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BEFORE

2008 JUN 11 PM 2:45

THE PUBLIC UTILITIES COMMISSION OF OHIO

PUCO

In the Matter of the Application of)
Holiday Service Corporation)
for Approval of the Substitution) CASE NO. 08-705-WW-UNC
of its Water Service to)
Northern Ohio Rural Water)

APPLICATION

Pursuant to Rule 4901:1-15-08 of the Ohio Administrative Code, Holiday Service Corporation ("Holiday" or "the Applicant"), a public utility as defined by Section 4905.02 of the Ohio Revised Code and a water works company as defined by Section 4905.03(A)(8) of the Ohio Revised Code, submits this application seeking approval for a substitution of service.

Holiday states the following:

1. Holiday has supplied water to approximately 450 customers in the Holiday Lakes Development located in Norwich and Greenfield Townships, Huron County (the "Water System").
2. Holiday is currently subject to the jurisdiction of the Commission with respect to its operation of the Water System.
3. Holiday, by and through its sole shareholder, Utilities, Inc., an Illinois corporation, has agreed to a sale of all right, title and interest in the Water System, its infrastructure, appurtenances thereto and rights-of-way in connection therewith, to Northern Ohio Rural Water, an Ohio water authority formed under Chapter 6119 of the Ohio Revised Code ("NORW").

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4. NORW, as a political subdivision of the state created under Chapter 6119 of the Ohio Revised Code, is an entity that does not fall within the statutory definition of public utilities regulated by the Commission, and therefore, the proposed transaction constitutes a substitution of service under Rule 4901:1-15-08 of the Ohio Administrative Code.

5. As explained in detail in the Asset and Real Estate Purchase Agreement (“the Agreement”), attached hereto as Exhibit 1, Holiday has agreed to sell, convey, assign, and transfer to NORW, and NORW has agreed to purchase, acquire, and accept from Holiday, all of the assets of the Water System. The Parties closed on this transaction on June 5, 2008, but have agreed that in order to obtain the necessary regulatory approval anticipated by the Agreement, Holiday would file this application and exhibits with the Commission seeking approval to substitute NORW, an unregulated supplier, for Holiday as a provider of water service and requesting that Holiday be removed from the rolls of public utilities.

6. NORW has substantial experience in providing water service, currently operates a water system in Ohio that serves approximately 30,000 customers, and intends for the Water System to become part of that system.

7. Upon taking possession of the Water System, NORW intends to continue the current operation seamlessly and otherwise provide uninterrupted and satisfactory service to the Water System’s customers.

8. The current customers of Holiday will be charged for service under NORW’s rates, which will produce a monthly water bill for the average customer that will be roughly equivalent to, or less than, the charges currently incurred by the Water System’s average customers.

9. Holiday has no deposits of funds from customers of the Water System.

10. Holiday and NORW agree that this substitution of service is in the best interests of the public and the customers served by the Water System and have entered into this agreement for purposes set forth fully in the Agreement.

11. On June 7, 2008, NORW published notice of its application to the USDA Rural Development for funding of the purchase of a water system in Greenfield and Norwich Townships in the Norwalk Reflector, the local newspaper of general circulation in the area served by the Water System, a copy of which is attached hereto as Exhibit 2. Exhibit 2 also contains a welcome letter which has been sent or is about to be sent to Holiday Lakes Home Owners from NORW.

12. In addition, Holiday has sent or is about to send notification of the purchase by NORW of the Water System, a draft copy of which is attached hereto as Exhibit 3.

13. The Holiday Lakes Development Property Owner's Association is aware of NORW's acquisition of the Water System and intends to send notification to its members as well.

14. In compliance with Rule 4901:1-15-08 of the Ohio Administrative Code, the affidavit of John Hoy, Vice President of Holiday Service Corporation, verifying the Application and Exhibits submitted in this matter, is attached hereto as Exhibit 4.

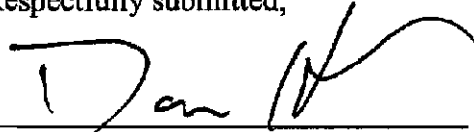
15. In compliance with Rule 4901:1-15-08 of the Ohio Administrative Code, a copy of this Application and the accompanying Exhibits have been served on the Ohio EPA.

WHEREFORE, Holiday respectfully requests that the Commission:

a. Approve the foregoing application for substitution of service with respect to the Holiday Lakes Development water system;

- b. Find that the Holiday Lakes Development water system and operations are no longer under the jurisdiction of the Commission;
- c. Cancel Holiday Service Corporation's tariffs on file with the Commission; and
- d. Remove Holiday Service Corporation from the rolls of public utilities regulated by the Commission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dan" followed by a stylized flourish.

William S. Newcomb, Jr.

