

DW 10-306
LAKELAND MANAGEMENT COMPANY, INC.
PETITION FOR PERMANENT RATES
STAFF DATA REQUESTS – SET I

ORIGINAL
D.W.P.U.C. Case No. DW 10-306
Exhibit No. # 2
Witness Panel 1
DO NOT REMOVE FROM FILE

Follow-up Questions regarding Quality and Service from the 04/06/11 Technical Session:

Staff 1-1

Customers complained of indications of corrosiveness such as bluish-tinged water and staining and frequent hot water tank replacement throughout the service area (Briarcrest, Granite Ridge and Orchards). In this regard:

- a) Is the company aware of these complaints?
- b) If so, is the company under any obligation from the Department of Environmental Services to take any corrective action?
- c) Please provide background on the history and causes of such problems based on, for example, the specific water supplies used and treatment installed (for example, effectiveness of caustic v. blending), including the time frames involved.
- d) Does the company have any plans to address these complaints in the future? If so, please explain what those plans are and the time frame for those plans.

Staff 1-2

Various dirty water problems such as brown water, staining and residue buildup in toilets and sinks, and black specs and chunks from showerheads, were also noted throughout the development. In this regard:

- a) Is the company aware of these complaints?
- b) If so, is the company under any obligation from the Department of Environmental Services to take any corrective action?
- c) Please provide background on the possible causes of such complaints including whether any secondary drinking water standards have been or are being exceeded, what wells may be contributing, what treatment is in place, flushing or other efforts the company has taken to address such problems, etc.
- d) Does the company have any plans to address these complaints in the future? If so, please explain what those plans are and the time frame for those plans.

Staff 1-3

Other water quality problems were also noted by customers throughout the service area such as milky appearance, taste, odor and hard water. In this regard:

- a) Is the company aware of these complaints?
- b) If so, is the company under any obligation from the Department of Environmental Services to take any corrective action?

- c) Does the company know what may be causing the complaints?
- d) Does the company have any plans to address the complaints? If so, please explain what those plans are and the time frame for those plans.

Staff 1-4

Customers complained of low water pressures generally; of abnormal pressure drops in Orchards in the past year to year and a half; and of abnormal and significant pressures, both low and high, in Granite Ridge in the last 9 months or so. In these regards:

- a) Is the company aware of pressure problems in any of its water system?
- b) Is the company under any obligation from the Department of Environmental Services to take any corrective action relative to pressure?
- c) Please describe any pressure zones within the distribution system, including specific areas or buildings served.
- d) Please indicate minimum and maximum pressures experienced by customers within each pressure zone.
- e) Is the company aware of any specific causes of pressure changes within the last year to year and a half in all or portions of the development? If so, please describe.
- f) Does the company have any plans to address pressure problems? If so, please explain what those plans are and the time frame for those plans.

Staff 1-5

Customers explained to Staff that a pump station is located near a brook or similar water course that periodically floods.

- a) Please provide a map or picture of the pump station and identify its proximity to the water course.
- b) Please identify the function of this pump station.
- c) Please state whether the Department of Environmental Services has identified any deficiencies with respect to this pump station.
- d) Please indicate whether the flooding has any impact on drinking water in the development.

Staff 1-6

Customers stated that a “sewer cap” occasionally overflows. This sewer cap is described as adjacent to a field on the right as one enters Plummer Hill Road. In this regard please indicate:

- a) Whether Lakeland is aware of this situation.
- b) Whether the overflows are related to Lakeland’s sewer system.
- c) If so, what causes the overflows.
- d) What Lakeland does to prevent the overflows.
- e) Whether the Department of Environmental Services is aware of the overflows and if so, what actions they have taken.

- f) Whether the overflows have any impact on drinking water in the development or community.
- g) Whether the company has any plans to address the overflows in the future. If so, please explain what those plans are and the time frame for those plans.

Staff 1-7

Re: Reported Customer Complaints:

- a) Please identify any and all customer complaints Lakeland has received since 2008 concerning water quality or pressure.
- b) For each of the complaints identified in (a), please state how Lakeland responded to the complaint.

Staff 1-8

When Lakeland's water or sewer systems experience problems such that service is adversely affected, please identify how the company informs customers of the problem.

Staff 1-9

Has Lakeland had any Letters of Deficiency or Administrative Orders issued to it from the Department of Environmental Services since 2008? If so, please explain and provide a copy of the document.

Staff 1-10

Does Lakeland have a capital improvement plan? If so, please provide a copy and explain the plan.

Follow-up Questions regarding Customer Billings and Collections from the 04/06/11 Technical Session:

Staff 1-11

Please provide a detailed explanation with regard to how Lakeland conducts its billings and collections for water service. In this explanation, please identify all non-Lakeland parties who may be involved with the billing and/or collection process and please specifically explain their involvement.

Staff 1-12

Please provide a detailed explanation with regard to how Lakeland conducts its billing and collections for sewer service. In this explanation, please identify all non-Lakeland parties who may be involved with the billing and/or collection process and please specifically explain their involvement.

Staff 1-13

Staff understands that Lakeland has a billing and/or collection arrangement with an entity known as "Harvard Management":

- a) Please specifically explain the relationship that the Company has with Harvard Management as well the billing and/or collection arrangement.
- b) It appears that Harvard Management Company II, Inc. and Harvard Management Solutions, Inc. are registered to do business within the State of New Hampshire. Please identify the legal entity with which Lakeland has this relationship.

Staff 1-14

Please identify and/or verify the total number of units, by rate group, that Lakeland provides water service to. If a particular structure represents a number of units receiving service, such as an apartment building or duplex, please identify, to the extent that Lakeland knows, how many individual service lines, shutoffs and meters serve, and how many units are served within, that structure.

Staff 1-15

Please identify and/or verify the total number of units, by rate group, that Lakeland provides sewer service to. If a particular structure represents a number of units receiving service, such as an apartment building or duplex, please identify, to the extent that Lakeland knows, how many individual units are served within that structure.

Staff 1-16

Re: Water Service to the Maple Hill Acres complex:

- a) Please provide the revenue earned by the Company from the Maple Hill Acres complex for water service for each billing quarter during the years 2008, 2009 and 2010.
- b) Please indicate the number of units within the Maple Hill Acres complex that received water service for each billing quarter during the years 2008, 2009 and 2010.
- c) Please indicate the total water usage of the Maple Hill Acres complex for each billing quarter during the years 2008, 2009 and 2010.
- d) Please describe the Company's billing/collection arrangement for water service with the Maple Hill Acres complex.

Staff 1-17

Re: Sewer Service to the Maple Hill Acres complex:

- a) Please provide the revenue earned by the Company from the Maple Hill Acres complex for sewer service for each billing quarter during the years 2008, 2009 and 2010.

- b) Please indicate the number of units within the Maple Hill Acres complex that received sewer service for each billing quarter during the years 2008, 2009 and 2010.
- c) Please indicate the total sewer usage of the Maple Hill Acres complex for each billing quarter during the years 2008, 2009 and 2010.
- d) Please describe the Company's billing/collection arrangement for sewer service with the Maple Hill Acres complex.

Questions regarding the Direct Testimony of Wade R. Crawshaw:

Staff 1-18

Regarding the ARRA storage tank and VFD projects addressed at page 2, paragraph 11:

- a) Were the projects put out to bid?
- b) If not, please indicate why not.
- c) If so, were the projects awarded to the low bidder(s)? If not, why not?
- d) Please provide further detail on why the projects cost more than anticipated.

Staff 1-19

Please provide additional background on the pump failures noted in the last sentence of paragraph 18 on page 4.

Staff 1-20

Regarding the discussion of proposed liens on page 4, paragraph 19:

- a) Are the liens envisioned as applying to water charges, sewer charges, or both?
- b) Are liens envisioned as applying only to buildings with multiple customers lacking individual shutoffs, or to all customers?
- c) For each building with multiple customers but lacking individual shutoffs, please indicate what would be required to provide separate service lines or shutoffs to each customer within the building.
- d) Are liens envisioned as applying to existing customers, or only to new customers? If the former, how would liens be applied initially as far as obtaining owner consent in tenant-landlord relationships (proposed tariff para. 1.a), etc.?

Questions regarding the Direct Testimony of Stephen P. St. Cyr regarding Water Rates:

Staff 1-21

Re: Schedule 2 – Rate Base - Water: Please provide the account balances as of 03/31/09, 06/30/09 and 09/30/09 for the following rate base components:

- a) Plant in Service

- b) Accumulated Depreciation
- c) Materials and Supplies
- d) Prepayments
- e) Accumulated Deferred Income Taxes

Staff 1-22

Re: Schedule 2A; Page 1 of 2; Adjustment for 2009 Well - \$71,649:

- a) Please provide the date on which the 2009 well became used and useful.
- b) Please indicate the total cost of the 2009 well.
- c) Please provide the individual plant accounts as well as the respective amounts recorded in these accounts relative to the 2009 well.
- d) Please indicate the depreciation rates of the various component amounts indicated in (c) relative to the 2009 well.

Staff 1-23

Re: Schedule 2A; Page 1 of 2; Adjustment for 2010 Tanks and VFDs - \$98,230:

- a) Please provide the dates on which the respective 2010 additions became used and useful.
- b) Please verify that the \$98,230 cost indicated for the 2010 additions represents the final actual cost of these items. If not, please provide these amounts.

Staff 1-24

Re: Schedule 3; Page 2 of 2; 2009 Owner Loan - \$47,192:

- a) Please provide a copy of the promissory note relative to this loan. If no such documentation exists, please explain the anticipated repayment terms of this loan.
- b) Please explain in sufficient detail the purpose(s) of this loan. Please provide a specific amount relative to each indicated purpose.
- c) Please explain the basis for the 7.00% interest rate on this loan.

Staff 1-25

Re: Schedule 3; Page 2 of 2; 2010 ARRA/SRF Loan - \$40,752: Please provide a copy of the final documentation relative to this loan which details the finalized interest rate, repayment terms, etc.

Staff 1-26

Re: Schedule 3; Page 2 of 2; 2010 Owner Loan - \$16,727:

- a) Please provide a copy of the promissory note relative to this loan. If no such documentation exists, please explain the anticipated repayment terms of this loan.
- b) Please explain in sufficient detail the purpose(s) of this loan. Please provide a specific amount relative to each indicated purpose.

- c) Please explain the basis for the 7.00% interest rate on this loan.

Staff 1-27

Re: Schedule 4A; Page 1 of 3; Adjustment for Uncollectible Accounts - \$(2,835): Please detail the “other adjustments amounting to \$2,117” that is indicated on Page 8, Line 21 of Steven P. St. Cyr’s direct testimony regarding water rates.

