2" coupling, and 2" pvc pipe	\$384.25
TOTAL INVOICE AMOUNT	\$1,517.25

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



Liberty Utilities™

SUPPLIER: 8020-CAPCON**Capps-Capo Construction Inc.**

13044 CR 192

Tyler TX 75703

ATTN:

Phone: (903) 561-6657

Facsimile: (903) 531-9670

Please direct Invoices to the following address:

12725 West Indian School Road

Avondale

AZ

85392

Purchase Order No. PO000043776**Date** 2/21/2017**This P.O. No. to appear on all invoices & correspondence.****SHIP TO:**

Tall Timbers

16623 FM 2490

Suite E

Tyler

TX

75703

Ordered By: Shana Mahaffey**Email:** Shana.Mahaffey@libertyutilities.com**Telephone:****Facsimile:****REC'D FEB 22 2016**

LINE#	PAYMENT TERMS	Site ID	Item Number	QTY	REQUIRED DATE
Algonquin Entity			U/M	UNIT PRICE	AMOUNT
DESCRIPTION			GL ACCOUNT	COST CODE	
1	NET 30	8300-TT	INSTALL 4" SEWER TAP ON WASHIT	1	02/20/2017
			LS	\$1247.82	\$1247.82
From Req/Line: 16390/1 Dept: OPSTX 80 SM			8300-2-0200-50-5200-736		

ALL PRICED ARE IN US DOLLARS**F.O.B.** None**Order Total****\$1247.82****Every Order MUST be confirmed back to Liberty here.**

EXPECTED SHIPMENT DATE

SIGNATURE

DATE CONFIRMED

ACCEPTED BY: SUPPLIER'S NAME

DATE

Approved By

LIBERTY WATER CO

As agent for the Algonquin Entity named above

The attached Terms & Conditions apply to this Purchase Order

INVOICES MUST SHOW ALL APPLICABLE TAXES AND CHARGES SEPARATELY



**Capps-Capco Construction Inc.
Liberty Utilities - Tall Timbers - Washita Drive**

PROPOSAL # 02-2017-016C

PROPOSAL

ITEM NO		QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	install 4" sewer tap	1.00	LS	\$502.00	\$502.00
2.00	truck charge	1.00	EA	\$35.00	\$35.00
3.00	Materials - 6x4 wye, (3) 4" 45° bends, 30' of 4" pipe and				
	4" cut off clean out	1.00	LS	\$190.82	\$190.82
4.00	Backhoe	8.00	HRS	\$65.00	\$520.00
TOTAL BID					\$1,247.82

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



13044 CR 192· Tyler, TX 75703
(903) 531-9670 · Fax (903) 531-9675

Date February 22, 2017

Job No: Liberty Water

Invoice Number: 103632

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Tall Timbers - Washita Drive
PO # 43776

Improvements

Category	Amount
<u>Time/Labor/Equipment Charges</u>	
<u>install 4" sewer tap</u>	
1 Crew Leader 8 Hours RT @ 35.75/Hour	\$286.00
1 Pipe Layer 8 Hours RT @ 27.00/Hour	\$216.00
1 Truck charge @ 35.00/EA	\$35.00
8 Hours backhoe @ 65.00/Hour	\$520.00
Materials - 6x4 wye, (3) 4" 45° bends, 30' of 4" pipe and 4" clean out	\$190.82

TOTAL INVOICE AMOUNT

\$1,247.82

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



Liberty UtilitiesSM

SUPPLIER:

8020-CAPCON

Capps-Capo Construction Inc.

13044 CR 192

Tyler TX 75703

ATTN:

Phone: (903) 561-6657

Facsimile: (903) 531-9670

Please direct Invoices to the following address:

12725 West Indian School Road

Avondale

AZ

85392

Purchase Order No.

PO000045078

Date

5/1/2017

This P.O. No. to appear on all invoices & correspondence.**SHIP TO:**

Woodmark

16623 FM 3493

Suite E

Tyler

TX

75703

REC'D MAY 03 2017

Ordered By: Shana Mahaffey**Email:** Shana.Mahaffey@libertyutilities.com**Telephone:****Facsimile:**

LINE#	PAYMENT TERMS	Site ID	Item Number	QTY	REQUIRED DATE
Algonquin Entity			U/M	UNIT PRICE	AMOUNT
DESCRIPTION			GL ACCOUNT	COST CODE	
1	NET 30	8400-WM	SERVICE GRAVITY TAP AND INLINE	1	04/28/2017
				LS	\$983.88
					\$983.88
From Req/Line: 17718/1 Dept: OPSTX 80 SM				8400-2-0200-50-5200-736	

ALL PRICED ARE IN US DOLLARS

F.O.B. None**Order Total**

\$983.88

Every Order MUST be confirmed back to Liberty here.

EXPECTED SHIPMENT DATE

SIGNATURE

DATE CONFIRMED

ACCEPTED BY: SUPPLIER'S NAME

DATE

Approved By

LIBERTY WATER CO

As agent for the Algonquin Entity named above

The attached Terms & Conditions apply to this Purchase Order

INVOICES MUST SHOW ALL APPLICABLE TAXES AND CHARGES SEPARATELY



**Capps-Capco Construction Inc.
Liberty Utilities - Woodmark - 19345 CR 1332**

PROPOSAL # 03-2017-021C

PROPOSAL

ITEM NO	Work performed on 3/27/17	QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Service gravity tap and inline cleanout	1.00	LS	\$742.00	\$742.00
2.00	truck charge	1.00	EA	\$35.00	\$35.00
3.00	Materials - 28' of 4" pvc pipe, cap, cleanout, wye	1.00	LS	\$206.88	\$206.88
TOTAL BID					\$983.88

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

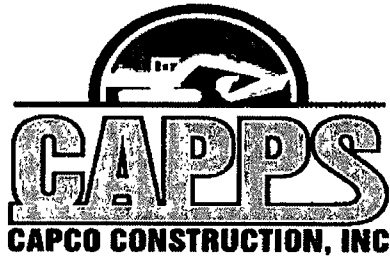
By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**

*House tap
Gene Evers
4-28-17*



13044 CR 192- Tyler, TX 75703
(903) 531-9670 -Fax (903) 531-9675

Date May 2, 2017

Job No: Liberty Water

Invoice Number: 103680

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Woodmark - 19345 CR 1332

PO # 45078

Category	Amount
<u>Time/Labor/Equipment Charges</u>	
<u>installed service tap and inline cleanout</u>	
1 Crew Leader 8 Hours RT (35.75/HR)	\$286.00
1 Pipe Layer 8 Hours RT (27.00/HR)	\$216.00
1 Superintendent 1 Hour RT (52.00/HR)	\$52.00
Laborer 8 Hours RT (23.50/HR)	\$188.00
1 Truck Charge @ \$35/EA	\$35.00
Materials - 4" plug valve, 4" cleanout, 28' of 4" pvc pipe, coupling, wye	\$206.88
TOTAL INVOICE AMOUNT	\$983.88

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802



Purchase Order No.	106592
Date	8/28/2017

Supplier	8020-CAPCON
Name	Capps-Capco Construction
Address	13044 CR 192 Tyler, TX 75703

Ship To:
Liberty Utilities
12725 W. Indian School Rd., Ste D101
Avondale, AZ 85392

Michael Rd., Ste D101
92
REC'D SEP 05 2017

Item	Quantity	Unit Price	Amount
8400-2-0200-50-5200-7361	GL Code		
installed sewer tap at 19378 CR 432	1	LS	\$ 1,467.23
materials: 6x4 wye, 45 bend, 20' of 4" pvc pipe			
4" cap			
		TOTAL:	\$ 1,467.23

Operations Manager
Operations Director
President - AZ, TX

Approval:
Approval:
Approval:

SUD 8/28/17



**Capps-Capco Construction Inc.
Liberty Utilities - Woodmark - 19378 CR 432**

PROPOSAL # 08-2017-004C

PROPOSAL

ITEM NO	Work performed on 8/3/2017	QUANTITY	UNIT	TOTAL PER UNIT	EXTENSION
1.00	Installed Sewer Tap at 19378 CR 432	1.00	LS	\$768.25	\$768.25
2.00	Truck charge	1.00	EA	\$35.00	\$35.00
3.00	Materials - 6 x 4 wye, 45° bend, 20' of 4" pvc pipe, 4" cap	1.00	LS	\$88.98	\$88.98
4.00	Backhoe	5.00	HRS	\$65.00	\$325.00
5.00	mobilization	1.00	LS	\$250.00	\$250.00
TOTAL BID					\$1,467.23

Capps-Capco Construction, Inc.
Contractor
13044 CR 192
Tyler, TX 75703

Liberty Utilities
Owner
12725 West Indian School Road
Avondale, AZ 85392

(Signature)

(Signature)

By (Printed Name)

By (Printed Name)

Date

Date

***PROPOSAL VALID FOR 30 DAYS**



13044 CR 192· Tyler, TX 75703
(903) 531-9670 · Fax (903) 531-9675

Date August 29, 2017

Job No: Liberty Water

Invoice Number: 103790

Liberty Utilities

12725 W. Indian School Rd., Suite D101
Avondale AZ 85392

RE: Woodmark - 19378 CR 432

MPO # 106592

<u>Category</u>	<u>Amount</u>
<u>Time/Labor/Equipment Charges</u>	
<u>installed sewer tap</u>	
1 Crew Leader 7 Hours RT (35.75/HR)	\$250.25
1 Pipe Layer 7 Hours RT (27.00/HR)	\$189.00
2 Laborers 14 Hours RT (23.50/HR)	\$329.00
1 Truck charge @ \$35/EA	\$35.00
5 Hours for backhoe @ \$65/HR	\$325.00
Mobilization	\$250.00
Materials - 6 x 4 wye, 45° elbow, 20' of 4" pvc pipe and a 4" pvc cap	\$88.98
TOTAL INVOICE AMOUNT	\$1,467.23

As always, we appreciate the opportunity to be of service.

Tax ID # 26-0368802

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 1-6 Referencing Bates page LU 000151, Purchased water and/or District Fee Pass Through Clause, please confirm or deny that the "8" contained in the formula should be a "B." If denied, please explain the purpose of dividing (1-L) by "8" and indicate why variable "B" was excluded from the proposed formula.

RESPONSE: Liberty Utilities Silverleaf, LLC confirms the “8” contained in the formula should be a “B” in the Purchased Water and/or District Fee Pass Through Clause on Bates page LU 000151.

Prepared by: Leticia Washington, Manager, Rates and Regulatory Affairs

Sponsored by: Thomas Bourassa – Certified Public Accountant on behalf of Liberty Utilities Silverleaf, LLC

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 1-7 Referencing the Direct Testimony of Matthew Garlick, Page 3, Lines 18-20, please explain the "possible means of rate mitigation" that were considered prior to the filing.

RESPONSE: As referenced in the Direct Testimony of Matthew Garlick, page 3, lines 23-25, and Page 4, lines 1-3, the Company developed an "inverted three-tier rate design for Liberty Silverleaf's water utility customers. Inverted tiered rates encourage water conservation because the more water used, the higher the costs. At the same time, inverted tier rates give customers an opportunity to save money on their water bills by reducing consumption. This will allow customers that wish to mitigate the impact of necessary rate increases the opportunity [to] lessen the impact of their rate increase." See also Direct Testimony of Thomas J. Bourassa (Revenue Requirement and Rate Design), at 17, lines 6-10 ("As I will discuss, the Company proposes an inverted tier rate design for the water division to promote water conservation and to help mitigate the required increases in rates for the smaller water users.")

Prepared by: Leticia Washington, Manager, Rates and Regulatory Affairs

Sponsored by: Matthew Garlick, President, Arizona and Texas

RESPONSE TO REQUEST FOR INFORMATION

OPUC RFI 1-8 Referencing the Direct Testimony of Matthew Garlick, Page 8, Lines 22-24, please provide the final Bill of Sale between Silverleaf Resorts and Algonquin Water Resources of Texas, LLC specific to the listed systems.

RESPONSE: See attached Asset Purchase Agreement dated August 29, 2004 between Silverleaf Resorts, Inc. and Algonquin Water Resources of Texas, Inc. See also attached orders and correspondence from the Texas Commission on Environmental Quality approving the purchase and transfer of water CCN No. 11072, water CCN No. 13131, and sewer CCN No. 20815 from Silverleaf Resorts, Inc. to Algonquin Water Resources of Texas, LLC.

OPUC RFI 1-8 Asset Purchase Agreement.pdf

OPUC RFI 1-8 TCEQ Order.pdf

Prepared by: Todd Wiley

Sponsored by: Matthew Garlick, President – West Region

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Draft Date: August 18, 2004
Execution Version
022

ASSET PURCHASE AGREEMENT
BETWEEN
SILVERLEAF RESORTS, INC.
AS SELLER,
AND
ALGONQUIN WATER RESOURCES OF TEXAS, INC.
AND
ALGONQUIN WATER RESOURCES OF MISSOURI, INC.
AND
ALGONQUIN WATER RESOURCES OF ILLINOIS, INC.
AND
ALGONQUIN WATER RESOURCES OF AMERICA, INC.
AND
ALGONQUIN POWER INCOME FUND
COLLECTIVELY AS PURCHASERS
DATED AS OF AUGUST 21st, 2004

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT ("Agreement") dated effective as of the 29th day of August, 2004 (the "Effective Date"), is by and between **SILVERLEAF RESORTS, INC.**, a Texas corporation (the "Seller"), and **ALGONQUIN WATER RESOURCES OF TEXAS, INC.**, a Delaware corporation ("Texas Purchaser"); **ALGONQUIN WATER RESOURCES OF MISSOURI, INC.**, a Delaware corporation ("Missouri Purchaser"), **ALGONQUIN WATER RESOURCES OF ILLINOIS, INC.**, a Delaware corporation (Illinois Purchaser) and **ALGONQUIN WATER RESOURCES OF AMERICA, INC.**, a Delaware corporation and **ALGONQUIN POWER INCOME FUND**, a Canadian income trust (collectively, the "Parent Purchaser", the Texas Purchaser, Missouri Purchaser, Illinois Purchaser and Parent Purchaser collectively referred to as the "Purchasers").

Background

WHEREAS Seller owns water treatment plants, water wells, lines, wastewater collection systems, wastewater treatment plants and certain other related assets located at certain resorts ("Resorts") in Texas, Illinois and Missouri as follows:

State	Resort	Location
Texas	Holly Lake	Wood County, TX
	Hill Country Resort	Comal County, TX
	Piney Shores Resort	Montgomery County, TX
	The Villages	Smith County, TX
Illinois	Fox River Resort	LaSalle County, IL
Missouri	Holiday Hills Resort	Taney County, MO
	Ozark Mountain Resort	Stone County, MO
	Timbercreek Resort	Jefferson County, MO

WHEREAS such water supply and distribution and wastewater collection and treatment and all other related assets are utilized and necessary for the provision of water supply and wastewater treatment services to the resort communities and other customers at the locations indicated above (hereinafter collectively called the "Facilities").

WHEREAS Seller desires to sell and Purchasers desire to purchase all assets owned by Seller and used in the operation of the Facilities on the terms and conditions set forth in this Agreement.

WHEREAS Seller also desires to sell and Purchasers desire to purchase all real property owned and utilized by Seller which is necessary and utilized in the operation of the Facilities, said real property being more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the foregoing real property being hereinafter collectively called the "Real Property").

WHEREAS Purchaser intends to continue to conduct water supply and wastewater treatment utility operations at each of the Facilities and desires also to acquire the goodwill and

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other intangible assets associated with or necessary for the conduct of such operations at such Facilities (said operations conducted at the Facilities being collectively called the "Utilities").

IN CONSIDERATION of the mutual promises of the parties; in reliance on the representations, warranties, covenants, and conditions contained in this Agreement; and for other good and valuable consideration, the parties agree as follows:

Agreement

ARTICLE 1 DEFINITIONS

1.01. Specific Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

"Affiliate": Any Person that, directly or indirectly, controls, or is controlled by, or under common control with, another Person. For the purposes of this definition, "control" (including the terms "controlled by" and "under common control with"), as used with respect to any Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or by contract or otherwise.

"Applicable Law": All applicable provisions (domestic or foreign) of all (i) constitutions, treaties, statutes, laws (including the common law), rules, regulations, ordinances, codes and Orders of or with any Governmental Body, and (ii) Governmental Approvals.

"Assets": As defined in Section 2.01 hereof.

"Assignment and Assumption": As defined in Section 9.01(c) hereof.

"Bill of Sale": As defined in Section 9.01(b) hereof.

"Claims": As defined in Section 2.01(f) hereof.

"CCN": means the certificate of convenience and necessity issued in respect of the operation of the Utilities by the regulatory agency governing the operation of such utilities in the state in which the utility is located.