David L. Hoeffel

Vorys, Sater, Seymour and Pease LLP

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Attorneys for Holiday Service Corporation

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application of Holiday Service Corporation for Approval of the Substitution of its Service to Northern Ohio Rural Water was served upon the Ohio Environmental Protection Agency via regular U.S. mail, postage prepaid, on this 11th day of June, 2008 at the addresses below:

Ohio Environmental Protection Agency
Central District Office
50 W. Town St., Suite 700
Columbus, Ohio 43215

Ohio Environmental Protection Agency
Northwest District Office
347 N. Dunbridge Road
Bowling Green, Ohio 43402

A handwritten signature in black ink, appearing to read 'Dan H', is written over a horizontal line.

David L. Hoeffel

EXHIBIT 1

ASSET & REAL ESTATE PURCHASE AGREEMENT

THIS ASSET & REAL ESTATE PURCHASE AGREEMENT ("Agreement") is made and executed on the date or dates set forth below by and between **HOLIDAY SERVICE CORPORATION**, an Ohio corporation ("Seller"), **UTILITIES, INC.**, an Illinois corporation which is the sole shareholder of the Seller ("Shareholder"), and **NORTHERN OHIO RURAL WATER**, an Ohio water authority formed under Chapter 6119 of the Ohio Revised Code ("Buyer").

WITNESSETH:

WHEREAS, Seller is the owner of all right, title and interest in the water system infrastructure, appurtenances thereto and rights-of-way in connection therewith, located in the Holiday Lakes subdivision in Huron County, Ohio (the "Water System");

WHEREAS, Seller desires to sell to Buyer substantially all of the assets and Real Estate owned by it and used in the operation of the Water System, both tangible and intangible, all as more fully described herein; and

WHEREAS, Buyer desires to purchase from Seller substantially all of the assets and Real Estate of the Water System on the terms and conditions and for the consideration hereinafter set forth.

NOW, THEREFORE, in consideration of, and in reliance upon, the mutual covenants, agreements, representations and warranties herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Sale and Purchase of Assets.

(a) Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase, acquire and accept from Seller, all of the Assets of the Water System. For purposes of this Agreement, "Assets" shall mean, as of the Closing Date (as later defined), all Assets owned by Seller except Retained Assets (as defined in Section 1(b) below), including but not limited to:

- (i) Deposits and prepaid expenses (to the extent assignable);
- (ii) All good and useable inventory (if any) of the Water System ("Inventory");
- (iii) All machinery, equipment, parts, furniture and fixtures, supplies and other tangible personal property, including but not limited to those items set forth on **Exhibit A** attached hereto and made a part hereof;
- (iv) All licenses, permits, consents, authorizations, approvals and certificates of any regulatory, administrative or other governmental agency or body relating to the Water System, to the extent the same are transferable;
- (v) Goodwill and all rights to customers, customer lists, and telephone numbers of the Water System;
- (vi) Copies of all books of account, accounting records, files, papers and records used in or relating to the conduct of the Water System;
- (vii) Any existing wells and well sites, water lines, mains and transmission pipes, pump stations, meters, holding ponds or other impoundments, water treatment pump stations, meters, holding ponds or other impoundments, water treatment plants and devices, appurtenances thereto, rights-of-way, any and all other interests in real property which form a part of or contribute to the transportation of water within the Holiday Lakes subdivision in Huron County, Ohio (the "Service Area"), and all agreements, applications, invoices and other contractual arrangements for water service within the Service Area between Seller or Shareholder and any customer (full copies of all such agreements and contractual arrangements shall be delivered by Seller to Buyer no later than ten (10) days following the date of execution of this Agreement);
- (viii) The Real Estate, as further described on **Exhibit B** attached hereto and incorporated herein.

(b) "Retained Assets" shall mean the real property as further described on **Exhibit B** attached hereto and incorporated herein. None of the Retained Assets shall be sold, conveyed, transferred, assigned or delivered to Buyer pursuant to this Agreement, and said Retained Assets shall remain the property of Seller after the Closing Date.

2. **Purchase Price.** The purchase price for the Assets shall be One Million Four Hundred Ninety Five Thousand Six Hundred and One Dollars (\$1,495,601.00), payable by Buyer in full by cash or certified check, through the Escrow Agent (as defined below), on or before Closing.

3. **Liabilities of Seller.** Except for the Assumed Liabilities (as defined below), Buyer shall not assume or otherwise be liable for any liabilities, obligations or commitments of Seller. Buyer shall assume, be liable and responsible for and accept assignment from Seller and thereafter pay, perform or discharge all of the following liabilities, obligations and commitments (the "Assumed Liabilities"):

- (a) Any and all obligations to refund customer deposits transferred by Seller to Buyer hereunder.
- (b) Any and all obligations under licenses, permits, consents, authorizations, approvals and certificates transferred by Seller to Buyer hereunder.
- (c) Any and all obligations under agreements, applications, invoices and other contractual arrangements transferred by Seller to Buyer hereunder.

4. **Designation of Title Company.** Seller and Buyer mutually agree that First American Title Agency of Norwalk, Ohio shall serve as the title company for this transaction (the "Title Company").