Staff 1-28

Re: Schedule 4A; Pages 2 of 3 and 3 of 3; Adjustments to Taxes other than Income:

- a) Please provide copies of the following documents relative to the State Utility Property Tax for the years 2008, 2009 and 2010:
 - i) Notice of Value and Tax Bill – Utility Property received annually from NHDRA
 - ii) Forms DP-255 submitted annually to NHDRA
 - iii) Appraisal Reports prepared by NHDRA
- b) Please provide copies of the 2008, 2009 and 2010 municipal property tax bills from the Town of Belmont.

Staff 1-29

Re: Schedule 4A; Page 3 of 3; Adjustments to Income Taxes:

- a) Please provide copies of the Company’s 2008, 2009 and 2010 state and federal income tax returns.
- b) Please indicate the Company’s total net operating loss carryforward for both federal and state income tax purposes as of 12/31/09 and 12/31/10.

Questions regarding the Direct Testimony of Stephen P. St. Cyr regarding Sewer Rates:

Staff 1-30

Please elaborate on the reason for the following sewer expenditures outlined in St. Cyr testimony at page 3, lines 23-30, including location installed:

- a) Two SS grinders for sewer pumps in 2009 (\$1,600).
- b) Rebuilt motor, wiring and grinder pump in 2010 (\$11,171).

Staff 1-31

Re: Schedule 2 – Rate Base - Sewer: Please provide the account balances as of 03/31/09, 06/30/09 and 09/30/09 for the following rate base components:

- a) Plant in Service
- b) Accumulated Depreciation
- c) Prepayments

Staff 1-32

Re: Schedule 2 – Rate Base - Sewer: Please explain why Materials and Supplies and Accumulated Deferred Income Taxes are not included as rate base components for the purpose of determining sewer rates.

Staff 1-33

Re: Schedule 2A; Page 1 of 1; Adjustment for 2009 Plant - \$1,600: Please indicate the date on which this equipment became used and useful.

Staff 1-34

Re: Schedule 2A; Page 1 of 2; Adjustment for 2010 Plant - \$11,171:

- a) Please provide the dates on which the respective 2010 additions became used and useful.
- b) Please verify that the \$11,171 cost indicated for the 2010 additions represents the final actual cost of these items. If not, please provide these amounts.

Staff 1-35

Re: Schedule 4A; Page 1 of 3; Adjustment to Contracted Services - \$10,515:

- a) Please provide documentation, ie, copies of contracts, invoices, etc., in support of the contracted services expense recorded during 2009 of \$9,753.
- b) Please indicate the actual amount incurred during 2010 for contracted services expense.
- c) Please provide documentation, ie, copies of contracts, invoices, etc., in support of the contracted services expense recorded during 2010 as indicated in (b).

Questions regarding § 1604.01 Items

Staff 1-36

Re: Item 1 – 2009 Financial Statements:

- a) Please provide a detailed explanation for the 12/31/09 balance of \$5,991 contained in Account # 186, Miscellaneous Deferred Debits.
- b) Regarding Account # 642, Operation Labor and Expenses: Please provide further explanation regarding the reason for the “increase(s) in IOC’s, SOC’s, Rad’s & VOC’s, Bacti & Chemical sampling” as stated in the Company’s 2009 Annual Report.
- c) Regarding Account # 903, Customer Records and Collection Expense: Please provide a detailed analysis of the individual expenses contained in this account for the years 2008 and 2009.

- d) Regarding Account # 923, Outside Services Employed: Please provide a detailed analysis of the individual expenses contained in this account for the years 2008 and 2009.

Staff 1-37

Re: Item 16 – Management Fees and Expenses:

- a) Please provide copies of all affiliate agreements with C & C Water Services.
- b) If the Company is not able to respond to (a), please sufficiently detail all contractual arrangements with C & C Water Services.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-1

REQUEST:

Customers complained of indications of corrosiveness such as bluish-tinged water and staining and frequent hot water tank replacement throughout the service area (Briarcrest, Granite Ridge and Orchards). In this regard:

- a) Is the company aware of these complaints?
- b) If so, is the company under any obligation from the Department of Environmental Services to take any corrective action?
- c) Please provide background on the history and causes of such problems based on, for example, the specific water supplies used and treatment installed (for example, effectiveness of caustic v. blending), including the time frames involved.
- d) Does the company have any plans to address these complaints in the future? If so, please explain what those plans are and the time frame for those plans.

RESPONSE:

- a) Yes, of some. The Company had no complaint of water tank replacement until the one customer mentioned it at the preliminary hearing in this rate case.
- b) No.
- c) The bluish tinge could have been the result of the oxidation of the inside of copper pipes caused by caustic potash used to increase the pH. That should have ended in 2008 when the Company added blended phosphate to the treatment chemicals. The phosphate tends to coat the interiors of the copper pipe, thereby impairing oxidation.

When Well No. 5 came online the overall hardness of the water increased, as Well No. 5 is a drilled well.

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- d) The Company does not have any plans to do anything further about those complaints.

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Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-2

REQUEST:

Various dirty water problems such as brown water, staining and residue buildup in toilets and sinks, and black specs and chunks from showerheads, were also noted throughout the development. In this regard:

- a) Is the company aware of these complaints?
- b) If so, is the company under any obligation from the Department of Environmental Services to take any corrective action?
- c) Please provide background on the possible causes of such complaints including whether any secondary drinking water standards have been or are being exceeded, what wells may be contributing, what treatment is in place, flushing or other efforts the company has taken to address such problems, etc.
- d) Does the company have any plans to address these complaints in the future? If so, please explain what those plans are and the time frame for those plans.

RESPONSE:

- a) Yes, some.
- b) No.
- c) No secondary water standards have been or are being exceeded. The Company flushes the lines once per year.
- d) The Company intends to continue flushing in the future.

LAKELAND MANAGEMENT COMPANY, INC.

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Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-3

REQUEST:

Other water quality problems were also noted by customers throughout the service area such as milky appearance, taste, odor and hard water. In this regard:

- a) Is the company aware of these complaints?
- b) If so, is the company under any obligation from the Department of Environmental Services to take any corrective action?
- c) Does the company know what may be causing the complaints?
- d) Does the company have any plans to address the complaints? If so, please explain what those plans are and the time frame for those plans.

RESPONSE:

- a) The Company is not aware of all the complaints. The Company had no complaint of hard water before the preliminary hearing in this rate case.
- b) No.
- c) When Well No. 5 came online, the hardness of the water increased, as Well No. 5 is a drilled well. Hard water does tend to offset the corrosive effect of the caustic potash. With respect to milky appearance, that is the result of air in the water. Air can get in when there is a break in the line, or a pump is serviced, opening the lines to the atmosphere. As the tiny air bubbles in the water rise to the surface of the vessel and escape into the atmosphere, the water becomes clear. With respect to odor in the water, in July of 2011, there was a complaint from Maple Acres about a rotten egg smell. It was discovered that the complaint concerned two-level apartments, the smell was only observed on the upper level, not on the lower level. The rotten egg smell is usually the result of a clogged or partially clogged waste line, where the material in the clog is starting to deteriorate. There are eight apartments in each building, all receiving the same water from Lakeland.

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- d) The Company does not have any plans to do anything about those complaints.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-4

REQUEST:

Customers complained of low water pressures generally; of abnormal pressure drops in Orchards in the past year to year and a half; and of abnormal and significant pressures, both low and high, in Granite Ridge in the last 9 months or so. In these regards:

- a) Is the company aware of pressure problems in any of its water system?
- b) Is the company under any obligation from the Department of Environmental Services to take any corrective action relative to pressure?
- c) Please describe any pressure zones within the distribution system, including specific areas or buildings served.
- d) Please indicate minimum and maximum pressures experienced by customers within each pressure zone.
- e) Is the company aware of any specific causes of pressure changes within the last year to year and a half in all or portions of the development? If so, please describe.
- (f) Does the company have any plans to address pressure problems? If so, please explain what those plans are and the time frame for those plans.

RESPONSE:

- a) Yes, some.
- b) No.
- c) There are two pressure zones in the distribution system. One zone is the Granite Ridge area. The other zone is everything else. The Granite Ridge area is served by two booster pumps. The cause of the variation in pressure is the fact that the booster pumps are run alternately. When one pump is turned off, the pressure goes down. When the boost is switched to the other pump, the pressure goes up. Over time the Company has adjusted the pumps so that they run very close to the same pressure. Consequently, regardless of which pump is run, the

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pressure should be the same. The Company does not know the minimum and maximum pressures experienced by the customers, as the Company has done no testing of pressure at the faucet. However, given the settings, the Granite Ridge pressure range should be 30 psi to 60 psi, and in all other facilities in the system, the range should be 40 psi to 150 psi.

- f) In the future, the Company would like to have the booster pumps run together. That can only be accomplished with the proper electrical controls to prevent damage to the pumps and synchronize their operation. The Company does not now have the funds to undertake that project, but plans to accomplish it, depending upon the outcome of this rate case, within a year.

LAKELAND MANAGEMENT COMPANY, INC.