"Closing": As defined in Section 2.07(c) hereof.

"Closing Date": As defined in Section 2.07(c) hereof.

"Code": The Internal Revenue Code of 1986, as amended.

"Consent": Any consent, approval, authorization, action, waiver, permit, grant, franchise, concession, agreement, license, exemption or Order of, registration, certificate, declaration or

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filing with, or report or notice to, any Person (including foreign Persons), including any Governmental Body.

"Cure Notice": As defined in Section 3.03 hereof.

"Damages": Any and all damages, claims, obligations, demands, assessments, penalties, fines, liabilities (joint or several), costs (including compliance costs), punitive damages, losses, diminution in value, defenses, judgments, suits, proceedings, disbursements and expenses (including disbursements, expenses and reasonable fees of attorneys, accountants, consultants and other professional advisors and of expert witnesses, costs of investigation and preparation, litigation and costs of settlement) of any kind whatsoever, whether fixed or contingent, suffered or incurred by a Person.

"Deed": As defined in Section 9.01(a) hereof.

"Effective Date": As defined in the opening paragraph hereof.

"Environmental Law": Any and all federal, state, local, and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of Hazardous Materials or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or wastes or the cleanup or other remediation thereof.

"Fixed Assets": As defined in Section 2.01(c) hereof.

"GAAP": Generally accepted accounting principles for financial reporting in the United States, applied on a basis consistent with the basis on which the balance sheet and any other financial statements were prepared.

"Governmental Approval": Any Consent of, from or with any Governmental Body.

"Governmental Body": Any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency, authority or instrumentality, domestic or foreign.

"Hazardous Material": Any waste, substance, material, smoke, gas or particulate matter that: (i) is or contains asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum or petroleum-derived substances or wastes, radon gas or related materials, (ii) requires investigation, removal, regulation or remediation under any Environmental Law, or is defined, listed or identified as a "hazardous material", "hazardous waste" "hazardous substance" "toxic substance", "contaminant", or "pollutant" thereunder, or (iii) is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous or dangerous or is regulated by any Governmental Body or Environmental Law.

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"Illinois Assets": Means that portion of the Assets, Facilities and Utilities which is located in the State of Illinois.

"Including" or "Includes": Means including without limitation or includes without limitation.

"Inspection Period": As defined in Section 6.03 hereof.

"Knowledge": The terms "knowledge," "awareness," and "belief" and any similar term or words of like import shall mean the current actual knowledge, awareness or belief of a Seller following inquiry with respect to the subject matter of the representation and/or warranty being given.

"Liability or Liabilities": Any commitments, debts, liabilities, obligations (including contract and capitalization lease obligations), indebtedness, accounts payable and accrued expenses of any nature whatsoever (whether any of the foregoing are known or unknown, secured or unsecured, asserted or unasserted, absolute or contingent, direct or indirect, accrued or unaccrued, liquidated or unliquidated and/or due or to become due), including any liability or obligation for Taxes.

"Lien": All mortgages, deeds of trust, claims, liens, security interests, pledges, leases, conditional sale contracts, rights of first refusal, options, charges, liabilities, obligations, agreements, easements, rights-of-way, limitation, encroachment, powers of attorney, limitations, reservations, restrictions, and other encumbrances of any kind.

"Missouri Assets": Means that portion of the Assets, Facilities and Utilities which is located in the State of Missouri.

"Notices": As defined in Section 10.02 hereof.

"Objections": As defined in Section 3.03 hereof.

"Operating Agreements": As defined in Section 2.01(d) hereof.

"Order": Any order, writ, injunction, directive, decree, judgment, award, restriction, decision or determination of, or agreement with, any Governmental Body.

"Outside Date": Means the date which is one hundred fifty (150) days following the Effective Date.

"Permits": All permits, authorizations, qualifications, certificates, consents, approvals, registrations, variances, exemptions, rights-of-way, franchises, privileges, immunities, grants, ordinances, licenses, waivers and other rights of every kind and character (a) under any (i) Applicable Law, (ii) Order or (iii) contract with any Governmental Body, or (b) granted by any Governmental Body.

"Permitted Encumbrances": (i) Liens for Taxes and assessments not yet due and payable or which are being challenged in good faith and with respect to which adequate reserves have

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been established in the Financial Statements and the amounts being challenged is included in the adjustment to Working Capital pursuant to Section 2.05 hereof; (ii) informational filings made by equipment lessors under the Uniform Commercial Code; and (iii) landlord's liens created by statute and not by affirmative action of any landlord.

"Permitted Exceptions": As defined in Section 3.03 hereof.

"Person": An individual, partnership, joint venture, corporation, company, limited liability company, bank, trust, unincorporated organization, Governmental Body or other entity or group.

"Proceeding": Any action, claim, suit, proceeding, litigation, arbitration, mediation, investigation, inquiry, complaint, grievance, review or notice or other process.

"Purchase Price": As defined in Section 2.04 hereof.

"Purchasers": As defined in the opening paragraph hereof and Purchaser means any one of them.

"Real Property": As defined in the Recitals hereof.

"Release": Any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Material into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material.

"Seller": As provided in the opening paragraph hereof.

"Services Agreement(s)" shall mean those agreements between the Seller and the respective Purchaser, and guaranteed by the Parent Purchaser, setting out terms, conditions and incorporating the principles set out in Schedule 7.06 hereof and governing the exclusive provision of water and/or wastewater services by the Purchaser at the resorts operated by the Seller.

"Survey": As defined in Section 3.01 hereof.

"Taxes": Any federal, state, local or foreign income, franchise, sales, excise, real or personal property, ad valorem or other Taxes, assessments, fees, levies, imposts, duties, deductions or other charges of any nature whatsoever (including interest and penalties) imposed by any Applicable Law.

"Texas Assets": Means that portion of the Assets, Facilities and Utilities which is located in the State of Texas.

"Threatened": Any matter or thing will be deemed to have been Threatened when used herein with respect to any party if that party has received notice from the Person to whom the threat is attributable or such Person's agents, which notice makes reference to and identifies the

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matter or thing being threatened or that party observes an action by the Person to whom the threat is attributable or such Person's agents that in the exercise of reasonable and prudent business judgment would cause such party to believe that the matter or thing is being threatened.

"Title and Survey": As defined in Section 3.03 hereof.

"Title and Survey Review Period": As defined in Section 3.03 hereof.

"Title Commitment": As defined in Section 3.02 hereof.

"Title Company": As defined in Section 3.02 hereof.

"Title Policy": As defined in Section 3.04 hereof.

"Transaction" or "Transactions": The acquisition of the Assets and the performance of the other covenants and the consummation of the transactions described in this Agreement.

"Transaction Expenses": The expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the consummation of the Transactions, including all fees and expenses of counsel and representatives.

"Working Capital": Means the consolidated assets of the Facilities as of 12:01 a.m. on the Closing Date that are treated under GAAP as current assets (including restricted cash) to which the Purchasers become entitled less consolidated liabilities of the Facilities as of 12:01 a.m. on the Closing Date that are treated under GAAP as liabilities for which the Purchasers become liable. Notwithstanding anything contained in the preceding sentence, the calculation of Working Capital shall include (i) as a current asset, any third party account receivable for services rendered by the Utilities before the Closing Date and (ii) as a current liability, any amount payable by the Purchasers on or after the Closing Date in respect of goods or services supplied to the Facilities before the Closing Date where no invoice for such amount has been received in respect thereof before the Closing Date.

"Working Capital Threshold": Means an amount equal to ONE HUNDRED THOUSAND DOLLARS (\$100,000.00).

1.02. Other Definitions. Other terms shall have the meanings ascribed to them elsewhere herein.

ARTICLE 2

SALE AND PAYMENT OF PURCHASE PRICE

2.01. Sale of Assets. Subject to the terms and conditions of this Agreement, on the Closing Date, Seller agrees to sell, convey, transfer, assign, and deliver to Purchasers, and Purchasers agree to purchase and accept from Seller all of the following assets, properties, rights, licenses and business of Seller (the "Assets"), being all the assets that are used by Seller in

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connection with the operation of the Utilities, free and clear of all Liens, except Permitted Encumbrances:

(a) The Facilities, including the Real Property and (i) all of the buildings, structures and improvements in, upon and under the Real Property used by Seller in the operation of the Facilities, together with (ii) any and all collection or disbursement pipe lines, valves, manholes, lift stations (collectively, the "Lines") which are a part of, connected to, or serve the Facilities and are not located on or under the Real Property.

(b) (i) Perpetual nonexclusive easements for all Lines which are not located on or under the Real Property and (ii) temporary easements, over, under and across any real property which is owned by Seller or its Affiliates but is not part of the Real Property, which are necessary to enable Purchaser to repair, maintain and replace the Lines.

(c) All of the personal property and fixed assets of Seller that are located at the Facilities or used in connection with the operation of the Utilities including, without limitation, the personal property and fixed assets of Seller described on Exhibit "B" attached hereto (the "Personal Property and Fixed Assets"), together with all transferable warranties in connection therewith.

(d) All of Seller's right, title and interest in and to all assignable contracts and agreements relating to the operation of the Utilities and to the upkeep, repair, maintenance or operation of the Facilities, the Personal Property and the Fixed Assets (the "Operating Agreements") which Purchaser gives notice, in writing, of its agreement to assume during the Inspection Period.

(e) All of Seller's transferable Permits owned or used by Seller in the operation of the Facilities or Utilities, whether issued by any Governmental Body or any other Person (collectively, "Seller's Permits").

(f) All of Seller's rights, claims and causes of action relating to the Assets (the "Claims").

(g) All lists and records pertaining to the use and operation of the Assets, the Facilities and Utilities, including without limitation, information pertaining to customers, rates, billings, personnel and agents and all other drawings, books, ledgers, files, documents, and business records of every kind and nature of Seller relating to the Assets, Utilities or the Facilities (collectively, the "Seller's Records").

(h) All of Seller's stock, membership interests, partnership interests or other ownership interests in and to any Affiliates of Seller which own or operate any of the Assets.

2.02. Allocation to Various Purchasers. In respect of the transaction of purchase and sale contemplated herein, Texas Purchaser shall purchase from Seller the Texas Assets, Missouri Purchaser shall purchase from Seller the Missouri Assets and Illinois Purchaser shall purchase the Illinois Assets. The Purchase Price shall be allocated among the assets in accordance with the

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allocation set out in Schedule 2.02 hereto (providing that the Parties acknowledge that Schedule 2.02 shall not be prepared until prior to Closing).

2.03. Liabilities. Seller covenant to retain and Purchasers shall not assume any of the Liabilities of Seller or relating to the Assets, except for (i) those Liabilities arising and relating to events that occur on or after the Closing Date either under the Operating Agreements assumed by Purchasers pursuant to this Agreement or with respect to the Assets that Purchasers have agreed to purchase pursuant to this Agreement; or (ii) those Liabilities in respect of which adjustments have been made in the Working Capital.

2.04. Consideration for the Sale. In consideration of the sale and transfer of the Assets of Seller to the Purchasers and the representations, warranties, and covenants of Seller set forth in this Agreement, on the Closing Date Purchasers shall pay to Seller the amount of THIRTEEN MILLION TWO HUNDRED THOUSAND (\$13,200,000.00) DOLLARS, as may be adjusted in accordance herewith (the "Purchase Price"), which Purchase Price shall be paid by the Purchasers to the Seller as follows:

(a) By release from the escrow account by the Title Company to the account of Seller, an amount equal to the Earnest Money; and

(b) By way of immediately available funds, an amount equal to the Purchase Price less amounts paid to Seller in Section 2.04(a) above.

2.05. Working Capital Adjustment. On the date which is three (3) business days prior to the Closing Date, Seller shall deliver to Purchasers an estimate of the Working Capital together with additional backup information as may be required by Purchasers, acting reasonably, to confirm such calculation.

(a) In the event that the Working Capital exceeds the Working Capital Threshold, the Purchase Price shall be increased by the amount by which the Working Capital exceeds the Working Capital Threshold.

(b) In the event the Working Capital is less than the Working Capital Threshold, the Purchase Price shall be decreased by the amount by which the Working Capital Threshold exceeds the Working Capital.

Within sixty (60) days after the Closing, the Purchasers shall prepare and deliver to the Seller a revised calculation of the Working Capital together with reasonable backup information as may be requested by Seller to confirm such calculation. In the event the revised Working Capital delivered by Purchasers differs from the Working Capital estimate delivered by Seller on or before the Closing Date, within fifteen (15) days following the date of receipt of the revised Working Capital calculation by Seller, Seller and Purchaser shall, as an adjustment to the Purchase Price, pay or refund, as the case may be, such amount so that the Purchase Price adjustment contemplated in Section 2.05(a) and 2.05(b) is correctly performed.

2.06. Deposit of Earnest Money. The Parent Purchaser shall make deposits of immediately available funds with the Title Company in accordance with the following:

Draft Date: August 18, 2004

(a) Within three (3) business days after the mutual execution of this Agreement by Seller and Purchasers, Parent Purchaser will deposit with the Title Company the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00);.

(b) Not later than 5:00 p.m. (Dallas, Texas time) on the last day of the Inspection Period and subject to the earlier termination of this Agreement by Parent Purchaser as provided for in Section 6.03 herein, Parent Purchaser shall deposit with the Title Company an additional amount equal to NINE HUNDRED THOUSAND DOLLARS (\$900,000).

The Title Company shall hold the funds deposited by Parent Purchaser hereunder (such funds together with accrued interest referred to as "Earnest Money") in an interest-bearing account satisfactory to Seller and Parent Purchasers, both acting reasonably. All interest earned on the funds held by Title Company shall constitute a portion of the Earnest Money and shall be disbursed with the funds deposited by Parent Purchaser as provided elsewhere herein.

2.07. Release of Earnest Money. The Purchasers and Seller shall jointly instruct Title Company to release the Earnest Money in accordance with the following:

(a) To Seller, at the Closing, as a payment by the Purchasers of a portion of the Purchase Price;

(b) upon termination of this Agreement pursuant to Section 10.11, other than termination pursuant to Section 10.11(h); an amount equal to ONE HUNDRED DOLLARS (\$100.00) to Seller as valuable consideration for the execution of this Agreement by Seller, and the balance to the Parent Purchaser,

(c) as liquidated damages, to Seller, in the event of termination of this Agreement pursuant to Section 10.11(h).

2.08. Closing. The Closing of the sale and the transfer of the Assets (the "Closing") shall take place at the offices of the First Land Title, 5068 W. Plano Parkway, Suite 300, Plano, Texas 75093, tel: (972) 447-8366, fax: (972) 738-8513 (Attn: Lois McGrew) (the "Title Company"). The Closing shall occur on or before the date which is sixty (60) days after the expiration of the Inspection Period provided for in Section 6.03 below or at some earlier or later time as may be mutually agreed to by the Purchasers and Seller (the "Closing Date").

ARTICLE 3

SURVEYS, TITLE COMMITMENTS, TITLE DOCUMENTS AND DUE DILIGENCE ITEMS

3.01. Survey. Within twenty (20) days after the Effective Date, Seller shall cause to be delivered to Purchasers Seller's most current as-built land title surveys of the Real Property (the "Survey"). Purchasers may, at Purchasers' sole cost and expense, cause the Surveys to be updated and certified to Purchasers and the Title Company. The Survey shall form the basis for the legal description of the Real Property.

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3.02. Title Commitment. Within twenty (20) days after the Effective Date, Seller, at Seller's sole cost and expense, shall furnish to Purchasers current commitments (the "Title Commitment") for the issuance of an Owner's Policy of Title Insurance for the Real Property to Purchaser through First Land Title, 5068 W. Plano Parkway, Suite 300, Plano, Texas 75093, tel: (972) 447-8366, fax: (972) 738-8513 (Attn: Lois McGrew) (the Title Company), together with legible copies of all documents (the "Title Documents") constituting exceptions to Seller's title as reflected in the Title Commitment, including legible copies of the current plats, if any, filed in the map and plat records.

3.03. Title and Survey Review. Purchasers shall have a period of forty-five (45) days (the "Title and Survey Review Period") from the Effective Date to review the Title and Survey and to provide notice in writing to Seller as to any matters therein to which Purchasers object (the "Objections"). If Purchasers fail to provide such notice prior to the expiration of the Title and Survey Review Period, Purchasers shall be deemed to have approved and accepted Title and Survey and all matters set forth on Schedule B of the Title Commitment shall be deemed permitted exceptions (referred to as "Permitted Exceptions"), and Purchasers shall accept title to the Real Property subject to such Permitted Exceptions.