5. **Closing.** The closing shall be held at the offices of Buyer in Norwalk, Ohio, on or before May 30, 2008, provided that all the terms and conditions of this Agreement have been satisfied as provided for herein. Buyer and Seller shall agree upon the specific closing date that is at the end of a water supply service period for billing purposes but that is also on or before May 30, 2008, as stated above (hereafter, the "Closing Date").

6. **Quitclaim Deed.** Seller shall deliver to Buyer at Closing a quitclaim deed conveying to Buyer all of Seller's right title and interest in and to the Real Estate, free and clear of all liens, conditions, easements, claims, restrictions and encumbrances whatsoever, except real estate taxes and assessments not then due and payable and those easements and restrictions of record approved in writing by Buyer prior to transfer of title.

7. **Conditions to the Parties' Obligations.**

(a) **Seller and Shareholder Representations, Warranties and Covenants.** Unless waived in writing by Buyer in its sole discretion, all obligations of Buyer under this Agreement are subject to the following conditions: All representations and warranties of Seller and Shareholder contained in this Agreement and in all documents delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate as of the date when made and shall be deemed to be made again at and as of the time of the Closing and shall then be true and accurate in all respects. Seller and Shareholder shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by them prior to or on the Closing Date.

(b) **Buyer Representations, Warranties and Covenants.** Unless waived in writing by Seller and Shareholder in their sole discretion, all obligations of Seller and Shareholder under this Agreement are subject to the following conditions: All representations and warranties of Buyer contained in this Agreement and in all documents delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate as of the date when made and shall be deemed to be made again at and as of the time of the Closing and shall then be true and accurate in all respects. Buyer shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8. **Obligations of Seller and Shareholder.** At the Closing, Seller and Shareholder shall deliver to Buyer the following:

- (a) **Bill of Sale.** An executed bill of sale (in the form attached hereto as **Exhibit C**) conveying to Buyer title to the Assets free and clear of all liens, security interests and encumbrances;
- (b) **Records.** A current list of customers, billing records for each customer, a list of security deposits, and any other documents or data in Seller or Shareholder's possession relating to customer accounts; and
- (c) **Assignments.** Assignments of Seller's easements, rights-of-way, and other contracts or interests being transferred to Buyer pursuant to this Agreement.

9. **Representations and Warranties of Seller and Shareholder.** Except as provided for herein, Seller makes no representations or warranties of any kind or nature, and particularly makes no warranty or covenant of fitness for particular purpose or covenant or warranty of merchantability of its Water System. The Water System and the assets that are the subject of this transaction

are being sold on an AS IS, WHERE IS basis. Seller and Shareholder thereby, jointly and severally, represent and warrant to Buyer as follows:

- (a) Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio. Seller has full corporate power and lawful authority to enter into and perform the provisions of this Agreement and all agreements and documents to be delivered by Seller in connection herewith.
- (b) No Impediments. Neither the execution or delivery of this Agreement nor any documents and agreements delivered or to be delivered in connection herewith by Seller, nor their performance by Seller, will result in the breach of any term or provision of, or will constitute a default under any indenture, mortgage, license agreement, or other agreement or instrument to which Seller is a party or by which Seller or any of the Assets are bound.
- (c) Title. Seller has, and on the Closing Date will have, good and marketable title to all of the Assets, free and clear of all liens, pledges, security interests or other encumbrances of any nature whatsoever, whether fixed or contingent, and whether due or to become due. Title and all risk of loss with respect to the Assets shall remain exclusively with Seller until the Closing.
- (d) Judgments. Neither Seller nor Shareholder is a party to or subject to any pending lawsuits or, to Seller's and Shareholder's knowledge, any threatened lawsuits, nor judgment, order or decree enjoining any of them in respect of, or the effect of which is to limit, restrict, regulate or prohibit the sale of the Water System or the Assets.
- (e) Tax Returns. All tax returns and reports of Seller required by law with respect to the Water System and Assets have been duly filed, and all taxes, assessments, and other fees and governmental charges upon the Seller which might affect the Water System or Assets after the Closing Date or upon any of the Assets which are due and payable have been paid, and there are no claims pending against Seller for deficient or past due taxes and no unassessed tax deficiencies.
- (f) Employees. Seller has no employees and there is no contract or plan that is an "Employee Benefit Plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, as modified by regulations thereunder) which is or has been maintained by Seller covering former employees, if any, or to which Seller has been obligated to contribute.
- (g) Hazardous Wastes. Seller has not engaged in or permitted any illegal disposal or dumping of any hazardous, toxic or dangerous waste, material or substance on or about the Real Estate, nor engaged in or permitted the illegal or unauthorized storage of any hazardous, toxic or dangerous waste, material or substance on or about the Real Estate.