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STAFF DATA REQUESTS, SET 1

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Witness: Wade Crawshaw

Staff 1-5

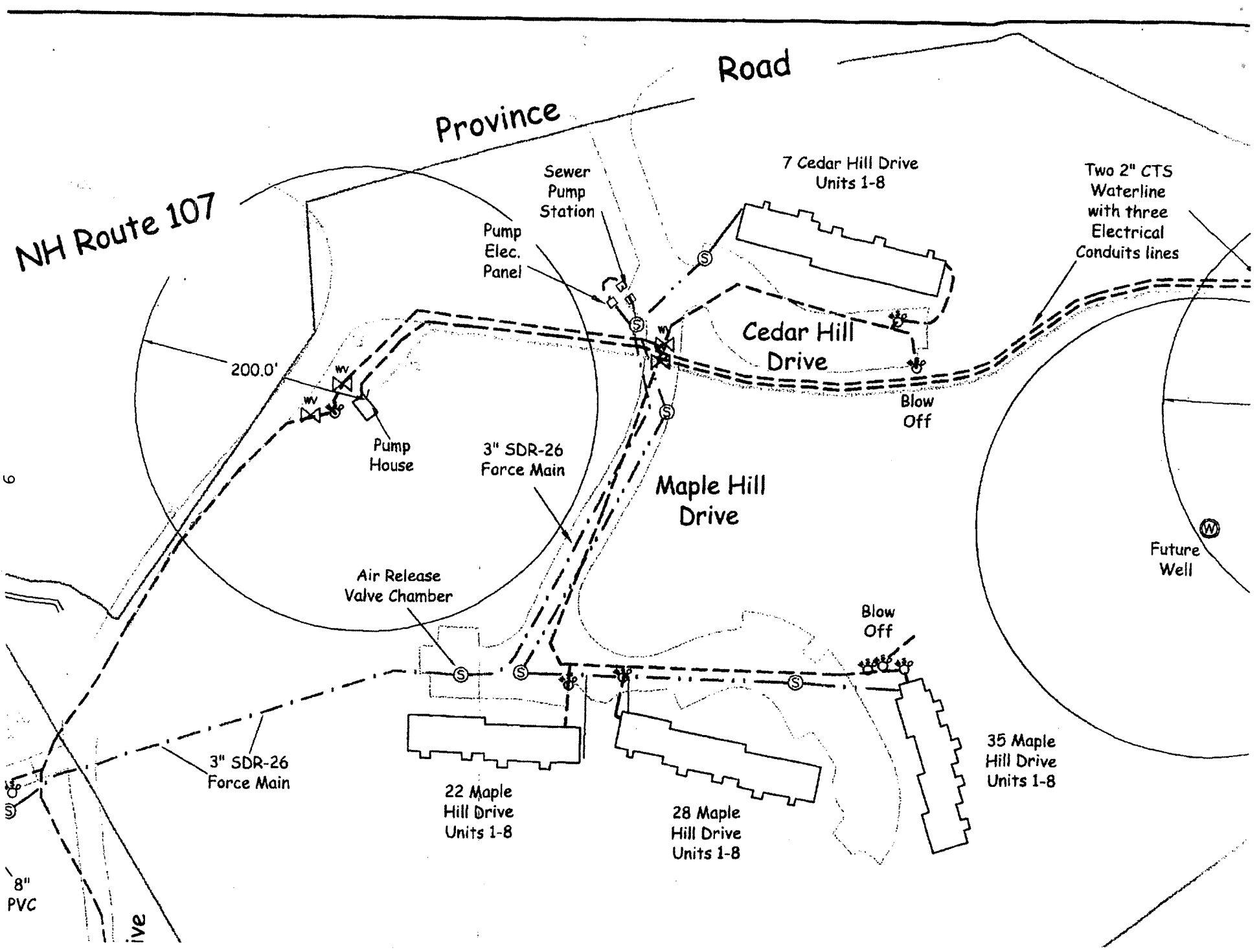
REQUEST:

Customers explained to Staff that a pump station is located near a brook or similar water course that periodically floods.

- a) Please provide a map or picture of the pump station and identify its proximity to the water course.
- b) Please identify the function of this pump station.
- c) Please state whether the Department of Environmental Services has identified any deficiencies with respect to this pump station.
- d) Please indicate whether the flooding has any impact on drinking water in the development.

RESPONSE:

- a) The Company does not know which facility the Staff's informant had in mind when providing the information to the Staff. However, the Company believes that the most probable facility which the informant had in mind is the pump house shown on the excerpt to the Company's system map attached to this response.
- b) The pump house covers the well head for Well No. 4. And the pump is used to pump water through the distribution lines in the Company's distribution system.
- c) No.
- d) The water flow in the brook has had no impact on drinking water in the development. There is a berm between the brook and the pump house. The berm is located 50 feet away from the pump house. The water course is 50 feet to 75 feet away from the berm, placing the water course 100 to 125 feet away from the pump house.



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STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-6

REQUEST:

Customers stated that a "sewer cap" occasionally overflows. This sewer cap is described as adjacent to a field on the right as one enters Plummer Hill Road. In this regard please indicate:

- a) Whether Lakeland is aware of this situation.
- b) Whether the overflows are related to Lakeland's sewer system.
- c) If so, what causes the overflows.
- d) What Lakeland does to prevent the overflows.
- e) Whether the Department of Environmental Services is aware of the overflows and if so, what actions they have taken.
- f) Whether the overflows have any impact on drinking water in the development or community.
- g) Whether the company has any plans to address the overflows in the future. If so, please explain what those plans are and the time frame for those plans.

RESPONSE:

- a) Lakeland is not aware of this situation.
- b) Any overflows are not related to Lakeland's sewer system. The "sewer cap" in question is not part of Lakeland's facilities. Lakeland has no facilities to the right of Plummer Hill Road, 200 feet in from Route 106.
- c) The Company does not know what causes any overflows. The "sewer cap" is not part of Lakeland's system.
- d) Lakeland has done nothing to prevent any overflows. The "sewer cap" is not part of Lakeland's system.

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- e) The Company does not know whether or not the Department of Environmental Services is aware of any overflows or what actions, if any, the Department of Environmental Services might have taken.
- f) The Company does not know what impact the overflows, if any, from the "sewer cap" in question has on drinking water in the developed area around the "sewer cap" or in the community, other than the Company's water system. With respect to the Company's water system, there is no known impact on the drinking water supplied by the Company's water system.
- g) The Company has no plans to address any future overflows at the "sewer cap" as it is not part of the Company's system, nor has there been any impact on the Company's system.

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Date Request Received: 06/29/11

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Witness: Wade Crawshaw

Staff 1-7

REQUEST:

Re: Reported Customer Complaints:

- a) Please identify any and all customer complaints Lakeland has received since 2008 concerning water quality or pressure.
- b) For each of the complaints identified in (a), please state how Lakeland responded to the complaint.

RESPONSE:

- a) A review of the Company's records where the Company would expect to find customer complaints discloses the written complaints attached to this response. Those are the only written complaints concerning water quality or pressure found. There may have been verbal complaints in the relevant time period, but Company personnel have no recollection of any such complaints.
- b) With respect to the communications from Shirley Wood, please see the written response also attached to this data response. In addition, please see the Responses to Requests 1-3 and 1-4, above.

With respect to the Scott Harred memo, water was supplied.

With respect to the note of Lucille Canepa, the customer was contacted by telephone. In addition, please see the Response to Request 1-4, above.

With respect to the notes from the Allison's, the customer was called. Please see the Response to Request 1-4, above.

With respect to the note of Norm Paquette, the customer was called. He reported that he had good pressure outside but not good pressure inside.

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That indicates that the pressure problem is not in the Company's mains or service lines, but inside the dwelling unit.

November 3, 2008

Lakeland Management Co., Inc.
Wade R. Crawshaw, Owner
P.O. Box 7394
New Hampshire, NH 03247

Dear Mr. Cranshaw:

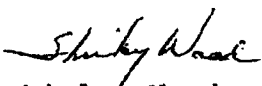
This letter is in regards to Lakeland Management Company's Invoice #1GRG021, dated 10/23/08.

I would like to request that Lakeland Management Company, Inc. include a phone number on it's quarterly invoice for questions and emergencies.

Also, please explain, in writing, the computation for the sewer base rate on Invoice #GRG021, $\$85.82 \times 0.854$; where does the $\$85.82$ come from?

Finally, recently the tap water has had a blue tinge to it. I was wondering if the water company has looked into this and if they have, could you state that the water is safe?

Thank you for your time.


Shirley Wood
21 Granite Ridge Drive
Belmont, NH 03220
(603) 528-2310

Lakeland Management Co., Inc.

To Shirley Wood
From Terry Crawshaw / billing manager
Date/Time 11/20/2008 at 12:46PM
Subject 11-3-8 letter regarding invoice # 1GRG021

Your request to include a phone number on quarterly billing is duly noted. Thank you for your suggestion. It was an oversight on our part in designing the new bills.

Where does the \$85.82 come from? It is the sum of the Water Base Rate and the Water Consumption Charge. Specifically, in this example: \$62.00 + \$23.82.

Regarding the blue tinge of the water, the water company is looking into it. We will keep you informed of any determinations made on that. Meanwhile, we assure you that your water is safe to drink. Believe me, if it wasn't, you'd know about it because it'd be all over the newspapers and possibly the TV too. We are closely regulated and watched over by the State of New Hampshire's Department of Environmental Services; Drinking Water & Groundwater Bureau. I am enclosing for you the most recent report of the quality of your water. Granted, it does not include information from 2008 because it is an annual report, but again, please be assured that the quality of your water is a responsibility that we pay very close attention to. We appreciate your concern. Additionally, your communication helps avoid misunderstandings.

January 12, 2009

Lakeland Management Company
P.O. Box 95
Belmont, NH 03220
Attention: Wade Crawshaw

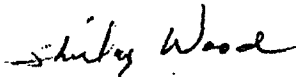
Dear Mr. Crawshaw:

I am still having a bluish tinge to the water in my home. I had an independent analysis for drinking water completed on 01/06/09.

The only problem that the analysis found was that Manganese is above the maximum level.

Please let me know if there is any need to worry about drinking the water.

Thank you.



Shirley Wood
21 Granite Ridge Drive
Belmont, NH 03220
(603) 528-2310

11/16/10

Wade Croushaw -

The water pressure in my home is
very low.

Shuley Wood
21 Granite Ridge Dr.
Belmont, NH 03228

231-6436

April 13, 2011

Scott
 Howard Ming.
 (on call tonight)
 O Edwards
 people with water

5-3-10

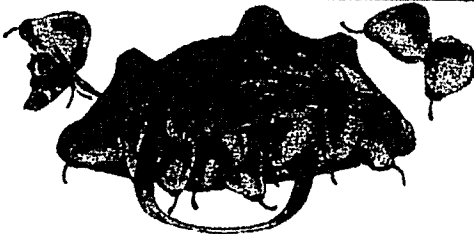

Ms. Lucille Canepa

Dear Mother:

My next to previous
 in my class. One in
 a while at home but
 may look at it as
 as arranging! The
 could you tell
 me why that is?
 Respectfully,
 Lucille Canepa

Call of 5-10-10
 no phone #

528-5451
 from phone book

no phone #
Lakeland Management Co., Inc.
P.O. Box 7394
Gilford, New Hampshire 03247

*Please do something
about our water pressure.*

April 15, 2010

Allison, Mr. & Mrs. Roy

18 Oak Dr.

Belmont NH 03220

*It varies from a mere trickle
to a beautiful torrent.*

Acct. #

GRO018

Payment Due Date: May 15, 2010

524-8016 from phone book

Called 5-10-10

Lakeland Management Co., Inc.
P.O. Box 7394
Gilford, New Hampshire 03247

*You still have a
serious water pressure
problem*

M. Allison 10/24/10

October 22, 2010

Invoice #

Allison, Mr. & Mrs. Roy

9 GR0018

18 Oak Dr.

Belmont NH 03220

Payment to be received by 11/15/10

PLEASE MAIL PROMPTLY

Dear Customer:
Please copy the reading from your WATER METER on this self-addressed ready-to-mail postcard.

If you desire information about your water service, please call 293-8580. Your promptness helps us to help you.

Thank You

Read Meter 10-1-9

PLEASE COPY EVERY NO. AS SHOWN ON YOUR METER INCLUDING ALL ZEROS



44157

**Any reason why water pressure is so low?*

FROM Paquette, Norm
15 Hemlock Dr.

GRH015

ACCT. NO.
METERED
LOCATION

455 5757

Called on 10-1-9

has Good pressure outside not inside

Please detach and send back this card only

*No followup needed at this point on our part.
Customer told to call again if problem persists.*

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-8

REQUEST:

When Lakeland's water or sewer systems experience problems such that service is adversely affected, please identify how the company informs customers of the problem.