If Purchasers notify Seller in writing of any Objections prior to the expiration of the Title and Survey Review Period, Seller shall then have a period of ten (10) days after its receipt of such notice to (i) use its reasonable efforts to cure the Objections (provided Seller shall have no obligation to cure any of the Objections), or (ii) to notify Purchasers in writing of any Objections Seller cannot or will not cure (the "Cure Notice"). If Seller fails to deliver a Cure Notice in accordance herewith, Seller shall be deemed to accept the obligation to cure the Objections prior to Closing.

Upon Purchasers' receipt of the Cure Notice, Purchasers shall have until the expiration of the Inspection Period (as hereinafter defined) to either (i) terminate this Agreement by written notice to Seller, with neither party hereto being thereafter obligated to the other, except as to those provisions that expressly survive hereunder, or (ii) waive the Objections by written notice to Seller and proceed to Closing with all uncured Objections constituting Permitted Exceptions.

Notwithstanding anything contained herein to the contrary, Seller may not, at any time after the Effective Date, place any encumbrances and/or restrictions on the Real Property without the prior written consent of Purchasers.

3.04. Title Policy. On or before the Closing Date, Seller shall furnish Purchasers in the name of the Purchaser which is purchasing the respective real property, at Seller's cost and expense (excluding any additional premium for the survey exception deletion), with an Owner's Policy of Title Insurance (the "Title Policy") issued through the Title Company on the standard form in use in the States of Texas, Illinois and Missouri, from a title insurance underwriter reasonably acceptable to Purchasers, insuring good marketable and indefeasible title to the Real Property in the appropriate Purchaser, subject only to the Permitted Exceptions.

3.05. Due Diligence Items. Without in any way limiting the scope of the due diligence review by Purchasers, Seller shall deliver to Purchasers the following:

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(a) Within fifteen (15) days after the Effective Date, at Seller's sole cost and expense, the following:

(i) A Uniform Commercial Code search which reflects that any portion of the Assets which constitutes personal property or fixtures is free from any security interest other than security interests which shall be removed at or prior to Closing which the Seller undertakes to do and acceptable proof of such interests having been cleared will be delivered to the Purchaser at or prior to the Closing;

(ii) A complete inventory of all tangible personal property owned or leased by Seller and used in connection with the Facilities;

(iii) Copies of any reports or other correspondence related to the condition of property utilized in respect of the business carried on by the Facilities

(iv) To the extent that they are in Seller's possession, copies of all certificates of occupancy and other governmental licenses or approvals relating to any portion of the Facilities but in any case Seller shall provide copies of all government licenses and approval which are required for the operation of the Utilities including, without limitation, the CCN, water use, well and discharge permits;

(v) Copies of any service records or bills for repairs to any part of the Facilities for the prior three (3) years;

(vi) Copies of all warranties relating to the Facilities;

(vii) Unaudited operating financial statements for the Facilities for 12 month calendar years ended December 31, 2002 and December 31, 2003 and for the six month period ending June 30, 2004; and

(viii) Copies of the most recent rate cases submitted by each of the respective Utilities, correspondence related thereto and sufficient backup documentation to substantiate the rate base purported therein and backup documentation in respect of any additions or deletions to such rate base since the date thereof or in the case of unregulated utilities, sufficient backup documentation to support the book value amount represented as the value of the Assets used at the respective Utility.

(b) Within twenty (20) days after the Effective Date, true, correct and complete copies of all Operating Agreements pertaining to the Assets and the Facilities.

(c) Within thirty (30) days after the Effective Date, draft Services Agreements in respect of the Utilities for review and negotiation with the Purchasers.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Purchasers that the following is true, correct and complete as of the date of this Agreement and will be true, correct and complete through and as of the Closing:

4.01. Organization and Standing of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. Seller has full corporate power and authority to own and lease all of the properties and assets it now owns and leases and to carry on its business as now being conducted. Seller is in substantial compliance with applicable laws.

4.02. Authority Relative to this Agreement. Seller has full power and authority (corporate and otherwise) to execute, deliver and perform this Agreement (including execution, delivery and performance of the operative documents to which Seller is a party) and to consummate the transactions contemplated herein. The execution and delivery by Seller of this Agreement and the operative documents, and the consummation of the transactions will not violate Seller's organization documents or other obligations, have been or will be duly and validly authorized by the Board of Directors of Seller and the shareholders of Seller in accordance with applicable law, and no other corporate proceedings on the part of Seller are necessary with respect thereto and no additional consents or approvals other than those provided for herein are required. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms. Seller will take, and cause to be taken, all corporate or other action that is necessary for Seller to complete the transactions to be completed by Seller pursuant to this Agreement.

4.03. Litigation Matters. Except as set forth on Schedule 4.03 there is no action, claim, demand, special assessments, suit, proceeding, arbitration, grievance, citation, summons, subpoena, inquiry, or investigation of any nature, civil, criminal, regulatory, or otherwise, in law or in equity, pending or, to the Knowledge of Seller, Threatened against the Assets, Facilities or Utilities or against or relating to the transactions contemplated by this Agreement, the Real Property and there is not, to the Knowledge of the Seller, any basis for the same.

4.04. Financial Statements. The financial statements delivered by Seller to Purchasers pursuant to Section 3.05(vii) hereof have been prepared in accordance with GAAP and, to the Knowledge of Seller, properly and accurately reflect the revenues earned and costs incurred in the operation of the Facilities in respect of the periods covered by such financial statements.

4.05. All Assets and Real Property. The Assets and Real Property, when considered together, include all assets, rights, properties, real property, easements and contracts used in the conduct of the business of the Facilities and Utilities in the manner it was conducted in the 60 day period prior to the Effective Date (normal wear and tear and replacements in the normal course of business excepted), including the service to all utility customers in substantially the same manner and service levels as provided by the Facilities and Utilities.

4.06. Environmental Matters.

(a) Except as specifically disclosed to Purchasers by Seller in Schedule 4.04 hereto, no citations, fines, or penalties have been asserted against the Facilities under any Environmental Law or by the regulatory authority or jurisdiction in which the Facilities operate.

(b) Other than as set out in Schedule 4.04, Seller has not received notice (verbal or written) of nor is it aware of any person making allegations that any of the Facilities are in violation of any applicable Environmental Law relating to any of its properties and assets, including the Real Property, or the use or ownership thereof, or to the operation of the business of the Facilities.

4.07. Disclaimer. EXCEPT FOR THE REPRESENTATIONS OF SELLER SET FORTH HEREIN, SELLER MAKES NO REPRESENTATION OR WARRANTY AS TO THE TRUTH, ACCURACY OR COMPLETENESS OF ANY MATERIALS, DATA OR INFORMATION DELIVERED BY SELLER TO PURCHASER IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY. EXCEPT FOR THE REPRESENTATIONS OF SELLER SET FORTH HEREIN PURCHASER ACKNOWLEDGES AND AGREES THAT ALL MATERIALS, DATA AND INFORMATION DELIVERED BY SELLER TO PURCHASER IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY ARE PROVIDED TO PURCHASER AS A CONVENIENCE ONLY AND THAT ANY RELIANCE ON OR USE OF SUCH MATERIALS, DATA OR INFORMATION BY PURCHASER SHALL BE AT THE SOLE RISK OF PURCHASER.

**ARTICLE 5
PURCHASER'S REPRESENTATIONS AND WARRANTIES**

Purchasers, jointly and severally, represent and warrant to Seller that the following is true, correct and complete as of the date of this Agreement and will be true, correct and complete through and as of the Closing:

5.01. Organization and Standing of Purchaser. Each of the Purchasers is a corporation duly organized, validly existing, and in good standing under the laws of the state of Delaware, with corporate power to own property and carry on its business as it is now being conducted.

5.02. Authority Relative to this Agreement. Each of the Purchasers has full power and authority to execute, deliver and perform this Agreement (including execution, delivery and performance of the operative documents) and to consummate the Transactions contemplated herein, subject to the conditions to Closing set forth in this Agreement. The execution and delivery by each of the Purchasers of this Agreement and the operative documents, and the consummation of the transactions, have been duly and validly authorized by the Board of Directors of such Purchaser and the shareholders of such Purchaser in accordance with Applicable Law, and no other corporate proceedings on the part of such Purchaser are necessary with respect thereto. This Agreement has been duly and validly executed and delivered by each

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of the Purchasers and constitutes the legal, valid and binding obligation of such Purchaser enforceable against such Purchaser in accordance with its terms. Each of the Purchasers will take, and cause to be taken, all corporate action that is necessary for such Purchaser to complete the Transactions to be completed by it pursuant to this Agreement.

ARTICLE 6 COVENANTS

6.01. Pre-Closing Covenants of Seller. Seller covenants with Purchasers that from and after the date of this Agreement until the Closing Date, Seller will:

- (a) **Business Operations.** Operate the Utilities and conduct their activities in substantial compliance with all applicable laws, and in the normal course of business and not introduce any material new method of management, operation, or accounting.
- (b) **Maintenance of Assets and Properties.** Maintain all Assets in a similar or better operating condition and repair as at the date hereof, except for ordinary depreciation, wear, and tear.
- (c) **Absence of Liens.** Not sell, pledge, lease, mortgage, encumber, dispose of, or agree to do any of these acts regarding any of the Assets, other than sale or disposition in the normal course of business.
- (d) **Maintain Insurance.** Keep in force all existing policies of insurance, or comparable replacement policies of insurance, covering the Assets. It is agreed that Seller shall be entitled to cancel all such insurance on the first business day following Closing.
- (e) **Performance of Obligations.** Perform all of Seller's obligations and not make any material amendment to such obligations under all agreements relating to or affecting the Assets.
- (f) **Notification of Litigation.** Promptly notify Purchasers in writing of any outstanding or Threatened claims, legal, administrative, or other Proceeding, or Orders against or involving Seller that could adversely affect the Transactions contemplated by this Agreement.
- (g) **Cooperate in Publicity.** Coordinate any publicity regarding the Transactions with Purchasers. In this regard, it is agreed that the announcement to the general public of the consummation of the Transactions contemplated by this Agreement will be made at 8:00 a.m. on the next business day following Closing at a meeting of Seller's officers and employees and Purchasers' representatives.
- (h) **Operating Agreements.** Not modify, amend, cancel, or terminate any of the Operating Agreements for which Purchasers has notified Seller in writing during the Inspection Period that Purchasers desire to assume (provided that Seller shall not be obligated to renew any Operating Agreements that expire in accordance with their terms).

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Prior to the Closing, Seller shall cancel (or modify to exclude or eliminate the Assets and Utilities therefrom) all Operating Agreements which Purchasers have not agreed to assume.

(i) **Preservation of Business.** Use its best efforts to preserve the Facilities intact, to keep available to Purchasers the services of the present employees of Seller (provided that Purchasers are not obligated to hire any employees of Seller), and to preserve for Purchasers the goodwill of the suppliers, customers and others having business relations with Seller.

(j) **Negotiation of Services Agreements.** Use its best and good faith efforts to negotiate the terms of services agreements with Purchasers in accordance with the principles set out in Schedule 7.06 hereto on or before the expiration of the Inspection Period (provided that the Inspection Period may be extended by mutual consent of Purchasers and Seller to provide sufficient time to complete such negotiations).

(k) **Submission for Approvals.** Submit the necessary applications and supporting documents seeking regulatory approval of the transaction contemplated herein and shall, both before and following the Closing, supply any additional information which may be requested by the regulators in regards thereto.

6.02. Pre-Closing Covenants of Purchasers.

(a) **Purchasers' Determination as to Operating Agreements.** Purchasers will notify Seller in writing prior to the expiration of the Inspection Period of those Operating Agreements which Purchasers will accept and assume at the Closing Date.

(b) **Negotiation of Services Agreements.** Use its best and good faith efforts to negotiate the terms of Services Agreements with Seller in accordance with the principles set out in Schedule 7.06 hereto on or before the expiration of the Inspection Period (provided that the Inspection Period may be extended by mutual consent of Purchasers and Seller to provide sufficient time to complete such negotiations).

(c) **Assist Seeking Approvals.** Purchasers shall provide such assistance and documentation as may be requested by the Seller, acting reasonably, to assist in securing all requisite approvals.

6.03. Purchasers' Inspection. Purchaser shall have a period of sixty-five (65) calendar days from the Effective Date, which period may be extended in accordance with Sections 3.03, 6.01(j) and 6.02(b) hereof (the "Inspection Period"), during which to obtain suitable financing and conduct such feasibility studies, including Phase I environmental studies, as Purchasers deem appropriate in an effort to determine whether or not to proceed with the Closing of the Transactions contemplated by this Agreement. Purchasers shall indemnify and hold Seller harmless from and against any and all claims, liabilities, and damages arising as a direct result of Purchasers' presence on the Real Property or the conduct of such studies and the foregoing indemnity shall expressly survive the closing or earlier termination of this Agreement.

In the event Purchasers determine in their sole and absolute discretion that they do not wish to proceed with Closing, Purchasers may terminate this Agreement pursuant to Section 10.11(a) by giving written notice thereof to Seller on or prior to the expiration of the Inspection Period, in which event this Agreement shall automatically terminate, and the Earnest Money (less \$100) shall be returned to Parent Purchaser in accordance with Section 2.07(b). If Purchasers terminate this Agreement prior to the expiration of the Inspection Period, Purchasers shall have no liability under this Agreement as a result of such termination except as herein provided. Purchasers agree that, having had the opportunity to inspect the Assets for defects and having had the right to terminate this Agreement in the event any defects are found, Purchasers will accept at Closing the Assets in an "as is, where is" condition, and Purchasers acknowledge that, other than as may be expressly set out herein, Seller is not making any representations or warranties with respect to the physical condition of the Assets.

6.04. Investigation of Utilities and Properties. Seller agrees to allow and cooperate with Purchasers to make or cause to be made such investigation of the Assets and of their financial and legal condition as appropriate or advisable to familiarize itself therewith. Seller agrees to furnish Purchasers and Purchasers' employees, officers, agents, investment bankers, accountants, counsel and other representatives with all business records, financial records, operating information, and other data and information concerning the Assets and commitments of Seller with respect to the Assets as Purchasers shall from time to time reasonably request and will afford Purchasers and Purchasers' employees, officers, accountants, attorneys, agents, investment bankers and other authorized representatives access to review such documents and their books and records regarding the Assets and will be given opportunity to ask questions of, and receive answers from, representatives of Seller with respect to such matters.

6.05. Additional Agreements; No Solicitation. Seller covenants and agrees that, until the sooner of the Closing or the termination of this Agreement, Seller will deal exclusively with the Purchasers with respect to the sale of the Assets, and Seller will not permit any of its respective Affiliates, agents or representatives (including investment bankers, attorneys and accountants) to, directly or indirectly (a) solicit, initiate, review, accept, engage in discussions or encourage submission of proposals or offers by, or (b) furnish any information with respect to, or otherwise cooperate in any way with, or participate in any discussions or negotiations with, any Person (other than Purchasers and their agents) with respect to any proposal regarding the acquisition or purchase of all or a material portion of the Assets.

6.06. Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all commercially reasonable efforts to do all things necessary, proper or advisable under Applicable Laws and regulations to consummate and make effective the Transactions contemplated by this Agreement, including the obtaining of all Consents and Orders by any Governmental Body or other Person required in connection therewith and initiating or defending any legal action that is necessary or appropriate to permit the Transactions to be consummated. At any time after the Closing Date, if any further action is necessary, proper or advisable to carry out the purposes of this Agreement, then, as soon as is reasonably practicable, each party to this Agreement shall take, or cause its proper officers to take, such action. Each party hereto further agrees to cooperate fully with the other party after the consummation of the Transactions for the purpose of providing Purchasers with the information and access to information necessary to ensure Purchasers with a reasonably smooth transition

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into the ownership of the Assets. No party to this Agreement shall take or cause to be taken any action that would cause the representations or warranties expressed herein to be untrue or incorrect on the Closing Date.

6.07. Agreement Regarding Brokers. Each party agrees that it will pay or dispute, and hold the other party harmless from, any claims of brokers or others for finder's or brokerage fees asserted as a result of representations by such party to such brokers or others, regardless of whether the existence of such brokers or others are disclosed herein.

6.08. Notice. Seller shall promptly give notice to Purchasers upon becoming aware of the occurrence or failure to occur, or of any event that would cause or constitute, any of its representations or warranties being or becoming untrue or any of its covenants being breached or a materially adverse event likely to effect the Utilities.

6.09. Payment of Liabilities. Following the Closing, Seller shall promptly pay or otherwise satisfy all valid claims, Liabilities and obligations relating to the Assets or the Utilities incurred through to or arising out of events preceding the Closing Date other than those Liabilities in respect of which an adjustment is made to the Purchase Price in the calculation of Working Capital pursuant to Section 2.05 hereof. Purchasers agree to indemnify and hold Seller harmless of and from any and all claims, Liabilities, and obligations relating to the Assets or the Utilities based on events occurring subsequent to the date of Closing.