Seller's and Shareholder's representations and warranties are for the exclusive benefit of the Buyer and shall not be for the benefit of any other person or entity. Neither Seller nor Shareholder shall have any liability for the falsity of any representation or the breach of any warranty to the extent the Buyer, its officers, directors, employees, agents or contractors, (1) had knowledge of such falsity or breach when made or (2) fails to give written notice to Seller and Shareholder of such falsity or breach as soon as Buyer acquires knowledge thereof. In no event shall Seller's and Shareholder's liability for a false representation or breach of warranty exceed the Purchase Price. Where a representation or warranty is made as to "the best of Seller's and Shareholder's knowledge", a representation shall be deemed false or a warranty breached only if the most senior management official assigned full time to the Water System as of the Effective Date had actual knowledge of the falsity of such representation or the breach of such warranty.

10. Representations and Warranties of Buyer. Buyer represents and warrants to Seller and Shareholder as follows:

- (a) Organization. Buyer is a water authority duly organized, validly existing and in good standing under Chapter 6119 of the Ohio Revised Code. Buyer has full power and lawful authority to enter into and perform the provisions of this Agreement and all agreements and documents to be delivered by Buyer in connection herewith.
- (b) No Impediments. Neither the execution or delivery of this Agreement nor any documents and agreements delivered or to be delivered in connection herewith by Buyer, nor their performance by Buyer, will result in the breach of any term or provision of, or will constitute a default under any indenture, mortgage, license agreement, or other agreement or instrument to which Buyer is a party or by which Buyer is bound.
- (c) Threat of Condemnation. Buyer represents and warrants to Seller and Shareholder that negotiations for Buyer's acquisition of the Assets arose out of the threat of condemnation by the Buyer, and if the Closing occurs, the result will be a sale of the Assets by Seller to the Buyer under threat of condemnation in settlement, and in lieu, of condemnation proceedings being filed by the Buyer.

11. **Indemnification.**

(a) **Indemnification of Buyer.** Seller and Shareholder, jointly and severally, covenant and agree that, notwithstanding the payment of the purchase price and the delivery of instruments of conveyance, from and after the Closing Date Seller and Shareholder, jointly and severally, will indemnify, defend and save and hold the Buyer harmless from and against any and all damages, losses, costs, claims, liabilities, causes of action and expenses arising out of or resulting from: (i) any inaccuracy of any representation or the breach of any warranty made by Seller or Shareholder hereunder; (ii) any failure of Seller or Shareholder to duly perform or observe any term, provision, covenant, agreement or condition under this Agreement, and all agreements delivered in connection with this Agreement, on the part of Seller and Shareholder to be performed or observed; (iii) any liability of Seller, no matter when incurred; (iv) any liability arising out of Seller's ownership or operation of the Water System prior to closing.

(b) **Indemnification of Seller and Shareholder.** Buyer covenants and agrees that, notwithstanding the payment of the purchase price and the delivery of instruments of conveyance, from and after the Closing Date Buyer will indemnify, defend and save and hold the Seller and the Shareholder harmless from and against any and all damages, losses, costs, claims, liabilities, causes of action and expenses arising out of or resulting from: (i) any inaccuracy of any representation or the breach of any warranty made by Buyer hereunder; (ii) any failure of Buyer to duly perform or observe any term, provision, covenant, agreement or condition under this Agreement, and all agreements delivered in connection with this Agreement, on the part of Buyer to be performed or observed; (iii) any liability of Buyer, no matter when incurred; (iv) any liability arising out of Buyer's ownership or operation of the Water System from and after closing.

12. **Conduct of the Water System Prior to the Closing Date.** Seller covenants and agrees that, except as otherwise consented to in writing by Buyer, from March 1, 2008 to the Closing Date, Seller has maintained and will continue to maintain the Water System, the Assets and Real Estate without material alteration or change.

13. **Payments and Prorations.** For service provided after the Closing Date, Seller and Shareholder shall transfer to Buyer all security deposits given to Seller or Shareholder for water service by customers.

14. **Possession.** Sole and exclusive possession of the Assets (including the Real Estate) shall be delivered to Buyer on the Closing Date.

15. **Governing Law.** This Agreement shall be deemed to have been entered into and to be performed in the State of Ohio and shall be governed and construed and enforced in accordance with the laws of such state without regard to conflict of law principles.

16. **Entire Agreement; No Oral Modification.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior oral and written understandings relating thereto. No modification or termination of this Agreement, nor any waiver of any provision hereof shall be valid or effective unless in writing and signed by the party or parties sought to be charged therewith. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

17. **Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same instrument. Any such counterpart may be signed by one or more of the parties as long as each of them has signed one or more of such counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth below their respective signatures.

SELLER:
HOLIDAY SERVICE CORPORATION

By: 

Its: President and CEO

Date: May 20, 2008

SHAREHOLDER:
UTILITIES, INC.

By: 

Its: President and CEO

Date: May 20, 2008

BUYER:
NORTHERN OHIO RURAL WATER

By: 

Its: General Manager

Date: May 30, 2008

EXHIBIT "A"**Assets****Lease**

Polachek Plant (see attached Lease Agreement of 10/1/87); property described as Polachek Plant within boundaries of Holiday Lakes POA common area described as "POA Maintenance Facilities & Storage"; Parcel ID, survey and legal description of property are unknown and cannot be determined by Seller or POA.