RESPONSE:

When the problem experienced by the Company is an unplanned outage, no notice is sent to the customers, the Company just fixes the problem. Where the problem is a planned activity, the Company puts up a sign in the vicinity where the work is to be done announcing that the work is to be done and its likely effect.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-9

REQUEST:

Has Lakeland had any Letters of Deficiency or Administrative Orders issued to it from the Department of Environmental Services since 2008? If so, please explain and provide a copy of the document.

RESPONSE:

Lakeland has had no letters of deficiency or administrative orders issued to it from the Department of Environmental Services since 2008. In 2008, the Department of Environmental Services stated that additional storage capacity would be required in order to allow the addition of the Maple Hill Acres apartment complex to the Company's water system.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-10

REQUEST:

Does Lakeland have a capital improvement plan? If so, please provide a copy and explain the plan.

RESPONSE:

The Company does not have a capital improvement plan.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-11

REQUEST:

Please provide a detailed explanation with regard to how Lakeland conducts its billings and collections for water service. In this explanation, please identify all non-Lakeland parties who may be involved with the billing and/or collection process and please specifically explain their involvement.

RESPONSE:

The Company contracts with C&C Water Services, Inc., to provide all billing and collections for water service. C&C Water Services, Inc., performs billing and collecting as follows:

A. Near the end of the calendar quarter, meter reading cards are prepared. Those cards are mailed to the persons listed below. Postage and materials are provided by C&C.

1. In Briarcrest, each dwelling unit receives one card.
2. In Granite Ridge, each dwelling unit receives one card.
3. The commercial customer, Metrocast, receives one card.
4. The commercial customer, Laconia Magnetics, receives one card.
5. In Orchard Hill II, each dwelling unit gets one card.
6. In Orchard at Plummer Hill Condominium, cards for all dwelling units are sent to the President of the Orchard at Plummer Hill Home Owners' Association.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

7. The commercial customers, Fairpoint and Irving Oil (Mac's), and the apartment complex, Maple Hill Acres, are sent no cards.

B. C&C reads the meters at the commercial customers Fairpoint and Irving Oil (Mac's), and Maple Hill Acres.

C. The persons who received the meter reading cards cause the meters to be read, fill out the card, and mail the card back to PO Box 95, in Belmont, New Hampshire. The postage on the cards is provided by C&C.

D. C&C goes to the Belmont Post Office to pick up the meter reading cards. In the three weeks following the dispatch of the cards, C&C makes three trips to the post office. In the remaining ten weeks of the quarter, C&C makes three more trips to the post office.

E. Three weeks after the meter reading cards were sent out, C&C prepares bills. To do so, C&C inputs the meter readings from the cards to the computer program. While doing so, C&C continuously tests the data on the cards. C&C calls any consumers if the data on a card looks strange. Sometimes that results in the meter being read again. For those dwelling units from which no meter reading card has been received, C&C estimates the usage for the quarter based upon that dwelling unit's usage history. C&C enters those estimates into the computer. C&C enters the variable data onto the template used for bills, such as the date of the bill, the date when the bill must be paid, etc. C&C prints the bills. C&C prints an invoice register. C&C reviews the register for accuracy. C&C stuffs and mails the bills to the addressees. C&C supplies all materials and postage.

F. The bills are sent to the persons listed below.

1. For Briarcrest, each dwelling unit receives one bill.
2. For Granite Ridge, each dwelling unit receives one bill.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

3. Three of the commercial customers receive one bill. Irving Oil (Mac's), receives two bills, one for each of the meters installed at Irving Oil (Mac's).
4. For Orchard Hill II, Laconia Housing Authority receives one bill.
5. For Orchard at Plummer Hill Condominium, one bill is sent to Harvard Management, an entity selected by the Orchard at Plummer Hill Home Owners' Association.
6. Maple Hill Acres receives four invoices, and one statement, summarizing those four invoices. Those invoices and statement are mailed to Realty Resources Management, an entity selected by Maple Hill Acres personnel.

G. Billed entities are instructed to send payment, and do send payment, to PO Box 7394 in Gilford, New Hampshire.

H. C&C processes those payments, including receiving the mail, opening the mail, entering the payment in the computer, preparing a deposit slip, taking the deposit slip to the bank for deposit in the Company's bank account. C&C goes to the bank approximately nine times per quarter to deposit customer payments.

I. C&C prepares second notices during the second month of the quarter. To do so, C&C instructs the computer to generate notices for accounts that have not been paid. C&C stuffs and mails those second notices. C&C provides all postage and materials. The notices are sent to the same persons to whom invoices were sent.

J. C&C handles all phone calls regarding bills, approximately two per week.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

K. C&C prepares disconnect notices during the third month of the quarter. On average, that is one disconnect notice per quarter.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-12

REQUEST:

Please provide a detailed explanation with regard to how Lakeland conducts its billing and collections for sewer service. In this explanation, please identify all non-Lakeland parties who may be involved with the billing and/or collection process and please specifically explain their involvement.

RESPONSE:

Lakeland's billing and collecting with respect to sewer service is identical to the process described with respect to water service in response to Request 1-11, as sewer service is billed on the same invoice as water service. There are three exceptions to that statement. There are 43 meters at Orchard at Plummer Hill Condominium. Two of those meters are for laundry rooms which are not connected to the sanitary sewer (at the election of the property owner). This is also true for a second meter at Irving Oil (Mac's) which covers the sprinkler system at the convenience store. Thus, the invoices for Orchard at Plummer Hill and Irving Oil (Mac's) do not contain a charge for sewer for those three meters. Additionally, while not technically billing and collecting, C&C, in the third month of the quarter, determines the amount of sewage going into the Laconia sewer system, calculates the charge for that sewage, and draws a check for signature by Lakeland, and mails that check to the Laconia sewer system after signing.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-13

REQUEST:

Staff understands that Lakeland has a billing and/or collection arrangement with an entity known as "Harvard Management":

- a) Please specifically explain the relationship that the Company has with Harvard Management as well the billing and/or collection arrangement.
- b) It appears that Harvard Management Company II, Inc. and Harvard Management Solutions, Inc. are registered to do business within the State of New Hampshire. Please identify the legal entity with which Lakeland has this relationship.

RESPONSE:

Lakeland has no billing and/or collection arrangement with Harvard Management. The Company knows nothing about Harvard Management's inner workings nor with its relationship to Orchard at Plummer Hill Condominium, except that the Company was instructed by the President of the Orchard at Plummer Hill Condominium Home Owners' Association to send the invoices to Harvard Management. Upon investigation of Harvard Management at the New Hampshire Secretary of State, it was discovered that Harvard Management Company II, Inc., and Harvard Management Solutions, Inc., have the same corporate number, were formed on the same date, and have the same documents filed under their respective names, one of which is a change of name filed on 2/1/2000 wherein Harvard Management Company II changed its name to Harvard Management Solutions. The check that the Company receives from Harvard Management is drawn on the account of "The Orchard at Plummer Hill Condominium." The address of "The Orchard at Plummer Hill Condominium" on that check is the same post office box used for Harvard Management Solutions, Inc.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-14

REQUEST:

Please identify and/or verify the total number of units, by rate group, that Lakeland provides water service to. If a particular structure represents a number of units receiving service, such as an apartment building or duplex, please identify, to the extent that Lakeland knows, how many individual service lines, shutoffs and meters serve, and how many units are served within, that structure.

RESPONSE:

- a) Group Commercial A, one consuming unit, one meter (Fairpoint)
- b) Group Commercial B, three consuming units, four meters (Metrocast, Laconia Magnetics, Irving Oil [Mac's]). Irving Oil has two meters, one of which is for the lawn sprinklers.
- c) Group Residential Single Family, 150 consuming units, 150 meters (more fully detailed in the table below)

Name	Class	Meters	Water Units	Water Services	Water Shutoffs	Sewer Units
Briarcrest	RS	48	48	48		48
Granite Ridge	RS	26	26	26		26
Orchard at Plummer Hill	RS	43	43	43		41
Orchard Hill II	RS	33	33	33		33
Maple Hill Acres	RM	4	32	4	4	32
Fairpoint	CA	1	1	1	1	1
Metrocast	CB	1	1	1	1	1

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Name	Class	Meters	Water Units	Water Services	Water Shutoffs	Sewer Units
Laconia Magnetics	CB	1	1	1	1	1
Irving Oil (Mac's)	CB	2	1			1

d) Group Residential Multifamily, 32 consuming units, 4 meters.

In the Company's water system, there is one shut off per consuming unit except as follows:

In Maple Hill Acres, there is one shut off for each of the four buildings, each building containing eight consuming units.

In Granite Ridge, there is one shut off for the following two-unit buildings:

Units 6-7
Units 9-10
Units 14-15
Units 16-17
Units 18-19
Units 20-21
Units 22-23
Units 24-25

In Orchard at Plummer Hill Condominium, there is one shut off for each of the following multi-unit buildings:

Units 101-108
Units 301-308
Units 201-204
Units 401-404
Units 601-604
Units 501-504
Units 701-704

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Units 901-904

In Orchard Hill II, there is one shut off for each multi-unit building. There are 33 consuming units distributed over 8 buildings.

Each of the four commercial customers are served by a dedicated service line.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-15

REQUEST:

Please identify and/or verify the total number of units, by rate group, that Lakeland provides sewer service to. If a particular structure represents a number of units receiving service, such as an apartment building or duplex, please identify, to the extent that Lakeland knows, how many individual units are served within that structure.

RESPONSE:

Please see the response to Request 1-14 for the number of sewer consuming units. In the Company's sewer system, there is one service line per building except as follows:

In Granite Ridge, there is one sewer service line per consuming unit except for Units 18-19, Units 20-21 and Units 24-25, where the number of sewer service lines is unknown.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-16

REQUEST:

Re: Water Service to the Maple Hill Acres complex:

- a) Please provide the revenue earned by the Company from the Maple Hill Acres complex for water service for each billing quarter during the years 2008, 2009 and 2010.
- b) Please indicate the number of units within the Maple Hill Acres complex that received water service for each billing quarter during the years 2008, 2009 and 2010.
- c) Please indicate the total water usage of the Maple Hill Acres complex for each billing quarter during the years 2008, 2009 and 2010.
- d) Please describe the Company's billing/collection arrangement for water service with the Maple Hill Acres complex.