ARTICLE 7

CONDITIONS TO PURCHASER'S OBLIGATION TO CLOSE

The obligation of Purchasers to Close under this Agreement is subject to each of the following conditions (any one of which may, at the option of Purchasers, be waived by Purchasers) being satisfied on the Closing Date, or such earlier date as the context may require.

7.01. Representations and Warranties. Each of the representations and warranties of Seller in this Agreement, the disclosures contained in the exhibits to this Agreement, and all other information delivered under this Agreement shall be true in all material respects at and as of the Closing Date as though each representation, warranty, and disclosure were made and delivered at and as of the Closing Date.

7.02. Compliance With Conditions. Seller shall comply with and perform all agreements, covenants, and conditions in this Agreement that are required to be performed and complied with by Seller before or coincident with the Closing.

7.03. No Proceedings or Violations. No Proceeding, legal or administrative, by any Governmental Body or Person relating to any of the Transactions contemplated by this Agreement shall be Threatened or commenced and no violation of Applicable Law shall have occurred with respect to the Utilities, the Assets or the Facilities that, in the discretion of Purchasers and their counsel, both acting reasonably, would prohibit or materially impair Purchasers from Closing this Transaction.

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7.04. Change of Commitment. There shall be no change in the matters reflected in the Title Commitment, and there shall not exist any encumbrance or title defect affecting the Subject Property not described in the Title Commitment except for the Permitted Exceptions.

7.05. Change of Survey Matters. There shall be no changes in the matters reflected in the Survey, and there shall not exist any easement, right-of-way, encroachment, waterway, pond, flood plain, conflict or protrusion with respect to any of the Real Property not shown on the Survey.

7.06. Services Agreement. Seller shall have executed and delivered the Services Agreement(s).

ARTICLE 8 CONDITIONS TO SELLER'S OBLIGATION TO CLOSE

The obligation of Seller to Close under this Agreement is subject to each of the following conditions (any one of which, at the option of Seller, may be waived in writing by Seller) being satisfied on the Closing Date.

8.01. Corporate Action. All corporate and stockholder action necessary to consummate the transactions contemplated in this Agreement shall be properly taken by Purchasers.

8.02. Compliance With Conditions. Purchasers shall comply with and perform all agreements, covenants, and conditions in this Agreement that are required to be performed and complied with by Purchasers before or coincident with the Closing.

8.03. No Proceedings or Violations. No Proceeding, legal or administrative, by any Governmental Body or Person relating to any of the Transactions contemplated by this Agreement shall be Threatened or commenced and no violation of Applicable Law shall have occurred with respect to the Utilities, the Assets or the Facilities that, in the discretion of Seller and its counsel, both acting reasonably, would prohibit or materially impair Seller from Closing the Transactions.

8.04. Approval of Seller's Lenders. Seller shall have obtained written approval and consent to the transactions necessary to close under this Agreement as required under the terms and conditions of any debt instruments, agreements or other obligations binding Seller, Seller's Affiliates or the Assets upon terms and conditions acceptable to Seller in its sole discretion. If Seller's Lenders fail to approve the Closing of the transaction contemplated under this Agreement, Seller shall pay to the Purchasers an amount equal to FIFTY THOUSAND (\$50,000) DOLLARS as compensation for the time and expenses incurred by the Purchasers in conducting due diligence inspections and contract negotiations.

8.05. Services Agreement. Purchasers shall have executed and delivered the Services Agreement(s).

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**ARTICLE 9
PARTIES' OBLIGATIONS AT THE CLOSING**

9.01. Seller's Obligations at the Closing. At the Closing, Seller shall execute, if appropriate, and shall deliver to Purchaser:

- (a) Special Warranty Deeds in a form acceptable to Purchasers sufficient to convey to Purchasers the Real Property (the "Deed");
- (b) Bills of Sale and Assignments in a form acceptable to Purchasers sufficient to convey to Purchasers all rights, title, and interest in and to all of the Assets being sold to Purchasers under the terms of this Agreement (the "Bill of Sale");
- (c) An Assignment and Assumption Agreement in form acceptable to Purchasers, assigning only the Operating Agreements which Purchasers have agreed to assume at Closing (the "Assignment and Assumption");
- (d) The Title Policies, in the form specified in Section 3.04 hereof;
- (e) The Easements in a form acceptable to Purchasers sufficient to enable Purchasers to use all Lines as described in Section 2.01(b) (the "Easements");
- (f) A certification signed by Seller containing the following: (i) Seller's U.S. Taxpayer Identification Number; (ii) the address of Seller; and (iii) a statement that Seller is not a foreign person within the meaning of Sections 1445 and 7701 of the IRC (i.e., Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and applicable regulations);
- (g) All of Seller's Records and other documentation in the possession of Seller necessary to operate and to use all Assets being sold to Purchasers in this Agreement;
- (h) Evidence of Seller's authorization to consummate the transactions contemplated hereby;
- (i) Possession of the Real Property, subject only to the Permitted Exceptions;
- (j) Executed Services Agreement(s) as contemplated in Section 7.06 hereof;
- (k) Such documentation and approvals as may be required by Purchasers, acting reasonably, to permit continued operation of the Utilities under the business names under which the Utilities currently operate. Purchasers shall cause the Utilities to change such operating names as soon as is practically possible following Closing and shall indemnify Seller for any claims, damages or other costs incurred or suffered by Seller arising from operation of the Utilities by the Purchasers under their current business names following Closing; and

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(l) Such other documents as are reasonably required to consummate the transactions contemplated hereby.

9.02. Purchasers' Obligations at Closing. At the Closing, Purchasers shall: (a) deliver the Purchase Price in immediately available funds to the Title Company; and (b) execute and/or deliver, as appropriate, to Seller against delivery of the items specified in Section 9.01, above:

- (a) the Bill of Sale;
- (b) the Assignment and Assumption;
- (c) Evidence of each of the Purchasers authorization to consummate the transactions contemplated hereby;
- (d) Executed Services Agreement(s) as contemplated in Section 8.05 hereof;
and
- (e) Such other documents as are reasonably required to consummate the transactions contemplated hereby.

9.03. Payment of Expenses. Seller shall pay at or prior to Closing all sums owed to suppliers, vendors, contractors and any other third parties pertaining to the Utilities and the Assets incurred prior to the Closing, including all amounts owing under the Operating Agreements other than amounts in respect of which adjustments have been made to the Working Capital in accordance with Section 2.05 hereof. Liability between Seller and Purchasers for real estate ad valorem taxes, charges and assessments, utility charges and other operating expenses pertaining to the Facilities shall be prorated at the Closing, effective as of the Closing Date, based upon actual days involved. All other income and ordinary operating expenses for or pertaining to the Facilities, including, but not limited to, public utility charges, and all other normal operating charges of the Facilities, shall be prorated at Closing effective as of the Closing Date. All maintenance and service contract expenses (whether or not service is continued by Purchasers) and utility charges shall be determined to the date of the Closing and shall be the liability of Seller. In connection with the proration of real property taxes and assessments, in the event that actual figures for the year of Closing are unavailable on the Closing Date, an estimated proration shall be made utilizing figures from the preceding year, with said proration to be adjusted in immediately available funds between the parties, based on actual taxes and assessments for the year of Closing, at the time such actual taxes and assessments are determined and available.

9.04. Transaction Expenses. Seller shall be responsible for the payment of all items herein agreed to be paid by Seller, including, without limitation, the payment of (i) the title insurance premiums with regard to the Title Policy, and (ii) fifty percent (50%) of all escrow fees. Purchasers shall be responsible for the payment of all items herein agreed to be paid by Purchasers, including without limitation, the payment of (i) all costs and expenses related to Purchasers' due diligence, inspections and investigations pursuant hereto, (ii) all recording fees, and (iii) fifty percent (50%) of all escrow fees. Each party shall pay its own Transaction

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Expenses. The obligation of each party to pay its own Transaction Expenses will be subject to any rights of such party arising from a breach of this Agreement by another party.

**ARTICLE 10
GENERAL PROVISIONS**

10.01. Survival of Representations, Warranties, and Covenants. The representations, warranties, covenants, and agreements of the parties contained in this Agreement or contained in any writing delivered pursuant to this Agreement shall survive the Closing for a period of twelve (12) months.

10.02. Notices. All notices, demands, or other communications of any type (herein collectively referred to as "Notices") given by the Seller to the Purchasers or by the Purchasers to the Seller, whether required by this Agreement or in any way related to the transaction contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this Section 10.02. All Notices shall be in writing and delivered to the person to whom the notice is directed, either (a) by telephonic facsimile communication, (b) by United States Mail, as a registered or certified item, return receipt requested or (c) nationally recognized overnight or local courier service. Any of the Notices may be delivered by the parties hereto or by their respective attorneys. Any notice delivered by telephonic facsimile communication shall be deemed effective after being transmitted to the applicable telephone facsimile numbers set forth below. Notices delivered by overnight or local courier shall be effective upon receipt. Notices delivered by registered or certified mail shall be deemed effective two (2) days after being deposited in a post office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper with proper postage affixed, with return receipt requested, or on the date of refusal to accept delivery of the notice, and addressed as follows:

If to Seller: Silverleaf Resorts, Inc.
Attn: Robert E. Mead
1221 River Bend Drive, Suite 120
Dallas, Texas 75247
Telephone: (214) 631-2266
Facsimile: (214) 905-0514

With copy to: George R. Bedell, Esq.
Meadows Owens Collier Reed Cousins & Blau, L.L.P.
901 Main St., Suite 3700
Dallas, TX 75202
Telephone: (214) 744-3700
Facsimile: (214) 747-3732

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If to Purchasers: c/o Algonquin Water Resources of America, Inc.
Attn: Ian Robertson
2845 Bristol Circle
Oakville, Ontario L6H 7H7
Telephone: (905) 465 4500
Facsimile: (905) 465 4540

With copy to: Snell & Wilmer L.L.P.
One Arizona Center
400 E. Van Buren
Phoenix, Arizona 85004-2202
Phone: (602) 382-6381
Facsimile: (602) 382-6070
Attn: Michael M. Donahey

Either party hereto may change the address for notice specified above by giving the other party five (5) days advance written notice of such change of address.

10.03. Assignment of Agreement. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. This Agreement may be assigned by the Purchasers to one or more of their respective subsidiaries however any such assignment shall in no way diminish the continuing obligation of the Purchasers in respect of all obligations and undertakings set out in this Agreement.

10.04. Governing Law. This Agreement shall be construed and governed by the laws of the State of Texas.

10.05. Amendments; Waiver. This Agreement may be amended only in writing by the mutual consent of all of the parties, evidenced by all necessary and proper corporate authority. No waiver of any provision of this Agreement shall arise from any action or inaction of any party, except an instrument in writing expressly waiving the provision executed by the party entitled to the benefit of the provision.

10.06. Entire Agreement. This Agreement, together with any documents and exhibits given or delivered pursuant to this Agreement, constitutes the entire agreement between the parties to this Agreement. No party shall be bound by any communications between them on the subject matter of this Agreement unless the communication is (a) in writing, (b) bears a date contemporaneous with or subsequent to the date of this Agreement, and (c) is agreed to by all parties to this Agreement.

10.07. Sales and Transfer Taxes. Purchasers shall be responsible for and pay all sales, transfer, deed, duties, stamp and other similar taxes and transfer and recording fees applicable to the Transactions contemplated by this Agreement.

10.08. Confidentiality. Purchasers and Seller agree that they will not disclose or in any way furnish any information relating to the amount of the Purchase Price and the terms and

conditions of payment thereof to any other person or entity, nor shall they authorize, permit or in any way aid in such disclosure, except (i) in response to legal process not initiated by, on behalf of, or on advice of the party from which the information is sought or persons or attorneys acting on behalf of said party, or (ii) to the extent disclosure is required for tax purposes, or (iii) to the extent disclosure is required to be made in financial statements or to a court or other governmental entity or stock exchange, or (iv) to individuals or entities providing legal, accounting, tax or financial advice to a party, or (v) to financing sources, potential or otherwise, or (vi) to the extent reasonably necessary to (a) enforce any of the agreements and covenants contained in this Agreement or (b) enforce or enjoy any other rights or remedies.

10.09. Risk of Loss. Risk of all loss, destruction, or damage to the Assets, or any portion thereof, from any and all causes whatsoever until the Closing shall be borne by Seller. In the event that any portion of the Assets are damaged by fire or other casualty, or all or any portion of the Assets is condemned or taken by eminent domain by any competent authority for any public or quasi-public use or purpose, or preliminary steps in such condemnation for eminent domain proceedings shall have been taken before the Closing Date, Seller shall give immediate notice thereof to Purchasers. In such event, Purchasers, at their option, may either (i) terminate this Agreement by written notice to Seller within ten (10) days after Purchasers has received the notice referred to above or at the Closing, whichever occurs first; or (ii) proceed to complete Closing as provided herein with abatement of the Purchase Price only to the extent that any insurance proceeds are paid or payable to any third parties other than Seller or Purchasers, and Seller shall assign to Purchasers at Closing all of the rights and interests of Seller in and to any insurance proceeds or condemnation awards which may be paid or payable to Seller on account of any such occurrence; provided, however, that Seller shall pay to Purchasers in cash at Closing a sum equal to any amounts which are deductible under any existing insurance policies applicable to such occurrence.

10.10. Employees of Seller. Seller acknowledges that Purchasers are under no legal obligation to employ any personnel presently employed by Seller at the Facilities and that Purchasers shall not assume any obligation of Seller to such employees, including, without limitation, any COBRA obligations. With the exception of Seller's Vice President of Resort Operations, Purchasers may offer employment to such persons currently employed by Seller with respect to the Utilities as Purchasers in their sole discretion shall determine. Purchasers shall have the absolute right to establish all terms and conditions of employment, including wages, benefits and benefit plans, for any employees of Seller to whom it chooses to make an offer of employment to be employed by Purchasers. All such offers of employment shall be on the terms and conditions established by Purchasers and shall be contingent upon employment commencing with Purchasers. Seller agrees not to discourage any such individuals who are offered employment by Purchasers from accepting employment with Purchasers.

10.11. Termination. This Agreement may be terminated:

(a) By notice given prior to or at the Closing, by Purchasers if any of the conditions in Article 7 have not been satisfied as of the Outside Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Purchasers to comply with its obligations under this Agreement) and Purchasers have not waived such condition on or before the Outside Date;

Draft Date: August 18, 2004

(b) By notice given prior to or at the Closing, by Seller, if any of the conditions in Article 8 has not been satisfied as of the Outside Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Seller to comply with Seller's obligations under this Agreement) and Seller has not waived such condition on or before the Outside Date;

(c) By mutual consent of Purchasers and Seller;

(d) By Purchasers in their sole and absolute discretion by notice to Seller given before the close of the Inspection Period;

(e) By any of Purchasers or Seller, if prior to the expiration of the Inspection Period the parties fail to agree on the terms of a Services Agreement(s) pursuant to Schedule 7.06 hereof.;

(f) By Seller if Purchasers fail to deposit funds with the Title Company as contemplated under Section 2.06(b) hereof;

(g) By Purchaser if a material breach of any provision of this Agreement has been committed by Seller and such breach has not been waived or cured within ten (10) days after written notice of such breach has been provided to Seller by Purchasers; and

(h) By Seller, if all of the conditions in Article 7 have been satisfied and all of the conditions in Article 8 have been satisfied (or waived) and Purchasers fail to close the transaction contemplated herein or if a material breach of any provision of this Agreement has been committed by Purchasers, or any of them, and such breach has not been waived or cured within ten (10) days after written notice of such breach has been provided to Purchasers by Seller.

Each party's right of termination under this Section 10.11 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 10.11(a) or Section 10.11(b), all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 6.03 and 9.04 hereof will survive; provided, however, that if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

10.12. Remedies. In the event that Seller fails to timely comply with all conditions, covenants and obligations of Seller hereunder, such failure shall be an event of default and Purchasers shall have the option (i) to terminate this Agreement by providing written notice thereof to Seller, in which event the earnest money (less \$100.00) shall be returned immediately to Parent Purchaser by the Title Company and the parties hereto shall have no further liabilities or obligations one unto the other; (ii) to waive any defect or requirement and close this Agreement; or (iii) to sue Seller for specific performance or for actual damages; provided, however, that, in the event that Seller violates its obligations pursuant to this Agreement and the

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closing does not occur as a result thereof, Purchasers' right to obtain any damages hereunder shall be limited to the recovery of Purchasers' out-of-pocket expenses, and in no event shall Purchaser have the right to sue for any other damages, including consequential damages, lost profits or punitive damages.