License

Public Water Supply (PWS) License ID# 3900412 (Northwest Ohio EPA)

Water System Pumps & Fixtures

Chemical Pump – LMI 38.4 GPD

Chemical Pump – LMI 60 GPD

Chemical Pump – Pulsatron 12 GPD

Chemical Pump – Pulsatron 12 GPD

Chemical Pump – Pulsatron 24 GPD

Chemical Pump – LMI 24 GPD

Lakewood Plant booster pumps (2) Marathon 60 GPM

CMT Programmable meter reader device Model# MC-V

60012	Water Tower	170100	Holiday Service Corp	12/31/2007	10	170100	00170	027	40	040	921
6023	Well	17010	Holiday Service	12/31/200	1	17010	0017	02	AR	A2	22 22 03 31
	2#2	0 Corp		7	0	00	3	M	0	3	1 9 8
6023	Well	17010	Holiday Service	12/31/200	1	17010	0017	02	AR	A2	00 22 03 31
	6#4	0 Corp		7	0	00	3	M	0	9	1 9 8
6024	Well	17010	Holiday Service	12/31/200	1	17010	0017	02	AR	A2	00 22 03 27
	0#8	0 Corp		7	0	00	3	M	0	9	1 9 1
6024	Well	17010	Holiday Service	12/31/200	1	17010	0017	02	RE	A2	28 22 00 83
	4#10	0 Corp		7	0	00	3	J	3	1	1 6 8
6024	Polache	17010	Holiday Service	12/31/200	1	17010	0017	02	RE	9	28 22 03 77
	8k	0 Corp		7	0	00	3	J	7	2	1 9 4
6025	Hydra	17010	Holiday Service	12/31/200	1	17010	0017	00	GI	09	
	2 nt	0 Corp		7	Ph	0	00	9	L	6	
6025	Hydran	17010	Holiday Service	12/31/200	1	17010	0017	00	KU	09	
	61	0 Corp		7	Polachek	0	00	9	H	6	
6026	Hydra	1701	Holiday Service	12/31/20	1	1701	0017	00	KU	09	
	0 nt	00 Corp		07	Island Tr.	0	000	9	H	6	
602	Hydra	1701	Holiday Service	12/31/20	1	1701	001	00	GI	09	
	64 nt	00 Corp		07	Meadowview	0	0070	9	L	6	
6026	Hydran	17010	Holiday Service	12/31/200	1	17010	0017	00		15	
	81	0 Corp		7	bridge	0	00	9		0	
6027	Hydra	17010	Holiday Service	12/31/200	1	17010	0017	00	GI	09	
	2 nt	0 Corp		7	Ct.	0	00	9	L	6	
6027	Hydra	1701	Holiday Service	12/31/20	1	1701	0017	00	GI	09	
	6 nt	00 Corp		07	(undergr	0	000	9	L	6	
602	Hydra	1701	Holiday Service	12/31/20	1	1701	001	00	GI	09	
	80 nt	00 Corp		07	Mapleridge	0	0070	9	L	6	