RESPONSE:

- a) The Company earned no revenue from Maple Hill Acres in 2008. The revenue earned by the Company from Maple Hill Acres for water service for each billing quarter during the years 2009 and 2010 is as follows:

Quarter	2009	2010
One	\$529.55	\$2,484.04
Two	\$2,399.07	\$2,474.99
Three	\$1,996.23	\$2,793.17
Four	\$2,692.28	\$2,449.28

- b) The Maple Hill Acres complex came online in December of 2008. Maple Hill Acres complex has 32 dwelling units, distributed evenly over four buildings. The Company does not know the occupancy rate for Maple Hill Acres in 2008, 2009 or 2010.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

- c) To be consistent with the revenue figures given in subparagraph A, above, the Company is not providing any usage figures for the year 2008. Any water consumed in the last quarter of 2008 was billed in the first quarter of 2009, and is the basis for the revenue figure in response to sub-paragraph A, above. So, the usage of the Maple Hill Acres for each billing quarter during the years 2009 and 2010, expressed in units of 100 cubic feet is as follows:

Quarter	2009	2010
One	70.19	321.10
Two	207.51	318.98
Three	206.94	393.45
Four	369.84	312.97

- d) Please see the Company's response to Request 1-11, above.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-17

REQUEST:

Re: Sewer Service to the Maple Hill Acres complex:

- a) Please provide the revenue earned by the Company from the Maple Hill Acres complex for sewer service for each billing quarter during the years 2008, 2009 and 2010.
- b) Please indicate the number of units within the Maple Hill Acres complex that received sewer service for each billing quarter during the years 2008, 2009 and 2010.
- c) Please indicate the total sewer usage of the Maple Hill Acres complex for each billing quarter during the years 2008, 2009 and 2010.
- d) Please describe the Company's billing/collection arrangement for sewer service with the Maple Hill Acres complex.

RESPONSE:

- a) The Company earned no revenue from Maple Hill Acres in 2008. The revenue earned by the Company from Maple Hill Acres for sewer service for each billing quarter during the years 2009 and 2010 is as follows:

Quarter	2009	2010
One	\$452.24	\$2,121.37
Two	\$1,706.35	\$2,113.64
Three	\$1,704.79	\$2,385.37
Four	\$2,299.22	\$2,091.68

- b) The Maple Hill Acres complex came online in December of 2008. Maple Hill Acres complex has 32 dwelling units, distributed evenly over four buildings. The Company does not know the occupancy rate for Maple Hill Acres in 2008, 2009 or 2010.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

- c) To be consistent with the revenue figures given in subparagraph A, above, the Company is not providing any usage figures for the year 2008. Any sewer discharged in the last quarter of 2008 was billed in the first quarter of 2009, and is the basis for the revenue figure in response to sub-paragraph A, above. Sewage is not separately metered, the volume of sewage is presumed to be the same as the volume of water.
- d) Please see the Company's response to Request 1-11, above.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-18

REQUEST:

Regarding the ARRA storage tank and VFD projects addressed at page 2, paragraph 11:

- a) Were the projects put out to bid?
- b) If not, please indicate why not.
- c) If so, were the projects awarded to the low bidder(s)? If not, why not?
- d) Please provide further detail on why the projects cost more than anticipated.

RESPONSE:

- a) Yes.
- b) Not applicable.
- c) Yes.
- d) The ARRA program provided less money than anticipated. The project cost more than the \$81,503.34 in funds which were provided under the ARRA program. Attached is a breakdown of the cost of the project. The first nine pages of the attachment are the three requisitions under the ARRA loan, three pages each. The last two pages are the itemization of the \$16,727 loaned by C&C Water Services, Inc. to complete the project. See the response to Data Requests 1-23 and 1-26. Of those two pages, the first page is labor and the second page is material.

NH DEPARTMENT OF ENVIRONMENTAL SERVICES
 REQUEST FOR ARRA / DWSRF DISBURSEMENT

LOAN RECIPIENT		ARRA / DWSRF Project Number: 0202010
Name: Lakeland Management Co.		Disbursement Request Number: 1
Mailing Address: P.O. Box 7394 Gilford NH 03247		Type of Request: Partial <input checked="" type="checkbox"/> Final <input type="checkbox"/>
		Period Covered by this Request: From: July 1, 2009 To: January 31, 2010

CLASSIFICATION	TOTAL PROJECT	DWSRF ELIGIBLE	PREV REQUESTS	THIS REQUEST
Administrative Costs	\$	\$	\$	\$ 6,981.98
Pre-construction Costs				7,000.00
Land and Easements				
Construction				4,200.00
Construction Administration				
Equipment				4,647.65
Miscellaneous Costs				
Other (specify)				
Totals	\$	\$	\$ 0.00	\$ 22,829.63

Per Cent of Loan Disbursed Previously: 0
 Total Per Cent of Loan Disbursed Including This Request:

I certify to the best of my knowledge and belief that the project costs incurred as indicated above are in accordance with the provisions of New Hampshire Code of Administrative Rules Env-Dw 1100 and the loan agreement for the project, that the disbursement requested represents the State Revolving Fund share due which has not been previously requested, that a thorough owner's inspection has been performed and all work for which a disbursement is being requested has been performed satisfactorily.

LOAN RECIPIENT	
Signature of Authorized Representative:	<i>Wade Crawshaw</i>
Typed or Printed Name and Title:	Wade Crawshaw / owner
Date:	2-16-10
NHDES DISBURSEMENT APPROVAL	
Signature:	
Title:	Administrator, Drinking Water and Groundwater Bureau
Date:	

9/09

Lakeland Management Co., Inc.
0202010

Detail for Request for ARRA / DWSRF Disbursement Classification Table

Administrative Costs:

advertisements	388.99
attorney	1881.36
owner	4685.40
US Postal Service for bid packages	17.74
manila envelopes for bid packages	8.49
Total	6981.98

Pre-Construction Costs:

engineering	7000.00
Total	7000.00

Construction:

electrician	4200.00
Total	4200.00

Equipment:

Kaman	3086.65
Lueders	1561.00
Total	4647.65

Date	Category	Officer	Assignment	Hour	Rate	Overhead rate	Reg pay	Overhead
07/06/09	labor	Wade Crawshaw	report prep	38	5.50	0.474	\$209.00	\$99.07
07/10/09	labor	Wade Crawshaw	financial reports	38	3.00	0.474	\$114.00	\$54.04
07/11/09	labor	Wade Crawshaw	financial reports	38	1.00	0.474	\$38.00	\$18.01
07/18/09	labor	Wade Crawshaw	PUC questions	38	2.00	0.474	\$78.00	\$36.02
08/03/09	labor	Wade Crawshaw	financial reports	38	0.50	0.474	\$18.00	\$9.01
08/13/09	labor	Wade Crawshaw	phone	38	1.75	0.474	\$66.50	\$31.52
09/23/09	labor	Wade Crawshaw	communication	38	4.50	0.474	\$171.00	\$81.05
09/24/09	labor	Wade Crawshaw	communication	38	2.25	0.474	\$85.50	\$40.53
10/01/09	labor	Wade Crawshaw	engineering	38	2.00	0.474	\$78.00	\$36.02
10/06/09	labor	Wade Crawshaw	engineering	38	1.00	0.474	\$38.00	\$18.01
10/07/09	labor	Wade Crawshaw	budget/turn	38	4.00	0.474	\$152.00	\$72.05
10/13/09	labor	Wade Crawshaw	addresses	38	1.00	0.474	\$38.00	\$18.01
10/15/09	labor	Wade Crawshaw	study of documents	38	1.00	0.474	\$38.00	\$18.01
10/16/09	labor	Wade Crawshaw	meeting	38	3.00	0.474	\$114.00	\$54.04
10/18/09	labor	Wade Crawshaw	contract/RFQ's	38	6.00	0.474	\$228.00	\$108.07
10/20/09	labor	Wade Crawshaw	DUNS/phone/email	38	4.25	0.474	\$161.50	\$76.55
10/21/09	labor	Wade Crawshaw	phone	38	1.00	0.474	\$38.00	\$18.01
10/22/09	labor	Wade Crawshaw	phone/email	38	2.50	0.474	\$85.00	\$45.03
10/23/09	labor	Wade Crawshaw	RFQ's	38	1.50	0.474	\$67.00	\$27.02
10/24/09	labor	Wade Crawshaw	RFQ's	38	1.50	0.474	\$67.00	\$27.02
10/26/09	labor	Wade Crawshaw	RFQ's	38	3.00	0.474	\$114.00	\$54.04
10/27/09	labor	Wade Crawshaw	RFQ's	38	5.25	0.474	\$199.50	\$94.56
10/30/09	labor	Wade Crawshaw	email/phone/RFQ's	38	2.50	0.474	\$85.00	\$45.03
11/11/09	labor	Wade Crawshaw	bid spreadsheet	38	3.00	0.474	\$114.00	\$54.04
11/12/09	labor	Wade Crawshaw	bid spreadsheet	38	2.00	0.474	\$78.00	\$36.02
11/23/09	labor	Wade Crawshaw	meeting	38	0.00	0.474	\$0.00	\$0.00
11/27/09	labor	Wade Crawshaw	meeting	38	0.00	0.474	\$0.00	\$0.00
11/30/09	labor	Wade Crawshaw	awards/quotes/CC	38	7.66	0.474	\$280.70	\$137.79
12/01/09	labor	Wade Crawshaw	organization/phone	38	2.25	0.474	\$85.50	\$40.53
12/02/09	labor	Wade Crawshaw	awards/email/taxes	38	2.25	0.474	\$85.50	\$40.53
12/03/09	labor	Wade Crawshaw	award	38	1.00	0.474	\$38.00	\$18.01
12/07/09	labor	Wade Crawshaw	award	38	3.50	0.474	\$133.00	\$63.04
12/23/09	labor	Wade Crawshaw	agreements	38	1.17	0.474	\$44.46	\$21.07
01/28/10	labor	Wade Crawshaw	agreements	38	0.17	0.474	\$8.46	\$3.06
01/27/10	labor	Wade Crawshaw	agreements	38	0.50	0.474	\$19.00	\$9.01
01/30/10	labor	Wade Crawshaw	agreements	38	0.16	0.474	\$6.08	\$2.88

83.66

\$3,178.70 \$1,508.70

\$4,688.40

**NH DEPARTMENT OF ENVIRONMENTAL SERVICES
REQUEST FOR ARRA / DWSRF DISBURSEMENT**

LOAN RECIPIENT Name: <u>Lakeland Management Co.</u> Mailing Address: <u>P.O. Box 7394</u> <u>Gilford NH 03247</u>	ARRA/DWSRF Project Number: <u>0202010</u> Disbursement Request Number: <u>2</u> Type of Request: Partial <input checked="" type="checkbox"/> Final <input type="checkbox"/> Period Covered by this Request: From: <u>February 1, 2010</u> To: <u>May 31, 2010</u>
---	---

CLASSIFICATION	TOTAL PROJECT	DWSRF ELIGIBLE	PREV REQUESTS	THIS REQUEST
Administrative Costs	\$	\$	\$ 6,981.98	\$ 490.11
Pre-construction Costs			7,000.00	304.03
Land and Easements				
Construction			4,200.00	48,160.43
Construction Administration				2,184.47
Equipment			4,647.65	
Miscellaneous Costs				
Other (specify)				
Totals	\$	\$	\$ 22,829.63	\$ 51,139.04

Per Cent of Loan Disbursed Previously: #22,829.63

Total Per Cent of Loan Disbursed Including This Request: 77.86%

I certify to the best of my knowledge and belief that the project costs incurred as indicated above are in accordance with the provisions of New Hampshire Code of Administrative Rules Env-Dw 1100 and the loan agreement for the project, that the disbursement requested represents the State Revolving Fund share due which has not been previously requested, that a thorough owner's inspection has been performed and all work for which a disbursement is being requested has been performed satisfactorily.