In the event that Purchasers fail to timely comply with all conditions, covenants, and obligations Purchasers have hereunder, such failure shall be an event of default, and Seller's sole remedy shall be to terminate this Agreement pursuant to Section 10.11(h) and receive the Earnest Money. The Earnest Money is agreed upon by and between the Seller and Purchasers as liquidated damages due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof, and no other damages, rights, or remedies shall in any case be collectible, enforceable, or available to the Seller other than in this paragraph defined, and Seller shall accept the earnest money as Seller's total damages and relief.

ARTICLE 11 POST CLOSING OBLIGATIONS

11.01. Permit Transfers. To the extent, any Permits are non-transferable to Purchasers or can not be transferred in a timely manner prior to Closing, Seller shall, at the option of Purchasers, either (i) request cancellation of such Permit or (ii) continue to hold such Permit in trust on behalf of Purchasers, subject to the indemnification of Seller by Purchasers in respect thereof and Purchasers and Seller agree to cooperate and use commercially reasonable efforts to promptly effect the transfer of such Permits to the Purchasers.

11.02. Indemnification of Purchasers. Seller shall indemnify, defend and hold harmless the Purchaser and its representative officers, directors, successors and assigns from and against any and all costs, expenses, losses, damages, fines, penalties or liabilities (including without limitation interest that may be imposed in respect thereof, court costs, reasonable attorneys' fees and accounting fees) actually incurred or arising out of, in respect to, in connection with, or arising from (i) any breach of any representation or warranty made by Seller and contained in this Agreement; or (ii) a breach by Seller of any covenant, restriction or agreement made by or applicable to Seller and contained in this Agreement. Notwithstanding the foregoing or anything to the contrary contained herein, it is understood and agreed that the representations and warranties set forth herein shall survive the Closing of this Agreement only for a period of one (1) year following the date of Closing, but not thereafter, and Seller shall have no liability of any kind whatsoever for any breach thereof except to the extent a claim is asserted against Seller within such one (1) year period. If any of the representations and warranties set forth herein are determined at anytime on or before the date of Closing to be untrue or unfulfilled, then Purchasers, as Purchasers' sole and exclusive remedy, may terminate this Agreement by providing written notice of such termination to Seller, in which event the Earnest Money (less \$100.00) shall be returned to Purchasers and thereafter neither Seller nor Purchasers shall have any further liabilities or obligations one unto the other.

11.03. Delayed Approvals. To the extent that it is not possible to secure the required approvals of all the Governmental Body(s) who may have jurisdiction over matters relating to the transfer of the Assets or to the transfer of the respective Utilities' CCN or such other approvals or transfers as may be required, Purchasers and Seller agree to cooperate and to do all

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commercially reasonable things following the Closing to secure such approvals for the transfers in the shortest time possible. It is acknowledged by the parties hereto that, given the current delays inherent in the process, there is a likelihood that definitive regulatory approvals will only be secured following the Closing and that, notwithstanding the completion of Closing, the transactions contemplated herein remain contingent on the granting by the respective regulator or Governmental Body having jurisdiction thereof of such approval and that the Closing shall remain subject to rescission if the required approvals are not granted. The parties hereto may enter into additional undertakings at or prior to the Closing when a clearer understanding of the process and the timelines for securing such approvals are more certain. In the event of a rescission, the entire Transaction must be rescinded, and, in such event, Seller will be required to refund to Purchasers the entire purchase price payable hereunder, and Purchasers shall return to Seller all Assets having been purchased hereunder in the same or better condition as such Assets were in when transferred to Purchasers.

Signed on August 28, 2004.

SELLER:

SILVERLEAF RESORTS, INC.

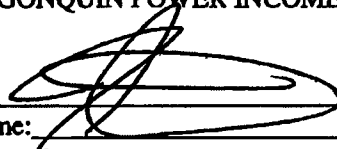
By: _____
Name: _____
Title: _____

PURCHASER:

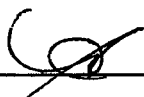
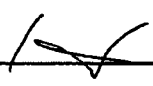
ALGONQUIN WATER RESOURCES OF
AMERICA, INC.

By: 
Name: Ian Robertson
Title: Authorized Signing Officer

ALGONQUIN POWER INCOME FUND


By: 
Name: _____
Title: _____

ALGONQUIN WATER RESOURCES OF
TEXAS, INC.


By:  
Name: _____
Title: _____

Draft Date: August 18, 2004

**ALGONQUIN WATER RESOURCES OF
MISSOURI, INC.**

By: 
Name: _____
Title: _____

**ALGONQUIN WATER RESOURCES OF
ILLINOIS, INC.**

By: 
Name: _____
Title: _____

303617.10/S610B301

EXHIBIT A

REAL PROPERTY

**Holly Lake
Wood County, TX**

23 / 703 88-05



TURNER & ASSOCIATES

BEING all of that certain lot, tract, or parcel of land situated in the A. V. Sharp Survey, Abstract No. 566, Wood County, Texas and being part of a called 4163.49 acre tract (less & except several tracts) described as "First Tract-Exhibit A" in a Deed from Freedom Financial Corporation to Ascension Records, LTD. dated May 31, 1989 as shown of record in Volume 1162, Page 560, Real Property Records, Wood County, Texas, said lot, tract, or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a chain link fence corner, said POINT OF BEGINNING being S 00° 03' 00" E a distance of 188.62 feet and EAST a distance of 30.39 feet from a 2 inch iron pipe found at an 8 inch post fence corner at an E11 corner of said 4163.49 acre tract and the called Northeast corner of the S. B. Hunter Survey, Abstract No. 315, Wood County, Texas;

THENCE S 88° 01' E along a chain link fence, a distance of 64.31 feet to a chain link fence corner;

THENCE S 05° 58' W along a chain link fence, a distance of 32.71 feet to a chain link fence corner;

THENCE S 31° 14' W along a chain link fence, a distance of 58.98 feet to a chain link fence corner;

THENCE N 81° 21' W along a chain link fence, a distance of 30.02 feet to a chain link fence corner;

THENCE N 00° 26' 25" W along a chain link fence, a distance of 80.67 feet to the POINT OF BEGINNING and containing 0.099 acres of land.

BEING all of that certain lot, tract, or parcel of land situated in the A. V. Sharp Survey, Abstract No. 566, Wood County, Texas and being part of a called 4163.49 acre tract (less & except several tracts) described as "First Tract-Exhibit A" in a Deed from Freedom Financial Corporation to Ascension Records, LTD. dated May 31, 1989 as shown of record in Volume 1162, Page 560, Real Property Records, Wood County, Texas, said lot, tract, or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a chain link fence corner, said POINT OF BEGINNING being S 00° 03' 00" E a distance of 188.62 feet, S 00° 13' 11" E a distance of 43.98 feet, and EAST a distance of 48.30 feet from a 2 inch iron pipe found at an 8 inch post fence corner at an El corner of said 4163.49 acre tract and the called Northeast corner of the S. B. Hunter Survey, Abstract No. 315, Wood County, Texas;

THENCE N 85° 07' E along a chain link fence, a distance of 6.09 feet to a chain link fence corner;

THENCE S 08° 02' E along a chain link fence, a distance of 11.67 feet to a chain link fence corner;

THENCE S 89° 10' W along a chain link fence, a distance of 7.17 feet to a chain link fence corner;

THENCE N 02° 45' W along a chain link fence, a distance of 11.16 feet to the POINT OF BEGINNING and containing 0.002 acres of land.

BEING all of that certain lot, tract, or parcel of land situated in the G. B. Halyard Survey, Abstract No. 276, Wood County, Texas and being part of a called 4163.49 acre tract (less & except several tracts) described as "First Tract-Exhibit A" in a deed from Freedom Financial Corporation to Ascension Resorts, LTD. dated May 31, 1989 as shown of record in Volume 1162, Page 560 Real Property Records, Wood County, Texas, said lot, tract, or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a chain link fence corner that is SOUTH a distance of 2132.91 feet and WEST a distance of 321.42 feet from a 1/2 inch iron rod found at the called Northeast corner of said Halyard Survey;

THENCE S 23° 12' 12" W along a chain link fence, a distance of 108.48 feet to a chain link fence corner;

THENCE N 66° 47' 48" W along a chain link fence, a distance of 73.58 feet to a chain link fence corner;

THENCE N 23° 12' 12" E along a chain link fence, a distance of 116.94 feet to a chain link fence corner;

THENCE S 60° 14' 22" E along a chain link fence, a distance of 74.07 feet to the POINT OF BEGINNING and containing 0.190 acres of land.

BEING all of that certain lot, tract, or parcel of land situated in the L. B. Henderson Survey, Abstract No. 279, Wood County, Texas and being part of that certain tract designated as "Club Land" as shown of plat of Part III, Section II, Holly Lake Ranch and filed of record in Volume 4, Page 62, Plat Records, Wood County, Texas, said lot, tract, or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a chain link fence corner, said POINT OF BEGINNING being S 64° 41' 19" W a distance of 164.62 feet from a 1/2 inch iron rod found at the most easterly corner of said "Club Land" and at the intersection of the North line of Cliffside Path, and the West line of Winding Trail;

THENCE N 87° 56' 01" W along a chain link fence, a distance of 79.89 feet to a chain link fence corner;

THENCE N 01° 12' 38" E along a chain link fence, a distance of 99.59 feet to a chain link fence corner;

THENCE S 87° 56' 01" E along a chain link fence, a distance of 79.89 feet to a chain link fence corner;

THENCE S 01° 12' 38" W along a chain link fence, a distance of 99.59 feet to the POINT OF BEGINNING and containing 0.183 acres of land.

BRING all of that certain lot, tract, or parcel of land situated in the G. J. Ruddle Survey, Abstract No. 513, and the B. Martin Survey, Abstract No. 396, Wood County, Texas and being part of that certain tract of land designated as "Reserved" as shown on plat of Part II, Section IX, Holly Lake Ranch and filed for record in Volume 8, Page 45, Plat Records, Wood County, Texas, said lot, tract, or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a chain link fence corner, said POINT OF BEGINNING being N 52° 53' 42" W a distance of 42.50 feet from a 1/2 inch iron rod set for the E11 corner of above mentioned "Reserved" tract and the called Southwest corner of said Martin Survey;

THENCE N 18° 38' 11" W along a chain link fence, a distance of 83.36 feet to a chain link fence corner;

THENCE N 71° 43' 06" E along a chain link fence, a distance of 89.08 feet to a chain link fence corner;

THENCE S 16° 26' 49" E along a chain link fence, a distance of 98.27 feet to a chain link fence corner;

THENCE S 81° 35' 23" W along a chain link fence, a distance of 86.70 feet to the POINT OF BEGINNING and containing 0.182 acres of land.

BEING all of that certain lot, tract, or parcel of land situated in the R. A. Walton Survey, Abstract No. 634, Wood County, Texas and being part of a called 4163.49 acre tract (less & except several tracts) described a "First Tract-Exhibit A" in a Deed from Freedom Financial Corp. to Ascension Resorts, LTD dated May 31, 1989 as shown of record in Volume 1162, Page 560, Real Property Records, Wood County, Texas, said lot, tract, or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at chain link fence corner, said POINT OF BEGINNING being S 58° 41' 31" W a distance of 170.54 feet from a 1/2 inch iron rod set for the Southeast corner of Holly Lake Condoshare Phase 5, a plat of said Phase 5 being filed of record in Volume 9, Page 93B, Plat Records, Wood County, Texas;

THENCE S 60° 49' 31" W along a chain link fence, a distance of 139.08 feet to a chain link fence corner;

THENCE N 32° 30' 55" W along a chain link fence, a distance of 98.61 feet to a chain link fence corner;

THENCE N 60° 16' 55" E along a chain link fence, a distance of 125.96 feet to a chain link fence corner;

THENCE S 39° 53' 42" E along a chain link fence, a distance of 101.41 feet to the POINT OF BEGINNING and containing 0.302 acres of land.

EXHIBIT A

REAL PROPERTY

**Hill Country Resort
Comal County, TX**

COMMENCING: AT A 1/2" IRON BAR FOUND MARKING THE SOUTHEAST CORNER OF SAID 4.2259 ACRE TRACT AND THE NORTHEAST CORNER OF THE RESIDUE OF A CALLED 343.44 ACRE TRACT OF RECORD IN VOLUME 107, PAGE 393 OF THE DEED RECORDS OF COMAL COUNTY, TEXAS AND A POINT ON THE WEST LINE OF A VARIABLE WIDTH FARM TO MARKET ROAD 306 BEING S54°53'54"E 229.58 FEET FROM A CONCRETE HIGHWAY MONUMENT.

THENCE: N88°21'20"E 461.28 FEET TO A POINT ON THE SOUTH PROPERTY LINE OF SAID 4.2259 ACRE TRACT AND THE NORTH LINE OF SAID RESIDUE OF 343.44 ACRE TRACT.

THENCE: N 01°38'40"W 19.30 FEET LEAVING THE NORTH PROPERTY LINE OF SAID RESIDUE OF 343.44 ACRE TRACT AND ONTO THE SAID 4.2259 ACRE TRACT TO A 3" STEEL CHAINLINK FENCE POST OF THE HEREIN DESCRIBED 0.152 ACRE TRACT AND THE PLACE OF BEGINNING:

THENCE: S 61°39'52"W 30.78 FEET TO A 3" STEEL CHAINLINK FENCE POST FOR AN ANGLE POINT OF THIS HEREIN 0.152 ACRE TRACT:

THENCE: S 88°22'25"W 51.96 FEET TO A 3" STEEL CHAINLINK FENCE POST FOR CORNER:

THENCE: N 13°04'11"W 82.38 FEET TO A 3" STEEL CHAINLINK FENCE POST FOR CORNER:

THENCE: N 61°44'27"E 6.66' TO A 3" STEEL CHAINLINK FENCE POST AND AN ANGLE POINT FOR THIS HEREIN DESCRIBED 0.152 ACRE TRACT:

THENCE: N 63°42'15"E 22.74 TO A 3" STEEL CHAINLINK FENCE POST FOR CORNER:

THENCE: S 65°13'57"E 71.28 TO A 3" STEEL CHAINLINK FENCE POST FOR CORNER:

THENCE: S 08° 00'45"E 48.00' TO THE PLACE OF BEGINNING AND CONTAINING 0.152 ACRES OF LAND MORE OR LESS.

EXHIBIT A

REAL PROPERTY

**Piney Shores Resort
Montgomery County, TX**

BEING a 0.356 acre tract of land, out of and a part of the Elijah Collard Survey, A-7, Montgomery County, Texas. Said tract also being known as a 0.356 acre tract, recorded under Clerk's File No. 8841705, Real Property Records, Montgomery County, Texas. Subject tract being more particularly described as follows:

BEGINNING at a 5/8" iron rod found for the most Northeast corner of a 0.356 acre tract recorded under Clerk's File No. 8841705, Real Property Records, Montgomery County, Texas. Said rod being in the west right-of-way line of Longmire Road (60-foot right-of-way) and being the Northeast corner of the herein described tract;

THENCE S 14° 00' 04" W. along said west right-of-way line, a distance of 115.00 feet to a 5/8" iron rod found for corner;

THENCE N 78° 00' 28" W. leaving said west right-of-way line, a distance of 135.04 feet to a 5/8" iron rod found for corner;

THENCE N 14° 01' 21" E, a distance of 115.02 feet to a 5/8" iron rod found for corner;

THENCE S 75° 59' 56" E, a distance of 135.00 feet to the POINT OF BEGINNING and containing 0.356 acres of land, more or less.