6028 Hydrant	17010 Holiday Service 0 Corp	12/31/200	Located on 7 Tanglewood	1 0	17010 0017 00 GI 00 9 L	09 6
602 Hydra 88 nt	1701 Holiday Service 00 Corp	12/31/20	Located on Coffee 2" Ford 07 Pot Ct. curbstop	1 0	1701 001 00 KU 0070 9 H	09 6
6029 Hydrant 21	17010 Holiday Service 0 Corp	12/31/200	Located on Holiday 7 Dr.	1 0	17010 0017 00 00 9	15 0
6029 Hydrant 61	17010 Holiday Service 0 Corp	12/31/200	Located on Beach 7 Dr.	1 0	17010 0017 00 00 9	15 0
6030 Hydrant 01	17010 Holiday Service 0 Corp	12/31/200	Located on Holiday 7 Dr.	1 0	17010 0017 00 00 9	15 0
6030 Hydrant 41	17010 Holiday Service 0 Corp	12/31/200	Located on 7 Lakeview	1 0	17010 0017 00 GI 00 9 L	09 6
6030 Hydrant 81	17010 Holiday Service 0 Corp	12/31/200	Located on Evergreen 7 Cr.	1 0	17010 0017 00 00 9	15 0
6031 Hydra 2 nt	1701 Holiday Service 00 Corp	12/31/20	Located on 2" Ford 07 Wildwood curbstop	1 0	1701 0017 00 KU 000 9 H	09 6
6031 Hydrant 61	17010 Holiday Service 0 Corp	12/31/200	Located on Scott 7 Dr.	1 0	17010 0017 00 00 9	15 0
6032 Hydrant 01	17010 Holiday Service 0 Corp	12/31/200	Located on 7 Greenfield	1 0	17010 0017 00 00 9	15 0
6032 Hydrant 41	17010 Holiday Service 0 Corp	12/31/200	Located on Abby 7 Ln.	1 0	17010 0017 00 00 9	15 0
6032 Hydra 8 nt	1701 Holiday Service 00 Corp	12/31/20	Located on Big 2" Mueller curb 07 Bass stop	1 0	1701 0017 00 GI 000 9 L	09 6
6033 Hydra 2 nt	1701 Holiday Service 00 Corp	12/31/20	Located on 2" Mueller curb 07 Robin Ln. stop	1 0	1701 0017 00 GI 000 9 L	09 6
6033 Hydra 5 nt	17010 Holiday Service 0 Corp	12/31/200	Located on Portage 7 Path (Dam)	1 0	17010 0017 00 00 9	28 3
6033 Hydra 8 nt	17010 Holiday Service 0 Corp	12/31/200	Located on Lake Holiday 7 Ln.	1 0	17010 0017 00 00 9	15 0
6034 Hydra 1 nt	1701 Holiday Service 00 Corp	12/31/20	Located on 2" Mueller curb 07 Larkspur stop	1 0	1701 0017 00 GI 000 9 L	09 6
603 Hydra 44 nt	1701 Holiday Service 00 Corp	12/31/20	Located on Mariners 2" Mueller curb 07 Cove stop	1 0	1701 001 00 GI 0070 9 L	09 6
6034 Hydra 7 nt	17010 Holiday Service 0 Corp	12/31/200	Located on Lakeside 7 Ln.	1 0	17010 0017 00 GI 00 9 L	09 6
603 Hydra 50 nt	1701 Holiday Service 00 Corp	12/31/20	Located on 2" Mueller curb 07 Mayflower Ct. stop	1 0	1701 001 00 GI 0070 9 L	09 6
6035 Hydra 3 nt	17010 Holiday Service 0 Corp	12/31/200	Located on Cottage 7 Cove	1 0	17010 0017 00 GI 00 9 L	09 6
603 Hydra 56 nt	1701 Holiday Service 00 Corp	12/31/20	Located on Rustic 2" Mueller curb 07 Rook stop	1 0	1701 001 00 GI 0070 9 L	09 6
6035 Hydra 9 nt	17010 Holiday Service 0 Corp	12/31/200	Located - Lake Holiday 7 (beach)	1 0	17010 0017 00 00 9	15 0
6036 Hydra 2 nt	17010 Holiday Service 0 Corp	12/31/200	Located - Lake Holiday 7 (Blvd)	1 0	17010 0017 00 00 9	15 0

6036 Hydra 5 nt	1701 Holiday Service 00 Corp	12/31/20 Located on Niver 2" Mueller curb 07 Rd. stop	1 0	1701 0017 00 GI 000 9 L	09 6
603 Hydra 68 nt	1701 Holiday Service 00 Corp	12/31/20 Located on Twin 2" Mueller curb 07 Bay Tr. stop	1 0	1701 001 00 KU 0070 9 H	09 6
603 Hydra 71 nt	1701 Holiday Service 00 Corp	12/31/2 Located - Twin Bay Mueller curb 007 (dead end) stop	1 0	1701 001 00 GI 0070 9 L	09 6
6037 Hydran 41	17010 Holiday Service 0 Corp	12/31/200 Located on Lakeshore 7 Dr.	1 0	17010 0017 00 00 9	15 0
6037 Hydra 7 nt	1701 Holiday Service 00 Corp	12/31/20 Located on Lakeshore 3" 07 Dr. shutoff	1 0	1701 0017 00 000 9	15 0
6038 Hydran 0 t	17010 Holiday Service 0 Corp	12/31/200 Located on Lisa 7 Ln.	1 0	17010 0017 00 GI 00 9 L	09 6
6038 Hydra 3 nt	1701 Holiday Service 00 Corp	12/31/20 Located on Island View 07 Trail	1 0	1701 0017 00 GI 000 9 L	09 6
6038 Hydra 6 nt	1701 Holiday Service 00 Corp	12/31/20 Located on undergrou 07 Timothy nd	1 0	1701 0017 00 GI 000 9 L	09 6
6038 Distribution 9 valve	17010 Holiday Service 0 Corp	12/31/200 Lakewood 7 Rd.	1 0	17010 0017 03 00 4	23 8
6039 Distribution 2 valve	17010 Holiday Service 0 Corp	12/31/200 Lakewood 7 Rd.	1 0	17010 0017 03 00 4	17 6
6039 Distribution 5 valve	17010 Holiday Service 0 Corp	12/31/200 Meadowview 7 Rd.	1 0	17010 0017 03 00 4	17 6
6039 Distribution 8 valve	1701 Holiday Service 00 Corp	12/31/20 Meadowview / 07 Lakewood	1 0	1701 0017 03 000 4	17 6
6040 Distribution 1 valve	1701 Holiday Service 00 Corp	12/31/20 Meadowview / 07 Lakewood	1 0	1701 0017 03 000 4	17 6
6040 Distribution 4 valve	17010 Holiday Service 0 Corp	12/31/200 Meadowview 7 Rd.	1 0	17010 0017 03 00 4	17 6
6040 Distribution 7 valve	1701 Holiday Service 00 Corp	12/31/20 Meadowview / 07 Lakewood	1 0	1701 0017 03 000 4	17 6
6041 Distribution 0 valve	1701 Holiday Service 00 Corp	12/31/20 Meadowview / 07 Lakewood	1 0	1701 0017 03 000 4	23 8
6041 Distribution 3 valve	1701 Holiday Service 00 Corp	12/31/20 St. Rt. 99 / 07 Meadowview	1 0	1701 0017 03 000 4	22 3
6041 Distribution 6 valve	1701 Holiday Service 00 Corp	12/31/20 St. Rt. 99 / 07 Meadowview	1 0	1701 0017 03 000 4	22 3
6041 Distribution 9 valve	1701 Holiday Service 00 Corp	12/31/20 St. Rt. 99 / Greenfield 07 Dr.	1 0	1701 0017 03 000 4	22 3
6042 Distribution 2 valve	1701 Holiday Service 00 Corp	12/31/20 St. Rt. 99 / Greenfield 07 Dr.	1 0	1701 0017 03 000 4	22 3
6042 Distribution 5 valve	1701 Holiday Service 00 Corp	12/31/20 Greenfield Dr. / 07 Ramona Dr.	1 0	1701 0017 03 000 4	17 6
6042 Distribution 8 valve	1701 Holiday Service 00 Corp	12/31/20 Greenfield Dr. / 07 Ramona Dr.	1 0	1701 0017 03 000 4	22 3