LOAN RECIPIENT	
Signature of Authorized Representative:	<u>[Signature]</u>
Typed or Printed Name and Title:	<u>Wade Crawshaw / owner</u>
Date:	<u>6-4-10</u>
NHDES DISBURSEMENT APPROVAL	
Signature:	
Title:	<u>Administrator, Drinking Water and Groundwater Bureau</u>
Date:	

\\frs2007\DOCCUM\BENT\W0101\M.C.2010\44\BUDGET\MARK 2

Total	2184.47
Owner	2184.47

Construction Administration:

Total	48160.43
Nutter Enterprises, Inc.	3925.64
EJ Prescott	6234.79
Michie Corporation	34850.00
Able Crane Service	3150.00

Construction:

Total	304.03
Owner	154.03
Skilling & Sons	150.00

Pre-Construction Costs:

Total	490.11
Owner	490.11

Administrative Costs:

Detail for Request for ARRA / DWSRF Disbursement Classification Table

Lakeland Management Company, Inc. EPA# 0202010

Date	Category	Officer	Assignment	Hours	Rate	Overhead rate	reg pay	overhead
adm costs								
2/4/2010	disbursement request	Wade Crawshaw	labor	0.50	38	0.474	\$19.00	\$9.01
2/10/2010	disbursement request	Wade Crawshaw	labor	2.50	38	0.474	\$95.00	\$45.03
2/11/2010	disbursement request	Wade Crawshaw	labor	0.50	38	0.474	\$19.00	\$9.01
2/16/2010	disbursement request	Wade Crawshaw	labor	5.00	38	0.474	\$190.00	\$90.08
2/24/2010	disbursement request	Wade Crawshaw	labor	0.25	38	0.474	\$9.50	\$4.50
				<u>8.75</u>			<u>\$332.50</u>	<u>\$157.61</u>
construction adm								
3/22/2010	site meeting	Wade Crawshaw	labor	2.50	38	0.474	\$95.00	\$45.03
4/19/2010	site work	Wade Crawshaw	labor	2.00	38	0.474	\$76.00	\$36.02
4/20/2010	site work	Wade Crawshaw	labor	1.00	38	0.474	\$38.00	\$18.01
4/21/2010	site work	Wade Crawshaw	labor	1.00	38	0.474	\$38.00	\$18.01
5/1/2010	temp line	Wade Crawshaw	labor	1.00	38	0.474	\$38.00	\$18.01
5/12/2010	excavation	Wade Crawshaw	labor	3.00	38	0.474	\$114.00	\$54.04
5/13/2010	contractor meeting	Wade Crawshaw	labor	2.00	38	0.474	\$76.00	\$36.02
5/19/2010	paperwork review	Wade Crawshaw	labor	0.50	38	0.474	\$19.00	\$9.01
5/20/2010	construction control	Wade Crawshaw	labor	12.00	38	0.474	\$456.00	\$216.14
5/21/2010	pipng	Wade Crawshaw	labor	4.00	38	0.474	\$152.00	\$72.05
5/22/2010	pipng	Wade Crawshaw	labor	2.00	38	0.474	\$76.00	\$36.02
5/24/2010	pipng	Wade Crawshaw	labor	6.00	38	0.474	\$228.00	\$108.07
5/27/2010	backfill	Wade Crawshaw	labor	2.00	38	0.474	\$76.00	\$36.02
				<u>39.00</u>			<u>\$1,482.00</u>	<u>\$702.47</u>
pre-construction								
3/18/2010	sign	Wade Crawshaw	labor	0.50	38	0.474	\$19.00	\$9.01
4/8/2010	sign	Wade Crawshaw	labor	0.25	38	0.474	\$9.50	\$4.50
3/31/2010	sign	Wade Crawshaw	labor	2.00	38	0.474	\$76.00	\$36.02
				<u>2.75</u>			<u>\$104.50</u>	<u>\$49.53</u>
				<u>80.50</u>			<u>\$1,919.00</u>	<u>\$909.61</u>
							<u>\$2,828.61</u>	

LOAN RECEIPT

Signature of Authorized Representative: *[Signature]*

Typed or Printed Name and Title: *Wade Crawshaw / owner*

Date: *9-20-10*

NHDES DISBURSEMENT APPROVAL

Signature: _____

Title: Administrator, Drinking Water and Groundwater Bureau

Date: _____

I certify to the best of my knowledge and belief that the project costs incurred as indicated above are in accordance with the provisions of New Hampshire Code of Administrative Rules Env-Dw 1100 and the loan agreement for the project, that the disbursement requested represents the State Revolving Fund share due which has not been previously requested, that a thorough owner's inspection has been performed and all work for which a disbursement is being requested has been performed satisfactorily.

Per Cent of Loan Disbursed Previously: *77.86%*

Total Per Cent of Loan Disbursed Including This Request: *85.79%*

CLASSIFICATION	TOTAL PROJECT	DWRF ELIGIBLE	PREV REQUESTS	THIS REQUEST
Administrative Costs	\$	\$	\$ 7,472.09	\$ 218.50
Pre-construction Costs			7,304.03	
Land and Easements				
Construction			52,360.43	
Construction Administration			2,184.47	
Equipment			4,647.65	892.77
Miscellaneous Costs				
Other (specify) Probe + PLC				6,423.40
Totals	\$	\$	\$ 73,968.67	\$ 7,534.67

LOAN RECEIPT

Name: *Lakeland Management Co.*

Mailing Address: *P.O. Box 7394
Gilford NH 03247*

ARRA/DWRF Project Number: *0202010*

Disbursement Request Number: *3*

Type of Request: Final Partial

Period Covered by this Request: *From: June 1, 2010 To: Sept. 30, 2010*

**NH DEPARTMENT OF ENVIRONMENTAL SERVICES
REQUEST FOR ARRA / DWRF DISBURSEMENT**

C:\Users\Wade\Documents\Work\2010\LAFC 2010\Disbursement 3

Other:

Total	6423.40
Integrated Control Systems	6423.40

Equipment:

Total	892.77
Carl Lueders Co., Inc.	892.77

Administrative Costs:

Total	218.50
Owner	218.50

Detail for Request for ARRA / DWSRF Disbursement Classification Table

Lakeland Management Co., Inc. 0202010

Lakeland Management Company, Inc. #0202010

Date	Category	Officer	Assignment	Hours	Rate	Overhead rate	Reg pay	Overhead
08/01/10	labor	Wade Crawshaw	disbursement request	0.67	38		\$25.48	\$0.00
08/02/10	labor	Wade Crawshaw	organization/phone	0.16	38		\$6.08	\$0.00
08/04/10	labor	Wade Crawshaw	disbursement request	2.67	38		\$101.46	\$0.00
08/22/10	labor	Wade Crawshaw	organization/phone	0.25	38		\$9.50	\$0.00
09/14/10	labor	Wade Crawshaw	disbursement request	2.00	38		\$76.00	\$0.00
				<u>5.75</u>			<u>\$218.50</u>	<u>\$0.00</u>
								<u>\$218.50</u>

2010 LMC tank project C&C time

Date	job	Hrs	Name	Description
04/19/2010	LMC tank	8.00	Greg	Tree and clearing
04/19/2010	LMC tank	6.00	Wade	Tree and clearing and probing
04/20/2010	LMC tank	5.00	Wade	Tree and clearing
04/20/2010	LMC tank	8.00	Greg	Tree and clearing
04/21/2010	LMC tank	7.00	Greg	Tree and clearing
04/21/2010	LMC tank	3.00	Wade	Tree and clearing
04/27/2010	LMC tank	4.00	Wade	Site meeting
05/11/2010	LMC tank	10.00	Wade	Set up temporary line
05/11/2010	LMC tank	6.00	Greg	Set up temporary line
05/12/2010	LMC tank	8.00	Wade	Excavate hole
05/13/2010	LMC tank	8.50	Greg	level hole and stone
05/13/2010	LMC tank	4.50	Wade	level hole and stone, met with Michele and Able crane
05/14/2010	LMC tank	8.00	Greg	level hole and stone
05/20/2010	LMC tank	7.00	Greg	Set tanks
05/20/2010	LMC tank	10.00	Wade	Set tanks
05/21/2010	LMC tank	8.00	Greg	Plumbing
05/21/2010	LMC tank	11.00	Wade	Plumbing
05/22/2010	LMC tank	3.50	Greg	Plumbing plan
05/22/2010	LMC tank	3.50	Greg	Plumbing plan
05/24/2010	LMC tank	10.00	Greg	Plumbing
05/24/2010	LMC tank	10.00	Wade	Plumbing
05/25/2010	LMC tank	4.00	Greg	Plumbing
05/25/2010	LMC tank	4.00	Wade	Plumbing
05/26/2010	LMC tank	8.00	Greg	Backfill
05/26/2010	LMC tank	2.50	Wade	Backfill
05/27/2010	LMC tank	5.50	Greg	Backfill
05/27/2010	LMC tank	3.00	Wade	Backfill
06/01/2010	LMC tank	2.50	Greg	Grading
06/01/2010	LMC tank	4.00	Wade	Grading
06/02/2010	LMC tank	5.50	Greg	Grading
06/02/2010	LMC tank	3.50	Wade	Grading
06/14/2010	LMC tank	2.00	Wade	Miche finishing tanks
06/14/2010	LMC tank	3.00	Wade	Miche sealing tanks
08/23/2010	LMC tank	5.00	Wade	Worked with ICS at PS
08/24/2010	LMC tank	5.50	Wade	Worked with ICS at PS
08/25/2010	LMC tank	8.50	Wade	Worked with ICS at PS
08/26/2010	LMC tank	6.00	Wade	Worked with ICS at PS
08/27/2010	LMC tank	5.00	Wade	Worked with ICS at PS
08/28/2010	LMC tank	3.50	Wade	Worked with ICS at PS

228.00 \$60.00 \$13,680.00

167270
MVZ + 3047.05
MV10CR5

3047.07

\$2,901.96

Total =

Sub Total:

04/30/2010	E J Prescott, Inc.	4240637	\$196.89	Temp line for tank job 2 m/ tap caps
05/04/2010	E J Prescott, Inc.	4246522	\$455.40	200' 2" CTS temp line
05/05/2010	E J Prescott, Inc.	4246540	\$64.68	Foster adaptor
05/13/2010	Taylor Rental		\$139.00	Roller, Vibratory
05/13/2010	Gilbert block		\$113.00	Non shrink mortar for top of tanks
05/17/2010	Blarcrest Estates	1940	\$1,809.00	May 6 2010 inv. Rec: Lake/land (tank)
06/01/2010	E J Prescott, Inc.	4247044	\$141.99	Foster adaptor
			\$2,901.96	

LMC Tank

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-19

REQUEST:

Please provide additional background on the pump failures noted in the last sentence of paragraph 18 on page 4.