ALTA VALLEY
WATER TREATMENT PLANT SITE
AQUEDUCT & MAINTENANCE TRACT

ACRE TRACT
MONTGOMERY

LEGAL DESCRIPTION TO FOLLOW

TRACT 2, C.F.# MC01-236112

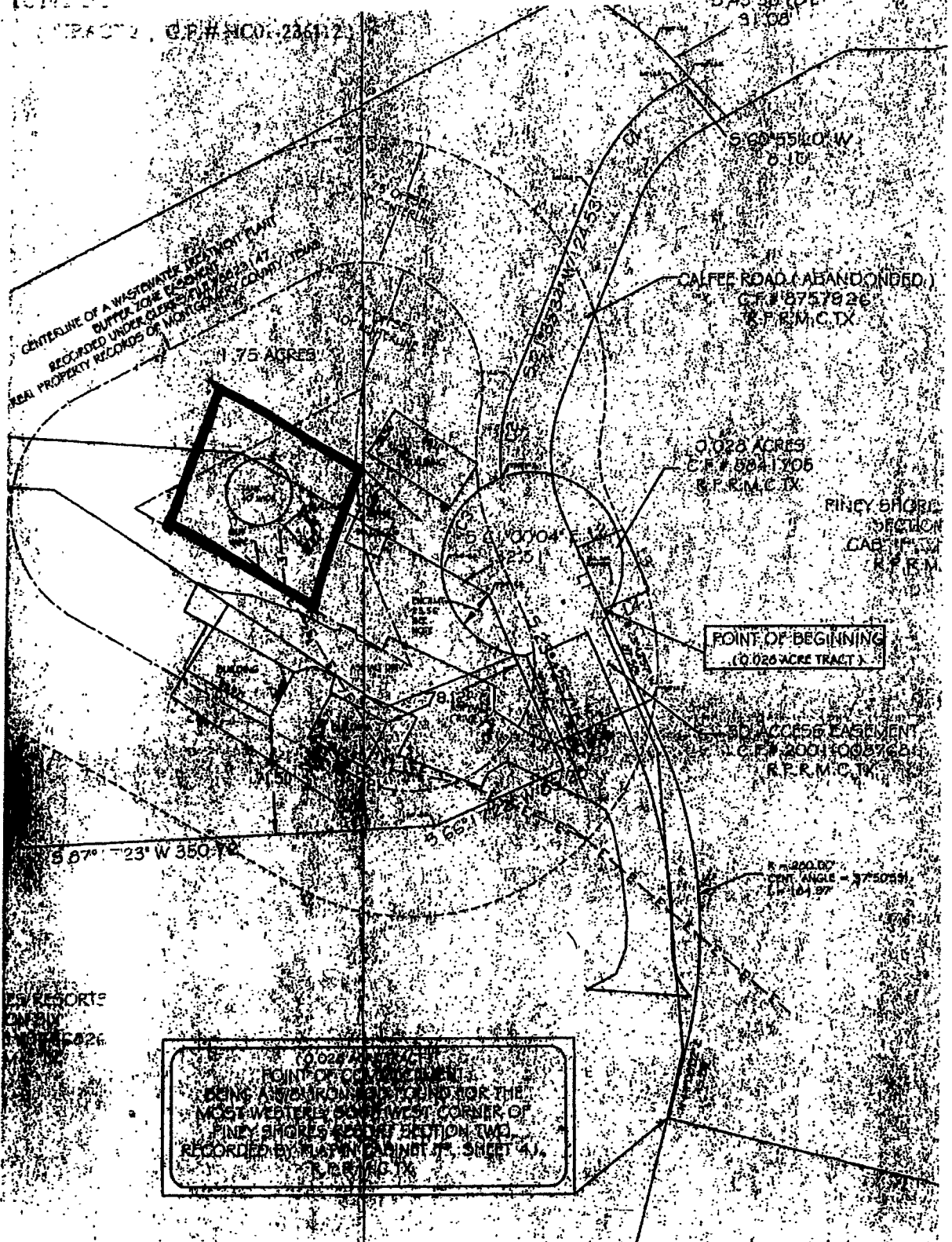


EXHIBIT A

REAL PROPERTY

**The Villages
Smith County, TX**

All that certain lot, tract or parcel of land being a 11.7156 acre tract of land located in Section 43, Don Thomas Quevado Seven League Grant, A-18, Smith County, being partially located within that same property described in that instrument styled Vacation of Plat and Withdrawal of Property from Residential Community, Villages South Subdivision, Unit 18, recorded in the records of Smith County, Texas, and being more particularly described as follows:

COMMENCING, at a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for the intersection of the northeast right-of-way of FM Highway No. 2661 with the southeast right-of-way of Big Timber Drive, said point also being the southwesterly corner of said vacated Unit 18;

THENCE, with said northeast right-of-way of FM Highway No. 2661, South 56 degrees 02 minutes 48 seconds East, a distance of 1182.54 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for the POINT OF BEGINNING;

THENCE, North 33 degrees 56 minutes 19 seconds East, a distance of 208.76 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for corner;

THENCE, North 56 degrees 03 minutes 34 seconds West, a distance of 186.49 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for corner;

THENCE, North 40 degrees 01 minutes 16 seconds East, a distance of 521.62 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for corner;

THENCE, South 48 degrees 18 minutes 50 seconds East, a distance of 806.29 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for corner;

THENCE, South 37 degrees 59 minutes 10 seconds West, a distance of 157.00 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for corner;

THENCE, South 40 degrees 33 minutes 24 seconds West, a distance of 93.93 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set for corner;

THENCE, South 42 degrees 07 minutes 20 seconds West, a distance of 402.64 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC RPLS 4804" set corner on said northeast right-of-way of FM Highway No. 2661; said point also being the beginning of non-tangent curve to the left having a radius of 5875.41 feet;

THENCE, northwesterly, with said curve to the left and said northeast right-of-way of FM Highway No. 2661, through a central angle of 05 degrees 44 minutes 55 seconds, an arc distance of 589.49 feet (chord bears North 53 degrees 10 minutes 21 seconds West, a distance of 589.25 feet) to the POINT OF BEGINNING;

CONTAINING, 510,331 square feet, or 11.7156 acres of land, more or less.

All that certain tract or parcel of land situated in Smith County, Texas and being Lot 20 and the "WATER WELL" site as shown on the plat of Clear Lakes Villages, Unit 4, recorded in Volume 8, Page 193 of the Plat Records of Smith County, Texas.

Description of a 10.0490 acre tract of land situated in the Don Thomas Quevada Survey, Abstract No. 18, Smith County, Texas and being Lots 23-26 of the Villages South Subdivision Unit II, an addition to Smith County, Texas as recorded in Volume 10, Page 31 of the Plat Records, Smith County, Texas; said 10.0490 acre tract being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set in the northeasterly right-of-way of F. M. Road No. 2661 (variable width public right-of-way) of its intersection with the northwesterly right-of-way of Big Timber Drive (variable width public right-of-way); said point being the southwest corner of said Villages South Subdivision Unit II; said point also being on a curve to the right having a radius of 5744.32 feet;

THENCE, northwesterly, with said curve to the right 06 degrees 36 minutes 16 seconds, an arc length of 662.15 feet (chord bears North 52 degrees 35 minutes 50 seconds West, 661.79 feet) to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set on the northeasterly right-of-way line of said F. M. Road No. 2661;

THENCE, North 39 degrees 24 minutes 00 seconds East, leaving the said northeasterly line, a distance of 226.09 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set at the northeast corner of Lot 40 of said Villages South Subdivision Unit II;

THENCE, North 35 degrees 15 minutes 30 seconds East, a distance of 373.81 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set on the northwest line of Lot 45 of said Villages South Subdivision Unit II;

THENCE, North 38 degrees 29 minutes 00 seconds East, a distance of 73.41 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set on the northwest line of Lot 46 of said Villages South Subdivision Unit II;

THENCE, North 54 degrees 29 minutes 00 seconds East, a distance of 66.23 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set at the northeast corner of Lot 46 of said Villages South Subdivision Unit II; said point also being on the west right-of-way line of Houston Trail (60 feet wide); said point also being on a curve to the left having a radius of 1482.54 feet;

THENCE, southeasterly, with said west line and said curve to the left 18 degrees 34 minutes 07 seconds, an arc length of 480.47 feet (chord bears South 37 degrees 06 minutes 05 seconds, 478.37 feet) to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set on the east line of Lot 29 of said Villages South Subdivision Unit II;

THENCE, South 46 degrees 23 minutes 39 seconds East, a distance of 200.28 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set on the northwest line of said Big Timber Drive; said point also being the east corner of Lot 28 of said Villages South Subdivision Unit II;

THENCE, with the northwest line of said Big Timber Drive and the south line of said Villages South Subdivision Unit II, the following miles and bounds;

South 35 degrees 15 minutes 30 seconds West, a distance of 326.07 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set;

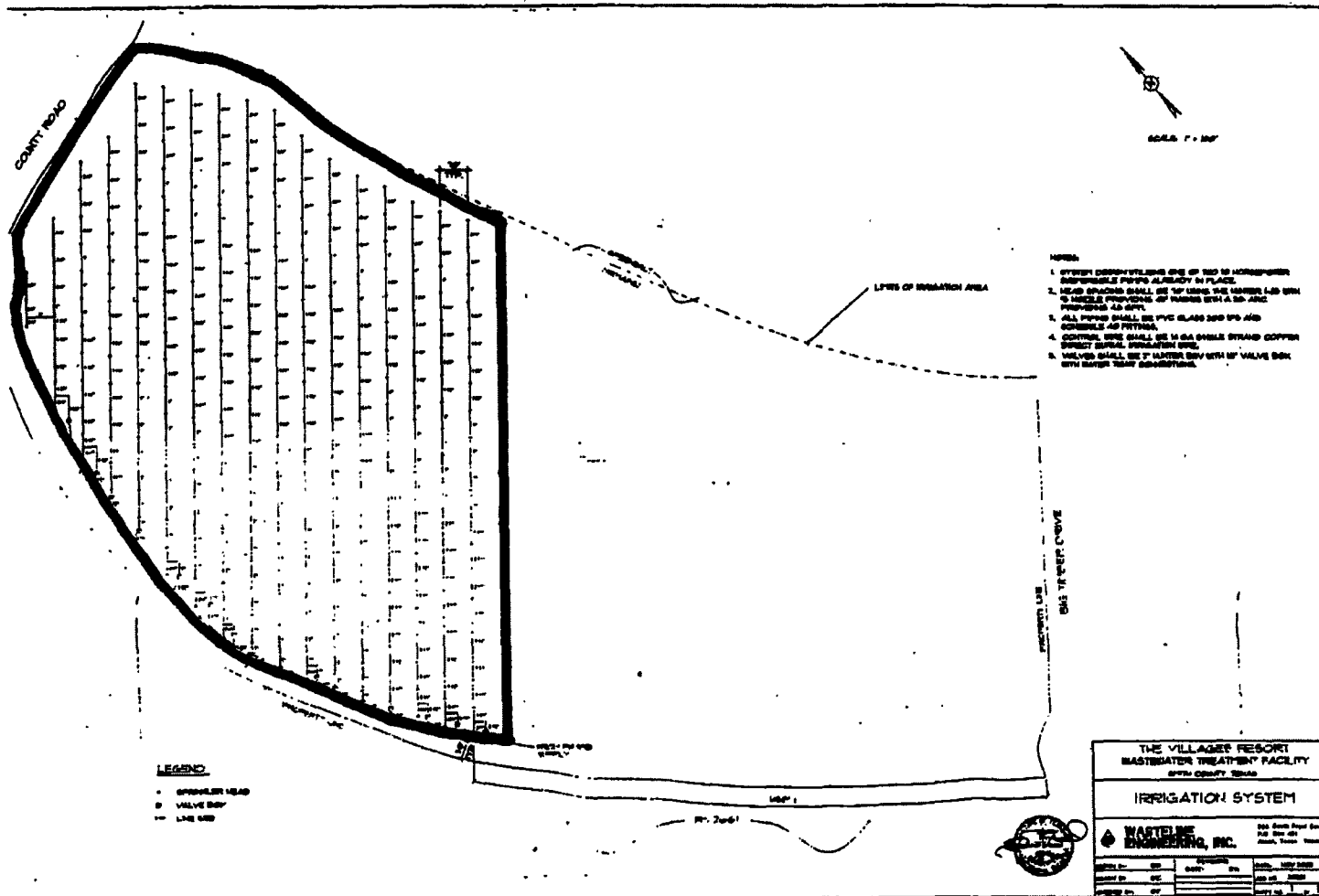
South 42 degrees 23 minutes 00 seconds West, a distance of 120.93 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set;

South 59 degrees 13 minutes 15 seconds West, a distance of 49.24 feet to a 5/8-inch iron rod with "GSES, INC., RPLS 4804" cap set;

South 35 degrees 15 minutes 30 seconds West, a distance of 94.87 feet to the POINT OF BEGINNING;

CONTAINING, 437,733 square feet or 10.0490 acres of land, more or less.

LEGAL DESCRIPTION TO FOLLOW



Beginning, at a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC. RPLS 4804" set for the intersection of the northeast right-of-way line of Spring Creek Road (50 feet wide) with the northwest right-of-way line of Creeks End Trail (40 feet wide) both dedicated by the plat of Springlake Village Unit No. 2, recorded in Volume 7, Page 85, Plat Records, Smith County, Texas; said point being also on a circular curve to the left having a radius of 162.37 feet;

Thence northwesterly, with said curve to the left and said northeast right-of-way line of Spring Creek Road, an arc distance of 44.41 feet (Chord bears North 67 degrees 54 minutes 51 seconds West 44.27 feet) to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC. RPLS 4804" set for the end of said curve;

Thence North 75 degrees 45 minutes 00 seconds West, with said northeast right-of-way line, a distance of 55.48 feet to 5/8-inch iron rod with yellow plastic cap stamped "GSES INC. RPLS 4804" set for corner;

Thence North 08 degrees 50 minutes 27 seconds East, a distance of 160.05 feet to 5/8-inch iron rod with yellow plastic cap stamped "GSES INC. RPLS 4804" set for corner;

Thence South 75 degrees 41 minutes 08 seconds East, a distance of 152.27 feet to bent 1/2-inch iron rod found for the northeast corner of Lot 121 and the northwest corner of Lot 122, both of said Springlake Village Unit 2 (vacated); said point being also on the south right-of-way line of said Creeks End Trail;

Thence South 12 degrees 39 minutes 46 seconds West, with the common line between said Lots 121 and 122, at a distance of 89.49 feet pass a bent 1/2-inch iron rod found for the southeast corner of said Lot 121 and the southeast corner of said Lot 122, continuing, in all, a distance of 118.40 feet to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC. RPLS 4804" set for corner on said northwest right-of-way line of Creeks End Trail; said point being also on a circular curve to the left having a radius of 97.20 feet;

Thence southwesterly, with said curve to the left and said northwest right-of-way line of Creeks End Trail, an arc distance of 37.00 feet (Chord bears South 60 degrees 01 minutes 19 seconds West 36.78 feet) to a 5/8-inch iron rod with yellow plastic cap stamped "GSES INC. RPLS 4804" set for the end of said curve;

Thence South 49 degrees 07 minutes 00 seconds West, with said northwest right-of-way line, a distance of 25.84 feet to the point of beginning, containing 22,614 square feet or 0.519 acres of land. 4741tr36.doc

EXHIBIT A

REAL PROPERTY

**Fox River Resort
LaSalle County, IL**

NEW WATER PLANT TRACT NUMBER 9:

PART OF LOT 4 IN THE SUBDIVISION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 TOWNSHIP 35 NORTH, RANGE 5 EAST OF THE THIRD PRINCIPAL MERIDIAN AS PER THE PLAT RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS IN BOOK 6 OF PLATS, PAGE 40, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 4; THENCE NORTH 88 DEGREES 18 MINUTES 09 SECONDS WEST 187.84 FEET ALONG THE WEST LINE OF SAID LOT 4 TO THE SOUTHWEST CORNER OF FOX RIVER RESORT SECTION 5 AS PER THE PLAT RECORDED AS DOCUMENT NO. 82005-14053; THENCE SOUTH 57 DEGREES 12 MINUTES 12 SECONDS EAST 226.88 FEET ALONG THE SOUTH LINE OF SAID SECTION 5; THENCE SOUTH 85 DEGREES 43 MINUTES 43 SECONDS EAST 21.88 FEET ALONG THE SOUTH LINE OF SAID SECTION 5 TO THE SOUTHEAST CORNER OF SAID SECTION 5. SAID CORNER ALSO BEING ON THE WEST LINE OF FOX RIVER RESORT SECTION 4 AS PER DOCUMENT NO. 889-51734; THENCE SOUTH 86 DEGREES 14 MINUTES 10 SECONDS WEST 329.84 FEET ALONG THE WEST LINE OF SAID SECTION 4 TO THE SOUTHWEST CORNER OF SAID SECTION 4 AND THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 89 DEGREES 35 MINUTES 02 SECONDS WEST 309.45 FEET ALONG THE SOUTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING CONTAINING 2.69 ACRES, MORE OR LESS, ALL BEING SITUATED IN MISSION TOWNSHIP, LASALLE COUNTY, ILLINOIS.