6043 Distribution 1 valve	17010 Holiday Service 0 Corp	12/31/200 Greenfield 7 Dr.	1 0	17010 0017 03 00 4 3	22 3
6043 Distribution 4 valve	17010 Holiday Service 0 Corp	12/31/200 Greenfield 7 Dr.	1 0	17010 0017 03 00 4 6	17 6
6043 Distribution 7 valve	1701 Holiday Service 00 Corp	12/31/20 Greenfield Dr. / 07 Ramona Dr.	1 0	1701 0017 03 000 4 6	17 6
6044 Distribution 0 valve	1701 Holiday Service 00 Corp	12/31/20 Greenfield Dr. / 07 Ramona Dr.	1 0	1701 0017 03 000 4 6	17 6
6044 Distribution 3 valve	17010 Holiday Service 0 Corp	12/31/200 Greenfield 7 Dr.	1 0	17010 0017 03 00 4 6	17 6
6044 Distribution 6 valve	17010 Holiday Service 0 Corp	12/31/200 Greenfield 7 Dr.	1 0	17010 0017 03 00 4 3	22 3
6044 Distribution 9 valve	1701 Holiday Service 00 Corp	12/31/20 Island Unable to 07 Trail locate	1 0	1701 0017 03 000 4 6	17 6
6045 Distribution 2 valve	1701 Holiday Service 00 Corp	12/31/20 Island Unable to 07 Trail locate	1 0	1701 0017 03 000 4 3	22 3
6045 Distribution 5 valve	17010 Holiday Service 0 Corp	12/31/200 Overlook 7 Dr.	1 0	17010 0017 03 00 4 3	22 3
6045 Distribution 8 valve	1701 Holiday Service 00 Corp	12/31/20 Overlook Dr. / dam 07 access	1 0	1701 0017 03 000 4 3	22 3
6046 Distribution 1 valve	17010 Holiday Service 0 Corp	12/31/200 Overlook 7 Dr.	1 0	17010 0017 03 00 4 3	22 3

EXHIBIT "B"
Real Estate and Retained Assets

Real Estate

- 1) Lakewood Plant Property – Parcel ID#140040020420000 & Parcel ID#140020430000
- 2) Easement – Elevated Tank on Kinnard Property (see attached Assignment of Easement notarized 11/766); no written agreement exists between land owner and Utility

Retained Assets

Parcel ID#14-0750-01-023-0000; Legal description "4 1 SUB 1003"; 0 Overlook Dr.
Parcel ID#14-0750-01-024-0000; Legal description "4 1 SUB 1004"; 0 Overlook Dr.
Parcel ID#14-0750-01-025-0000; Legal description "4 1 SUB 1005"; 0 Overlook Dr.
Parcel ID#14-0750-01-026-0000; Legal description "Sec 4 Lot 1 SUB 1006"; 0 Overlook Dr.
Parcel ID#36-0640-01-032-0000; Legal description "1 14 SUB 382"; 0 Twin Bay Trl.