RESPONSE:

There is a sewage lift station across Maple Hill Drive from the building identified as 7 Cedar Hill Drive. That lift station was constructed by Maple Hill Acres. Holden Engineering designed that lift station, along with the rest of the water and sewer facilities in the Maple Hill Acres complex. Maple Hill Acres did not install the brand and model of pump and grinders called for by the Holden Engineering design. Approximately six months after Lakeland commenced providing sewer service to Maple Hill Acres, around Independence Day in 2009, Lakeland began experiencing problems with the lift station. The lift station included two sewage grinders. Starting at about that time, the lift station would fail. Lakeland had to pull the pump, take the grinders off, clear the grinders out, and reinstall the pump and grinders. The Company had to do so every week. That routine continued until winter of 2009/2010. At that time, Lakeland changed the electrical service to the pump, by increasing the gauge of the wiring by several levels (See Responses 1-30 [b] and 1-34 [b]). In addition, Lakeland requested Public Service Company of New Hampshire to perform a voltage drop analysis. The analysis revealed nothing significant.

The situation appeared to improve for a while. The frequency of the removal and cleaning of the grinders dropped for a time. In addition, the system drew fewer amps. However, after that period of apparent improvement, the problem returned to the former level. In May of 2010, Lakeland personnel met with equipment salesmen, customer service representatives of the manufacturer of the equipment, and a troubleshooter from the manufacturing plant of the lift station components. After an extensive investigation, including removal of equipment, taking measurements, inspections, and much discussion, the recommendation of the customer service representative of the manufacturer was to permanently remove the grinders from the system. Lakeland did so.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Since that time the lift station has been operating without the grinders. It was the consensus of the group that Lakeland should perform preventive maintenance by pulling the pump and components for the lift station every three months and performing a thorough cleaning and tuneup. The Company has done so. Since the removal of the grinders, the Company has not experienced any further difficulty with the lift station.

The problems experienced with the lift station did not include any odor. The lift station does not produce an odor.

LAKELAND MANAGEMENT COMPANY, INC.
DOCKET NO. DW 10-306
STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-20

REQUEST

Regarding the discussion of proposed liens on page 4, paragraph 19:

- a) Are the liens envisioned as applying to water charges, sewer charges, or both?
- b) Are liens envisioned as applying only to buildings with multiple customers lacking individual shutoffs, or to all customers?
- c) For each building with multiple customers but lacking individual shutoffs, please indicate what would be required to provide separate service lines or shutoffs to each customer within the building.
- d) Are liens envisioned as applying to existing customers, or only to new customers? If the former, how would liens be applied initially as far as obtaining owner consent in tenant-landlord relationships (proposed tariff para. 1.a), etc.?

RESPONSE:

- a) The liens are to apply to water charges only at this time.
- b) The liens would apply to all customers.
- c) Generally speaking, where there is not a shutoff for each customer, it is because the service line enters the building in which the dwelling units are located. Once inside the building, the service line is split, with a pipe going to a meter for one unit in the building and another line going to the meter for the other unit in the building. In order to provide a shutoff for each unit, it would be necessary to excavate the service line outside the building, split the service line outside the building before the existing shutoff, install a new shutoff on the other branch, install a second service line into the building and then up to the individual meters inside the building and replumb the meters. In most, if not all, of the buildings, the service line would have to go under the foundation and concrete slab of the building and then penetrate the concrete slab to reach the meter.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

In many of the housing clusters, the lack of an individual shutoff does not matter. For example, in Orchard Hill II, owned by Laconia Housing Authority, the dwelling units are rented by Laconia Housing Authority to the occupant, and the water bill is sent to, and paid by, Laconia Housing Authority. This is also true for Maple Hill Acres.

- d) It is expected that the liens would apply to new customers only for ease of administration. The Company would consider a new tenant to be a new customer, if the owner wished the water bill to be sent to the tenant. In that situation, water service would not be provided to the tenant until an application for service, countersigned by the owner, was submitted to the Company.

LAKELAND MANAGEMENT COMPANY, INC.
DOCKET NO. DW 10-306
STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-21

REQUEST:

Re: Schedule 2 — Rate Base - Water: Please provide the account balances as of 03/31/09, 06/30/09 and 09/30/09 for the following rate base components:

- a) Plant in Service
- b) Accumulated Depreciation
- c) Materials and Supplies
- d) Prepayments
- e) Accumulated Deferred Income Taxes

RESPONSE:

	03/31/09	06/30/09	09/30/09
a) Plant in Service	284,659	284,659	284,659
b) Accumulated Depreciation	(151,416)	(151,416)	(151,416)
c) Material & Supplies	879	879	879
d) Prepayments	1,519	1,519	1,519
e) ADIT	(13,071)	(13,071)	(13,071)

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-22

REQUEST:

Re: Schedule 2A; Page 1 of 2; Adjustment for 2009 Well - \$71,649:

- a) Please provide the date on which the 2009 well became used and useful.
- b) Please indicate the total cost of the 2009 well.
- c) Please provide the individual plant accounts as well as the respective amounts recorded in these accounts relative to the 2009 well.
- d) Please indicate the depreciation rates of the various component amounts indicated in (c) relative to the 2009 well.

RESPONSE:

- a) June 1, 2009
- b) \$143,405
- c) The total costs of \$143,405 were charged to PUC Account 307.
- d) The Company took a half year depreciation at a rate of 1.65% amounting to \$2,366 ($\$143,405 \times 1.65\%$) in 2009. A full year depreciation at a rate of 3.30% amounts to \$4,732.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-23

REQUEST:

Re: Schedule 2A; Page 1 of 2; Adjustment for 2010 Tanks and VFDs - \$98,230:

- a) Please provide the dates on which the respective 2010 additions became used and useful.
- b) Please verify that the \$98,230 cost indicated for the 2010 additions represents the final actual cost of these items. If not, please provide these amounts.

RESPONSE:

- a) The VFD were online January 1, 2010.
The tanks were online on August 17, 2010.
The controls which made the additions work better were operating on August 27, 2010.
- b) The final actual costs have not yet been determined.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-24

REQUEST:

Re: Schedule 3; Page 2 of 2; 2009 Owner Loan - \$47,192:

- a) Please provide a copy of the promissory note relative to this loan. If no such documentation exists, please explain the anticipated repayment terms of this loan.
- b) Please explain in sufficient detail the purpose(s) of this loan. Please provide a specific amount relative to each indicated purpose.
- c) Please explain the basis for the 7.00% interest rate on this loan.

RESPONSE:

- a) The note is attached.
- b) The purpose of the loan was to complete the well and integrate it into the system.
- c) The Company used its judgment to determine the appropriate interest rate.

PROMISSORY NOTE

\$47,192.00

Gilford, New Hampshire
September 1, 2010

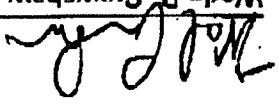
FOR VALUE RECEIVED, Lakeland Management Company, Inc., of PO Box 7394, Gilford, NH 03247, promises to pay to the order of C&C Water Services, Inc., at 24 Tate Road, Gilford, NH 03249, or at such other place as the holder hereof may designate, the principal sum of Forty-seven Thousand One Hundred Ninety-two Dollars (\$47,192.00), plus simple interest on the declining balance at the rate of seven percent (7%) per year until paid in full. Principal and interest shall be paid in Twenty (20) equal quarterly installments of Two Thousand Eight Hundred Four and Eighty-three Hundredths Dollars (\$2,804.83), commencing Sixty (60) days after the end of the calendar quarter in which falls the effective date of the general increase in the water rates of Maker next occurring after the date hereof (the "Commencement Date"), and continuing on the same day of each month thereafter until paid in full. Any principal or accrued interest remaining unpaid on the Sixtieth (60th) day after the fifth anniversary of the Commencement Date, shall then be paid in full. All monies received by the holder hereof from, or on behalf of, the Maker shall be applied first to the costs and expenses of collection, if any, then to late charges accrued but unpaid, if any, then to interest, and then to principal.

Failure of the holder hereof to enforce any provision hereof shall not constitute a waiver of that provision or of any default, and the express waiver of any default or defaults shall not constitute the waiver of any provision hereof, or of any subsequent default. Except as expressly provided herein, Maker waives presentment, demand, protest, and notice of protest and dishonor. Maker may prepay all or any portion of this note at any time, and on multiple occasions, without penalty, but any such prepayment shall not change the amortization schedule.

In the event any instrument given by or on behalf of Maker to the holder hereof is dishonored, in addition to all other remedies available to the holder hereof, Maker shall pay the holder hereof, on demand, for each instrument dishonored, the sum of Fifteen Dollars (\$15.00), plus all bank charges incurred by the holder. Any such charges not paid by the first of the month following the month in which demand is made for the charge shall be added to the principal amount of this note.

In the event the Maker shall fail to pay any installment due under this note when due, and such failure shall continue for Fifteen (15) days after receipt of written notice of such non-payment, at the option of the holder hereof, and upon notice of acceleration, the entire principal amount of this note, plus accrued interest shall be immediately due and payable. In the event the Maker shall fail to pay any installment due under this note within fifteen (15) days after said installment is due, in addition

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Wade R. Clawshaw, President

By:
LAKELAND MANAGEMENT CO., INC.

In Witness Whereof, Lakeland Management Company, Inc. has caused its corporate name to be hereunto affixed as of the date first above written.

to all other remedies available to the holder hereof, upon notice of imposition given before the due date of the next installment, the Maker shall pay to the holder a late charge equal to five percent (5%) of the installment not timely paid. Late charges not paid by the first of the month following the month in which the late charge is imposed, shall be added to the principal amount of this note. In the event of default hereunder, interest shall continue to accrue until the monies due hereunder are paid in full. During any suit brought to enforce this note, interest shall continue to accrue at the higher of the rate herein provided, or the maximum rate in effect pursuant to RSA 336:1. In the event of default hereunder, the Maker shall, in addition to principal and accrued interest, pay the holder hereof all expenses of collection, including, but not limited to, court costs and attorneys fees. All remedies of the holder hereof shall be cumulative.