SEWAGE TREATMENT PLANT TRACT NUMBER 10:

PART OF LOT 3 OF THE ASSESSOR'S SUBDIVISION OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 35 NORTH, RANGE 5 EAST OF THE THIRD PRINCIPAL MERIDIAN AS PER THE PLAT RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS IN BOOK 6, PAGE 44, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF LOT 3715 IN FOX RIVER DELLS LAND DEVELOPMENT AS PER DOCUMENT NO. 894707; THENCE NORTH 21 DEGREES 45 MINUTES 48 SECONDS EAST 16.08 FEET ALONG THE NORTH RIGHT OF WAY LINE OF NORTH 3853RD ROAD; THENCE NORTH 16 DEGREES 14 MINUTES 06 SECONDS WEST 127.83 FEET; THENCE NORTH 25 DEGREES 32 MINUTES 15 SECONDS EAST 458.97 FEET TO THE POINT OF BEGINNING; THENCE NORTH 35 DEGREES 48 MINUTES 54 SECONDS WEST 182.88 FEET TO THE NORTH LINE OF SAID LOT 3; THENCE NORTH 82 DEGREES 47 MINUTES 07 SECONDS EAST 1065.82 FEET ALONG THE NORTH LINE OF SAID LOT 3 TO THE NORTHEAST CORNER OF SAID LOT 3; THENCE SOUTH 82 DEGREES 21 MINUTES 54 SECONDS WEST 281.32 FEET ALONG THE EAST LINE OF SAID LOT 3; THENCE SOUTH 82 DEGREES 47 MINUTES 07 SECONDS WEST 790.35 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT 3; THENCE SOUTH 07 DEGREES 12 MINUTES 53 SECONDS EAST 43.21 FEET; THENCE SOUTH 35 DEGREES 32 MINUTES 15 SECONDS WEST 84.03 FEET TO THE POINT OF BEGINNING CONTAINING 5.84 ACRES, MORE OR LESS, ALL BEING SITUATED IN MISSION TOWNSHIP, LASALLE COUNTY, ILLINOIS.

EXHIBIT A

REAL PROPERTY

**Holiday Hills Resort
Taney County, MO**

Tract G (Bk. 296 Pg. 351)

A parcel of land situated in the Southeast Quarter of the Southeast Quarter, Section 3, Township 22 North, Range 21 West, Taney County, Missouri, and being described as follows: Commencing at the Northwest Corner of the Southeast Quarter of the Southeast Quarter, said Section 3; thence South 1° 03'00" West along the West line of said Southeast Quarter of the Southeast Quarter 205.00 feet to the Point of Beginning; thence continuing South 1° 03'00" West 200.00 feet; thence South 88° 57'00" East 150.00 feet; thence North 1° 03'00" East 200.00 feet; thence North 88° 57'00" West 150.00 feet to the Point of Beginning, containing 0.68 acres.

EXHIBIT A

REAL PROPERTY

Ozark Mountain Resort
Stone County, MO

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 16, TOWNSHIP 22 NORTH, RANGE 23 WEST, STONE COUNTY, MISSOURI, THENCE N 01°32'19" E ALONG THE EAST LINE OF THE SE4 OF THE SE4 SAID SECTION 16, 961.86 FEET, THENCE N 88°27'41" W, 780.35 FEET TO A POINT ON THE SOUTH LINE OF PHASE I OZARK MOUNTAIN RESORT CONDOSHARE, SAID POINT BEING THE TRUE POINT OF BEGINNING, THENCE N 56°00' W ALONG THE SOUTH LINE OF SAID PHASE I, 227.90 FEET, THENCE N 03°58' E, 144.77 FEET, THENCE N 20°45'13" W, 30.00 FEET, THENCE SOUTHERLY ALONG A CURVE TO THE LEFT HAVING A FORWARD TANGENT OF S 69°14'47" W, A RADIUS OF 200.00 FEET, A DISTANCE OF 328.98 FEET, THENCE S 25°42'50" E, 175.03 FEET, THENCE S 32°00' E, 250.00 FEET, THENCE N 58°00' E, 165.00 FEET, THENCE N 32°00' W, 152.39 FEET, THENCE N 18°04' E, 138.88 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 2.43 ACRES, MORE OR LESS.

LEGAL DESCRIPTION TO FOLLOW

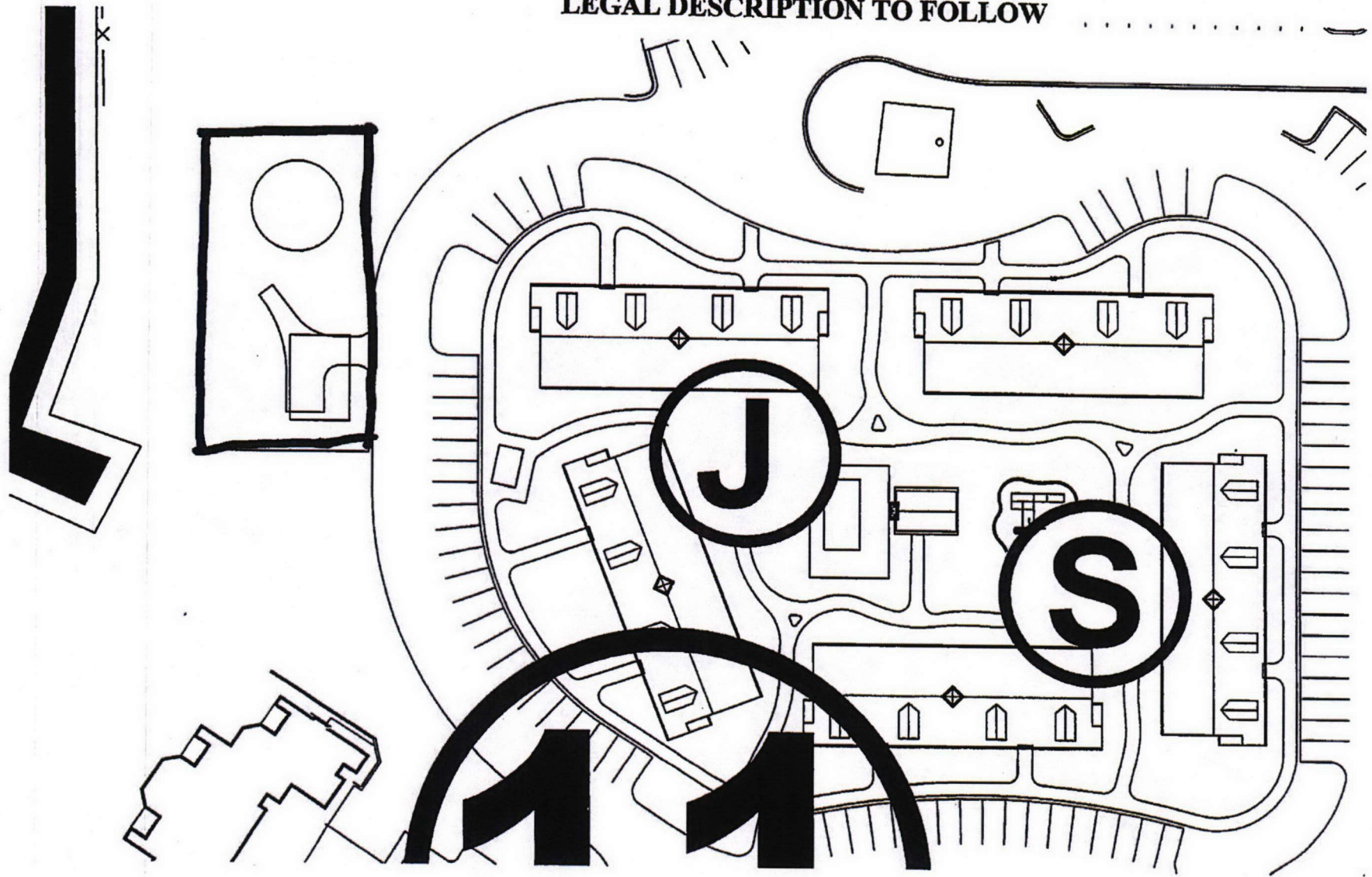


EXHIBIT A

REAL PROPERTY

**Timbercreek Resort
Jefferson County, MO**

A TRACT OF LAND BEING LOCATED ALL OR IN PART IN THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 5 EAST, JEFFERSON COUNTY, MISSOURI; SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT AN IRON PIN BEING THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 21, SAID POINT ALSO BEING ON THE NORTHERN BOUNDARY LINE OF A 327.42 ACRE TRACT OF LAND CONVEYED TO SILVERLEAF RESORTS, INC. BY SPECIAL WARRANTY DEED BOOK 784 PAGE 1189; THENCE BEARING SOUTH 89°27'46" EAST TO A POINT 167.47 FEET DISTANT; THENCE BEARING SOUTH 0°49'31" EAST TO A POINT 182.29 FEET DISTANT; THENCE BEARING SOUTH 89°24'28" WEST TO A POINT 224.99 FEET DISTANT; THENCE BEARING SOUTH 38°58'58" WEST TO A POINT 99.43 FEET DISTANT; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 175.00 FEET, AND A CENTRAL ANGLE OF 23°3'43" TO A POINT; THENCE BEARING NORTH 46°12'16" WEST TO A POINT 40.66 FEET DISTANT; THENCE BEARING NORTH 38°58'58" EAST TO A POINT 123.17 FEET DISTANT; THENCE BEARING NORTH 56°18'36" EAST TO A POINT 82.12 FEET DISTANT; THENCE BEARING NORTH 0°10'34" EAST TO A POINT 55.88 FEET DISTANT; THENCE BEARING NORTH 89°14'54" EAST TO A POINT 59.97 FEET DISTANT; SAID POINT BEING THE POINT OF BEGINNING OF THIS TRACT, CONTAINING 1.357 ACRES +/-, AS SHOWN ABOVE.

LEGAL DESCRIPTION

A TRACT OF LAND BEING LOCATED ALL OR IN PART IN THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 5 EAST, JEFFERSON COUNTY, MISSOURI; SAID TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT AN IRON PIN BEING THE MOST SOUTHERN SOUTHWESTERN CORNER OF A 327.42 ACRE TRACT OF LAND CONVEYED TO SILVERLEAF RESORTS, INC. BY SPECIAL WARRANTY DEED BOOK 784 PAGE 1189; THENCE BEARING NORTH 89°28'43" EAST TO A POINT 189.75 FEET DISTANT; THENCE BEARING NORTH 0°31'17" WEST TO A POINT 1695.41 FEET DISTANT; SAID POINT BEING THE POINT OF BEGINNING OF THE TRACT DESCRIBED HEREIN; THENCE BEARING NORTH 87°55'58" WEST TO A POINT 210.00 FEET DISTANT; THENCE BEARING NORTH 2°4'2" EAST TO A POINT 200.00 FEET DISTANT; THENCE BEARING SOUTH 87°55'58" EAST TO A POINT 210.00 FEET DISTANT; THENCE BEARING SOUTH 2°4'2" WEST TO A POINT 200.00 FEET DISTANT; SAID POINT BEING THE POINT OF BEGINNING OF THIS TRACT, CONTAINING 0.964 ACRES +/-, AS SHOWN ABOVE.

LEGAL DESCRIPTION TO FOLLOW

MODIFIED AL PLAT OF AMENITY TRACT TWELVE

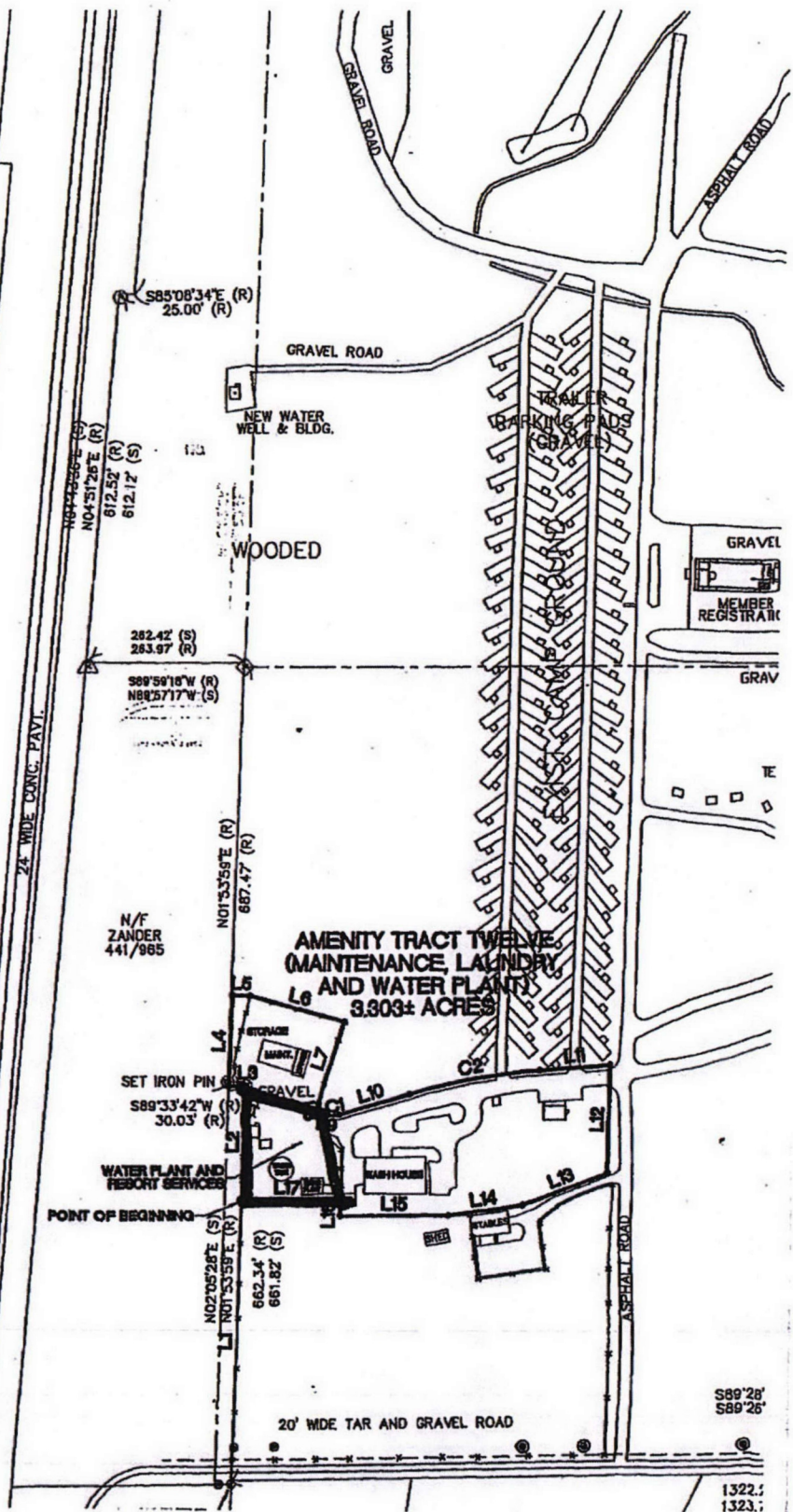


EXHIBIT B
FIXED ASSETS

SCHEDULE 2.02

ALLOCATION OF PURCHASE PRICE

TEXAS PURCHASER	\$	6,200,000.00
MISSOURI PURCHASER	\$	3,800,000.00
ILLINOIS PURCHASER	\$	3,200,000.00
TOTAL PURCHASE PRICE	\$	13,200,000.00

SCHEDULE 4.03

LITIGATION

[NONE]

SCHEDULE 4.04

ENVIRONMENTAL MATTERS

Ozark Mountain Resort's Wastewater Treatment Plant

Missouri State Operating Permit # MO0100391

During an inspection of the wastewater treatment facility serving the Ozark Mountain Resort by the Missouri Department of Natural Resources on December 16, 2003, it was found that the total phosphorus concentration contained in the wastewater being discharged exceeded the interim allowable concentration limits set forth in the department effluent regulations. Subsequently, Silverleaf Resorts, Inc. has communicated to the Missouri Department of Natural Resources it intends to take the necessary steps to bring the Ozark Mountain Resort's wastewater treatment facility into compliance with Missouri's phosphorus discharge effluent limitations.

SCHEDULE 7.06

TERMS OF SERVICES AGREEMENTS

The Seller and Purchasers shall negotiate a Services Agreement in respect of each of the Utilities which will set out, among other things; i) Purchasers' undertaking to provide continuing utility services in a manner substantially similar to that presently provided by the Utilities from and after the Closing Date but in any event in compliance with all laws applicable thereto; ii) the principles governing the setting and adjustment of rates from time to time for such utility services where these are not already subject to the authority of determination by a Governmental Body or Applicable Law; and iii) the principles governing the sharing of costs relating to capital additions in respect of the Utilities.

GENERAL PRINCIPLES

Such Services Agreement(s) shall incorporate the following general principles:

(a) An acknowledgment that in those instances where the Utilities operating at any of the Resorts are subject to specific regulation by a Governmental Body and to Applicable Law as to the setting of rates, capital additions to rate base, etc., such regulation is generally sufficient to protect the interests of all parties and any Services Agreements which might be entered into in respect of such Regulated Utilities shall recognize the supremacy of the Applicable Law or the regulatory authority exercised by some Governmental Body nor shall Purchasers be expected to commit to any further matters or obligations in the Services Agreement which are inconsistent with Applicable Law or its interpretation or application by the Governmental Body.