EXHIBIT "C"

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That **HOLIDAY SERVICE CORPORATION**, an Ohio corporation, ("Grantor") for and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged do hereby grant, bargain, sell, transfer and deliver to **NORTHERN OHIO RURAL WATER**, an Ohio water authority formed under Chapter 6119 of the Ohio Revised Code ("Grantee"), its successors and assigns, all of Seller's rights, title and interests in and to the Assets (as defined in the Asset and Real Estate Purchase Agreement dated May __, 2008 by and between Grantor and Grantee).

Grantor hereby covenants with Grantee that: 1) Grantor is the lawful owner of said Assets; 2) except as otherwise expressly provided in the Asset and Real Estate Purchase Agreement, said Assets are free from all encumbrances; and 3) Grantor has good right and lawful authority to sell and convey said Assets and will warrant and defend the sale of said Assets unto Grantee, its successors and assigns against the lawful claims and demands of all persons whomsoever.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, the Grantor has executed this Bill of Sale this _____ day of May, 2008.

HOLIDAY SERVICE CORPORATION,
An Ohio corporation

Witness Signature: _____
Print Witness Name: _____

By: _____
Name: _____
Title: _____

Witness Signature: _____
Print Witness Name: _____

*Address: 2335 Sanders Road
Northbrook, IL 60062*

STATE OF ILLINOIS
COUNTY OF COOK

The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by _____ as _____ of Holiday Service Corporation, an Ohio corporation, who [] is personally known to me or [] produced a driver's license as identification.

NOTARY PUBLIC

Print Name:

My Commission #:

My Commission Expires

EXHIBIT 2

**PUBLIC NOTICE OF INTENT TO FILE
RURAL DEVELOPMENT APPLICATION**

Notice is hereby given that on April 17, 2008, the Board of Directors of Northern Ohio Rural Water voted to submit an application to USDA Rural Development for the funding of a water system purchase. On April 17, 2008, the Board of Directors also voted to submit this application to USDA Rural Development. This application is for a loan in the amount of \$1,550,000. The project area is in Greenfield and Norwich Townships in Huron County. Interested persons may contact the General Manager of Northern Ohio Rural Water for more details.

Thomas Reese
General Manager

Dear Holiday Lakes Home Owners:

We welcome the opportunity to serve you as your new water district. We are located at 2205 US Highway 20, Norwalk, Ohio. Our office hours are Monday-Friday 8:00 A.M. – 4:30 P.M.

During this transition, you will notice some modifications. The immediate changes are you will be billed monthly and empty lots will not be charged. Your cost of water, if you use 4,700 gallons a month or less will cost less from Northern Ohio Rural Water. If you use more than 4,700 gallons a month, your bill will be slightly higher.

The major change will be around the 1st of January 2009. We will be providing you with water that we purchase from Erie County. At that time, you will no longer be drinking well water. We will be providing you with water produced from Lake Erie, which is the best source of water.

A little history of Northern Ohio Rural Water, is that we were formed in 1988 under Ohio Revised Code, 6119 to serve safe potable drinking water to rural areas in portions of the following counties: Lorain, Erie, Huron, Sandusky and Seneca. We currently serve over 30,000 residents with 700 miles of water lines in the ground. In addition, we have 9 water towers with a holding capacity of 4.15 million gallons of water, 8 pumping stations and 6 chlorine injection stations.

We are controlled by a Board of Directors, who are appointed by Township Trustees in areas we serve. The Board makes all policies, rules and regulations. Currently, we have 23 Board Members and 21 employees. For further information, please feel free to call us at (419) 668-7213 or visit us at our web site www.norw.org.

Finally, please fill out the Water User's Agreement that is enclosed and mail it in the envelope that we have provided. Thank you and we look forward to serving all of your water needs.

Regards,

Tom Reese
General Manager
Northern Ohio Rural Water



EXHIBIT 3



**Holiday Service Corporation
2335 Sanders Road
Northbrook, IL 60062
(877) 294-8890**

June 10, 2008

To: Customers of Holiday Service Corporation

Re: Purchase of Holiday Lakes Water System by the Northern Ohio Rural Water

Dear Customers:

Enclosed is your final billing with Holiday Service Corporation. Please remit your final payment to the address on the remit portion of the bill. If you should have any questions regarding your final billing, please call customer service at the phone listed above.

The purchase of the Holiday Lakes water system by Northern Ohio Rural Water is complete as of this final bill. Your next statement will be from the Northern Ohio Rural Water.

Northern Ohio Rural Water (NORW) will be sending to you communication in partnership with your Property Owners Association within the next few days. All customer service inquiries, service requests and future billing questions should be directed to:

**Northern Ohio Rural Water
2205 US Highway 20 East, Norwalk, OH 44857
or call NORW at 419-668-7213.**

We have enjoyed serving you over the years and wish you all the best!

Sincerely,

Holiday Service Corporation

EXHIBIT 4

**In the matter of the Application of)
Holiday Service Corporation)
for Approval of the Substitution) CASE NO. 08- -WW-UNC
of its Service to Northern Ohio)
Rural Water)**

STATE OF ILLINOIS :
 : SS
COUNTY OF COOK :

06/07/2008 Columbus 10428639