(b) Purchasers desire to finance all future capital additions required in respect of the Utilities at each of the Resorts so that all current future owners and occupants of the Resorts will be provided with the same level of utility services that is currently being provided at the Resorts by Seller; each Purchaser shall be committed to expand, or add capital improvements to, the Facilities. Notwithstanding the above, Purchasers shall only be obligated to finance the cost of future capital additions or expansions if such costs will be added to the rate base of the Utilities and will be recoverable by the Purchasers in the future rates charged for utility services.

(c) In those instances where the Seller makes and pays for capital additions that come to be used and/or owned by the Utilities, Purchasers shall take all commercially reasonable efforts to recover the true costs of such additions for the benefit of the Seller in the shortest time and to the greatest extent possible in the rates charged for utility services via those avenues typically available under Applicable Law or customary practice for the recovery of such costs such as through a developer agreement or advances in aid of construction where a portion of the cost of capital additions is refunded to the developer over time through a portion of revenues generated from the new customers hooking into such new capital additions

(d) Seller shall be responsible for the coordination and execution of the construction and major repair work related to such capital additions to the Utilities at the

Resorts following the joint approval of the scope, bids, cost, work orders, contract and funding of the projects to be completed. Purchaser recognizes the need for the Seller as the operator of the Resorts to maintain a significant degree of control over such work to minimize disruptions to and facilitate the continuing development.

(e) Where and so long as the operations of the Utilities at any Resort are not subject to the authority of a Governmental Body or Applicable Law in the setting of rates charged for utility services, determination of rate base, etc. Purchasers and Seller shall agree that the general economic conduct of such operations will be undertaken in a manner as if such operations were regulated by a Governmental Body and the following shall apply:

(1) those matters typically determined by decision of a Governmental Body for a regulated utility shall instead be determined by negotiation between the Purchasers and Seller in a manner consistent with and in adherence to the principles and Applicable Law or custom normally used by a Governmental Body including the determination of appropriate rates to be charged for the delivery of utility services and determination of rate base (except that it is acknowledged that Seller shall not seek nor shall Purchasers be required to consent to any decrease in the rate base utilized for the determination of rates other than as arises through the applicable of typical depreciation).

(2) The custom, principles and letter of Applicable Law and/or the usual practice of the Governmental Body for water and wastewater utilities in the State of Texas shall be utilized by Seller and Purchasers in respect of such unregulated Utilities regardless of the actual location of such unregulated Utilities including the rates of return on invested equity which are currently approximately 12% after accounting for hypothetical income taxes for regulation purposes (the "Regulated Return"). Any Utilities which are currently unregulated and managed in accordance herewith shall come under the jurisdiction of the Governmental Body in the State where the Utility is located, the Applicable Law of that State shall then commence to apply and shall take precedence over the terms of any previously executed Services Agreements(s) and all matters shall then be conducted in accordance with Applicable Law of that State and any terms included in the Services Agreement(s) inconsistent therewith shall become null and void.

(3) The starting rate base amount for each unregulated Utility operation that has been purchased by the Purchasers from the Seller shall be equal to the amounts set out in Schedule 7.06(B) hereto. The initial rates chargeable for utility services at a Resort shall be sufficient to cover the operating costs of the utility operation at that resort and to realize for the applicable Purchaser a return of rate base (at customary depreciation rates) and the Regulated Return on the rate base amount as that rate base amount is described herein. Seller or its representative shall from time to time be permitted access to the books and records of the applicable Purchaser or to conduct such other investigations into the books and records of the Utilities or to do such things to verify the claims

made by such Purchaser as to operating costs, cost of service or rate base and rate of return just as would a Governmental Body upon the Utilities application for an adjustment to the prevailing rates and the investigation of the reasonableness of such a request.

(f) If a dispute arises between the parties regarding the provision of utility services including determination of rate base, setting of rates and charges, etc., the parties will enter into good faith negotiations to attempt to resolve such dispute. In the event such good faith negotiations fail to resolve such matters to the mutual satisfaction of the parties within thirty (30) days of the emergence of such dispute, such dispute shall be promptly referred to a mediator for binding arbitration. Such mediator shall be an individual to be mutually agreed on by the parties hereto who is familiar with utility regulation, Applicable Law, the customary practices of the Governmental Body deemed to have jurisdiction over the Utilities and NAURC standards.

CAPITAL FUNDING SECTION

Purchaser desires to fund Utility capital additions at the Resorts to the maximum extent possible, subject to all such expenditures being recoverable by the Purchaser through the rate of return rate setting process applicable to the respective Utility.

Purchaser Funded Capital Additions

Purchasers shall finance future capital additions required in respect of the Utilities at each of the Resorts so that all current and future owners and occupants of the Resorts will be provided with at least the same level of utility services that they are currently being provided with at the respective Resorts by Seller.

Each Purchaser shall be committed to maintain the facilities and expand utility systems, and add the necessary capital improvements in support thereof, to the Facilities in a timely manner so as not to in any way impede the development of the respective Resorts on a timeline determined by the Seller for such development.

Notwithstanding anything contained above, Purchasers shall only be obligated to finance the cost of future capital additions or expansions if such costs can reasonably be expected to be recovered and are subsequently added to the rate base of the Utilities and are recoverable by the Purchasers in the future rates chargeable for Utility services and other expenditures shall require the cooperation the Seller and the Purchaser to coordinate.

Seller Funded Capital Additions

In those jurisdictions where regulators take the position that the costs of certain utility infrastructure additions should be borne by either developers or new customers and not by the existing customer base of the utility, the Purchaser shall not be required to fund such asset additions and funding in respect thereof shall be organized by the Seller.

The regulators in certain jurisdictions allow a broader inclusion of asset expenditures in the rate base capital for its utilities; the regulators in Missouri have denied certain historic expenditures of the Seller in the rate base of utilities based in that state whereas Texas appears to essentially allow inclusion of all utility capital expenditures in rate base.

In those jurisdictions where tighter restrictions are applied, the most common exclusion of capital expenditures from rate base relate to the cost of distribution and collection piping within some prescribed distance (say 100 feet) of the customer metering point which sometimes includes the distribution and collection mains running under residential streets immediately in front of customers.

Any expenditures which are disallowed for inclusion into the Utility's rate base would thus not be recoverable by the Utility in its service rates to its customer and would be lost to the Utility. In these situations, it is typical that the developer or customer (or any combination thereof) bears the costs of such capital asset additions.

The cost of capital assets which are unlikely to be eligible for inclusion into rate base shall not be funded by the Purchaser and instead funding thereof shall be coordinated by the Seller in conformity with local statutes, customs and practice. Purchaser shall participate in whatever manner is desirable by the Seller to coordinate installation and to channel funding thereof to facilitate such additions.

Categorization of Capital Expenditures

The matrix below sets forth the various principal asset categories into which utility capital is typically grouped. The categories reflect asset grouping as set out under (National Association of Utility Regulatory Commissioners) NAURC guidelines and are the typical reporting categories into which capital assets are grouped, tracked and reported to the regulators (in the annual reports). The types of capital additions that would normally be added into the each of those categories are well defined in either NAURC guidelines, the respective statutes of each state (and are quite consistent from jurisdiction to jurisdiction). They reflect the reporting categories included in the Texas and Missouri annual reports and are thus usually quite consistent with the financial accounting records of most utilities.

Future capital expenditures, in consultation with NAURC guidelines, state statute or in reflection upon the traditional practices of regulators in the respective state, should be classifiable into similar groups. Classification may change from time to time and new classes may be added or existing classes redefined.

Purchaser Funded Eligibility

The matrix below identifies those capital asset categories which the Purchaser currently understands enjoy a high degree of probability for inclusion in the rate base of a utility in the various jurisdictions and which expenditures the Purchaser would be willing to fund. These expectations have been established based on Purchaser's review of state statutes, the precedents

established by the respective regulators or the regulated/unregulated status of the Utility operation located in that particular State as of the Effective Date.

ASSET CATEGORY		Texas	Missouri	Illinois
Source of Supply & Pumping Water				
Land & Improvements		X	X	X
Structures & Improvements		X	X	X
Wells & Springs		X	X	X
Pumping Equipment		X	X	X
Water Treatment Plant Water		X	X	X
Structures & Improvements		X	X	X
Water Treatment Equipment		X	X	X
Transmission & Distribution Plant Water				
Structures & Improvements		X	X	X
Distribution Reservoirs & Standpipe		X	X	X
Transmission & Distribution Mains		X		X
Services		X		X
Meters & Meter Installations		X		X
Hydrants		X		X
Fire mains		X		X
General Water Plant Water				
Office furniture & Equipment		X	X	X
Land & Structures Sewer				
System Development		X	X	X
Collection Plant-Sewer				
Collection Sewers Force		X		X
Collection Sewer Gravity		X		X
Services to Customers		X		X
Sewer System Development		X		X
System Pumping Plant - Sewer				
Receiving Wells		X		X
Pumping Equipment		X	X	X
Treatment & Disposal Plant - Sewer				
Treatment & Disposal Equipment		X	X	X
Outfall Sewer Lines		X		X

General Plant - Sewer					
Office Furniture & Equipment			X	X	X

Such matrix would be subject to update if the ability for the Purchaser to include expenditures related to any particular item in utility rate base changes including changes arising from a utility moving into or out of regulated utility status.

It is expected that Purchaser and Seller will agree to include all capital expenditures in rate base for the unregulated utilities and the service rates established with respect thereto will provide the Purchaser with a return of and on the rate base in a manner consistent with regulated utility practice in the State of Texas irrespective of the actual location of the utility.

Funding Process

The following principles will be included in the Service Agreements relating to the provision of capital by Purchaser for asset additions:

- i. Purchaser shall, with the cooperation of the Seller, prepare and maintain a 5 year forward capital expenditures plan (the "Capital Plan") which shall set out in reasonable detail the capital expenditures that are anticipated to be required in respect of the Utility on a quarterly basis during the upcoming five year period to deal with routine asset replacements, environmental compliance obligations and system expansions or enhancements.
- ii. The Capital Plan shall be updated quarterly through consultation with Seller and shall detail the expected utility capital additions necessitated by the expansion plans of the Seller at each of the Resorts including anticipated requirements for both Utility backbone infrastructure and piping and transmission lines together with time lines for such expansion.
- iii. To the extent the capital asset spending set out in the Capital Plan reflects items identified in the attached matrix (as may be amended from time to time) as costs which may be included in rate base and for which no reasonable grounds may exist to assert that such capital expansion is not currently "used and useful" in the operation of the utility, the Purchaser shall provide funding for these costs in accordance with the timetable set out in the Capital Plan.
- iv. Purchaser, together and on the recommendation of the Seller, shall contract out the capital work to be undertaken from time to time. It is anticipated that Seller will, in working with contractors for construction matters in relation to the expansion of the Resorts, request contractors to provide bids and quotes in respect of its own and also in respect of work that may be required to the Utilities. Purchaser and Seller shall review such quotes and bids and jointly select and engage the contractors as necessary to complete capital expansions to the Utilities.

Subject to confirmation of satisfactory completion of the work, Purchaser will reimburse Seller within forty-five days of such confirmation of completion.

- v. Capital expenditures which are identified in the attached matrix as items which can not be included in utility rate base or expenditures in respect of which a reasonable basis exists to assert that such capital expenditure is not in respect of assets which are "used and useful" (the "Excluded Investment") to the Utility, Seller shall be responsible for funding such capital expenditures.
- vi. Seller shall be free to seek (and Purchaser shall support) confirmation from the appropriate regulatory agency that Excluded Investments can be included in the utility rate base and would be considered "used and useful" to the utility and, in the event such confirmation is provided, Purchaser shall fund such capital expenditures.
- vii. For any Excluded Investments, Purchaser shall, at the request of Seller, make application to the respective regulatory agency to permit the entering into of a Line Extension Agreement ("LXA") between the Utility and the Seller (as developer) in respect of such Excluded Investments on the most favorable terms acceptable to the regulators. Such LXA's typically provide for the developer to receive a percentage of the revenues generated by the customers attaching to the capital asset (e.g. a water line extension) put in place by the developer for a certain number of years. Common percentage/term relationships in the LXA's typically granted to developers and approved by regulators are 10%/10yrs or 5%/20yrs. Seller shall be permitted to determine the terms and conditions in the LXA to be submitted for approval by the regulator and Purchaser shall promote those terms to the regulator for approval and the terms as approved by the regulator shall become the basis of the LXA.

Upon the expiration of the LXA the residual value of the underlying capital asset not yet recovered by the Seller (being the difference between the depreciated value of the underlying asset at the time of expiration of the LXA and the amount recovered by the Seller in payments from the Utility under the corresponding LXA) shall be added to the Utility's Contribution in Aid of Construction balance and shall thus not become part of the Utility's rate base and shall not be available for recovery by the Utility in its future rates and tariffs.
- viii. Any Excluded Investments for which a line extension agreement can not be obtained shall be funded by Seller and contributed to the Utility and shall become a Contribution in Aid of Construction and not part of the Utilities rate base for ratemaking purposes.
- ix. If a previously unregulated Utility becomes a regulated Utility, Purchaser and Seller shall use all commercially reasonable efforts to have the regulator accept as rate base for going forward ratemaking purposes, an amount at least equal to the value of the rate base previously thereto agreed to by the Purchaser and Seller as

being the rate base and used for ratemaking purposes under the Service Agreement.

- x. In the event the regulator approves a rate base amount (the "Regulated Rate Base") which is higher or lower than the amount previously utilized between Purchaser and Seller for the purposes of rate making under the Service Agreement ("Unregulated Rate Base"), such difference shall be added (if the Regulated Rate Base is lower than the Unregulated Rate Base) or deducted (if the Regulated Rate Base is higher than Unregulated Rate Base) from the amount of the rate base agreed to between Purchaser and Seller in respect of another of the Utility(s) acquired by the Purchaser from the Seller which is unregulated at that time.

PERFORMANCE ASSURITY

The Services Agreement(s) described in this Schedule 7.06 shall also be executed by the Parent Purchaser for the purpose of guaranteeing performance by the applicable Purchaser of all of such Purchaser's obligations under the agreement including, in particular, such Purchaser's obligation to continue to provide utility services in the manner presently provided by the Facilities and the obligation of such Purchaser to reimburse Seller for the cost of constructing new facilities consistent with the particulars outlined above.

SCHEDULE 7.06(B)

RATE BASE FOR RATE MAKING PURPOSES AT NON-REGULATED UTILITIES

FOX RIVER

Rate Base for rate making purposes shall be equal to the Net Book Value of the assets utilized in respect of Utility Services as at the time of Closing (which in no event shall be less than \$3,485,000) plus an amount equal to \$400,000.

After the date which is two (2) years following the date of Closing, in the event the rate base for rate making purposes for the Utilities located in the State of Missouri (the "Missouri Rate Base") is less than \$1,500,000 (excluding the net book value of any additional capital investments made by the Purchasers in respect of such Utilities following the date of Closing), the Rate Base for rate making purposes shall be increased by an amount equal to lesser of

- a) \$375,000.
- b) \$375,00 less any portion thereof which is allocated to some other unregulated Utility to increase its rate base for ratemaking purposes
- c) the difference between \$1,500,000 and the value of the Missouri Rate Base (after backing out the value of all capital investments made by the purchasers subsequent to the date of Closing).

OTHERS (IF AND WHEN APPLICABLE)

Rate Base for rate making purposes shall be equal to the Net Book Value of the assets utilized in respect of Utility Services as at that time they come to be unregulated.

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 27, 2008

TO: Persons on the attached mailing list.

RE: Algonquin Water Resources of Texas, LLC
CCN Nos. 11072, 13131, and 20815
TCEQ Docket No. 2006-1431-UCR; SOAH Docket No. 582-07-0804

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director has issued final approval of the above-named application.

You may file a **motion to overturn** with the chief clerk. A motion to overturn is a request for the commission to review the TCEQ executive director's approval of the application. Any motion must explain why the commission should review the TCEQ executive director's action.

A motion to overturn must be received by the chief clerk within 23 days after the date of this letter. An original and 11 copies of a motion must be filed with the chief clerk in person or by mail. The Chief Clerk's mailing address is Office of the Chief Clerk (MC 105), TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. On the same day the motion is transmitted to the chief clerk, please provide copies to the applicant, the Executive Director's attorney, and the Public Interest Counsel at the addresses listed on the attached mailing list. If a motion is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

Individual members of the public may seek further information by calling the TCEQ Office of Public Assistance, toll free, at 1-800-687-4040.

Sincerely,

A handwritten signature in black ink, reading "LaDonna Castañuela", is written over the word "Sincerely,".

LaDonna Castañuela
Chief Clerk

LDC/mr