LAKELAND MANAGEMENT COMPANY, INC.
DOCKET NO. DW 10-306
STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-25

REQUEST:

Re: Schedule 3; Page 2 of 2; 2010 ARRA/SRF Loan - \$40,752: Please provide a copy of the final documentation relative to this loan which details the finalized interest rate, repayment terms, etc.

RESPONSE:

Final documentation is attached.

PROMISSORY NOTE

\$95,000

Concord, New Hampshire
October 16, 2009

FOR VALUE RECEIVED, **Lakeland Management Company, Inc.**, a New Hampshire corporation with principal place of business at P.O. Box 7394, Gilford, New Hampshire 03247 (the "Maker"), promises to pay to **State of New Hampshire** c/o Department of Environmental Services with an address of 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095, or its order (the "Payee"), the sum of Ninety Five Thousand Dollars (\$95,000) or such lesser amount as shall be disbursed to the Maker by the Payee pursuant to a Loan Agreement of near or even date (the "Loan Agreement"), in lawful money of the United States, together with interest thereon at the Charge Rate, being the annual rate of one percent (1%) until the earlier of (i) the date of substantial completion of the Improvements (as defined in the Loan Agreement) as determined by the Payee or (ii) July 1, 2010 (such earlier date being the "Interest Rate Change Date") and commencing on the Interest Rate Change Date at the lower of (A) the annual rate of Two and Thirty Four Hundredths percent (2.34%) or (B) Eighty percent (80%) of the established 11 General Obligations Bond Index published during the first week of the month of October before the Interest Rate Change Date.

1. Payments. The interest and principal of this Note shall be paid as follows:

(a) Commencing on the first day of the seventh month after the Interest Rate Change Date, interest only shall be paid in six (6) consecutive monthly installments on the first day of each month.

(b) Commencing with the first day of the thirteenth month after the Interest Rate Change Date, the principal and interest of the Note shall be paid in One hundred and Twenty (120) consecutive equal monthly installments of principal and interest on the first day of each month with the installment amount calculated to amortize the principal balance of the Note over the 120 month period at the applicable interest rate; provided, however, that the Maker shall have the option to elect prior to the first installment payment under paragraph 1(a) to have the interest accruing prior to the Interest Rate Change Date be capitalized and added to the principal amount of the Note rather than paid in the first installment of interest to be paid pursuant to paragraph 1(a); provided that the sum of the principal balance of the Note plus interest accruing prior to the Interest Rate Change Date (such sum being the "Capitalized Amortization Amount") shall not exceed \$95,000 and if the sum of unpaid principal plus interest accruing prior to the Interest Rate Change Date exceeds \$95,000, such excess amount of interest shall be due and payable with the first payment of interest pursuant to paragraph 1(a) above. If the Maker elects to have such interest capitalized, then the Capitalized Amortization Amount shall be paid in One hundred and Twenty (120) consecutive equal monthly installments of principal with interest with the installments calculated to amortize the Capitalized Amortization Amount over such 120 month period.

Notwithstanding the foregoing the repayment of principal and interest pursuant to this Note is subject to section 12 of the Loan Agreement concerning debt forgiveness.

2. Prepayment. The Maker shall have the right to prepay any or all sums due under this Note without penalty. Prepayments shall be applied first to accrued interest and then to principal. Partial prepayments of principal shall be applied against the outstanding principal balance; provided, however, that the Maker shall continue to make principal payments in the amounts specified above and on the dates specified above, with interest on the outstanding principal balance recomputed accordingly, until the Maker's obligations under this Note are satisfied in full.

3. Collateral. This Note is secured by a Mortgage and Security Agreement of near or even date mortgaging the Mortgagor's real property in Allenstown, New Hampshire and other security instruments (collectively the "Security Instruments") described in the Loan Agreement.

4. Due Date. Late Payment. All payments of principal and interest shall be due on or before the due date specified above; provided, however, that the Maker shall not be deemed in default hereunder if payment is received by the Payee on or before 4:00 p.m. of the seventh day following the due date. The Maker agrees to pay a late charge of five percent (5%) of the amount of any payment due under this Note that is not paid within seven (7) days of its due date.

5. Applicable Interest. The Maker expressly agrees that the Interest Rate specified in this Note shall be the applicable interest rate due (i) on amounts outstanding during the term hereof, and (ii) with respect to any amount outstanding on and after the maturity date hereof.

6. Default; Acceleration. The Maker shall be in default of this Note, and all principal and accrued interest thereon shall immediately become due and payable, without notice or demand, upon the occurrence of any of the following events: a) failure to make payment of any principal or interest installment due hereunder (or within such grace period as may be provided herein), b) the failure of the Maker to observe or perform any of the other obligations to the Payee under this Note, c) a default under the Loan Agreement, any Security Instrument, or any guaranty guarantying this Note or d) a default in any other obligation of the Maker to the Payee, whether now existing or hereinafter incurred.

If the Maker shall file a petition under any section of the Bankruptcy Code, shall make an assignment for the benefit of creditors, shall have a receiver appointed over its affairs who shall not be discharged within sixty (60) days from the date of appointment, or shall have filed against it a petition under a section of the Bankruptcy Code, or any debtor-creditor act, which petition shall not be dismissed within sixty (60) days of the date of filing of the same, then the balance of principal and interest remaining unpaid on this Note shall become due and payable forthwith without demand or notice.

7. Costs of Collection. If this Note is not paid in full when it becomes due, or if any payment required hereunder shall not be paid when due, or within such grace period as may be expressly provided herein, the Maker agrees to pay all costs and expenses of collection, including

attorneys' fees, regardless of whether legal proceedings have been formally commenced.

8. Waiver of Presentment. The Maker hereby waives presentment, demand for payment, notice of dishonor, and all other notices or demands in connection with the delivery, acceptance, performance, default, or endorsement of this Note.

9. Non-Forfeiture of Rights. It is agreed and understood that the waiver by the Payee of any particular default in the terms of this Note shall not constitute waiver of any further default and that acceptance of any payment after it is due shall not be deemed a waiver of the right to require prompt payment when due on all other sums and that acceptance of any payment after default shall not cure said default or operate as a waiver of any rights of the Payee hereunder unless otherwise agreed in writing.

10. Payments, Notices. All payments due under this Note, and any notice required to be made hereunder shall be directed to the Payee or to the Maker, as the case may be, at the addresses above specified, or such other address as the Payee and the Maker may hereafter direct, in writing.

11. Binding on Successors, Etc. The obligation of this Note shall be binding upon the heirs, successors and assigns of the Maker herein and shall inure to the benefit of the successors or assigns of the Payee herein or any holder hereof.

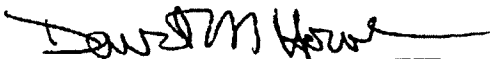
12. Gender. Whenever the content so requires reference herein to the neuter gender shall include the feminine gender or the masculine or vice versa, and the singular shall include the plural and vice versa.

13. References. All references herein to the Loan Agreement and the Security Instruments shall be construed to refer to such instruments as they may be amended from time to time.


14. Sovereign Immunity. Nothing contained in this Note, the Loan Agreement, any guaranty of this Note or any Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Payee, which immunity is hereby reserved to the Payee.

EXECUTED as of the day and year first above written.

LAKELAND MANAGEMENT
COMPANY, INC.



Witness

By: 
Name: Wade P. Crawshaw
Title: President

Return to:

✓ David M. Howe, Esquire
Hinckley, Allen & Snyder
11 South Main Street
Concord, NH 03301

Barbara R. Litcher

MORTGAGE AND SECURITY AGREEMENT

Lakeland Management Company, Inc., a New Hampshire corporation with a principal place of business at P.O. Box 7394, Gilford, New Hampshire 03247 (the "Mortgagor"), for consideration paid, grants to the State of New Hampshire with an address c/o Department of Environmental Service, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Mortgagee"), with MORTGAGE COVENANTS, to secure (i) the payment of Ninety Five Thousand Dollars (\$95,000) with interest and other charges as provided in the Mortgagor's Promissory Note of even date and any and all amendments, deferrals, extensions, renewals and thereof and therefor (collectively, the "Note"), including without limitation, the future advances and readvances evidenced by the Note; (ii) the payment of all other sums with interest thereon advanced in accordance herewith to protect the security and priority of this Mortgage and Security Agreement (the "Mortgage"); and (iii) the performance of all of the Mortgagor's agreements, obligations and covenants as contained in the Note, the Mortgage, a certain Construction Loan Agreement of even date by and between the Mortgagor and the Mortgagee (the "Loan Agreement") and certain security instruments described with more particularity in the Loan Agreement (the "Security Instruments"), (the Note, the Loan Agreement and the Security Instruments are collectively the "Loan Documents") the following:

Certain tracts or parcels of land together with all buildings and improvements thereon and appurtenances thereto, whether owned in fee, leased, subject to easements in gross or appurtenant, located in the town of Belmont in Belknap County, New Hampshire, more particularly described in Exhibit A, attached hereto and made a part hereof, together with all such real property interests hereafter acquired by the Mortgagor (the "Premises"); together with any and all licenses to install and maintain water pipes and other equipment in the public ways, whether now owned or hereafter acquired and all fixtures, machinery and all other tangible personal property intended for use in the building and other improvements on said premises or elsewhere, now or hereafter owned by the Mortgagor and now affixed or to be affixed, or now hereafter located upon said land or elsewhere, including all appurtenant easements;

Also conveying and granting hereby as part of the realty and as property mortgaged hereunder, all of the following articles now and hereafter on the above-described premises or used therewith: All water storage, distribution, collection and treatment equipment, water tanks, pumps, and pipes, plumbing, heating, lighting, refrigerating, ventilating, and air conditioning

apparatus and equipment, elevators and elevator machinery, boilers, tanks, motors, sprinkler and fire extinguishing systems, alarm systems, screens, awnings, screen doors, storm and other detachable windows and doors mantels, built-in cases, counters, trees, hardy shrubs and perennial flowers, and other equipment, machinery, furniture and furnishings, fixtures, and articles of personal property now and hereafter owned by the Mortgagor and now and hereafter affixed to, placed upon or used in connection with the operation of said premises for commercial uses, and all other purposes whether or not included in the foregoing enumeration, together with cash proceeds and non-cash proceeds of all of the foregoing, all of which are covered by this Mortgage, whether or not such property is subject to prior conditional sales agreements, chattel mortgages or other liens, excepting inventory and personal property to be consumed or sold in the normal course of business of the Mortgagor. If the lien of this mortgage on any fixtures or personal property is subject to a conditional sales agreement or chattel mortgage or security agreement covering such property, then in the event of any default hereunder all the rights, title and interest of the Mortgagor in and to any and all deposits made thereon or therefor are hereby assigned to the Mortgagee, together with the benefit of any payments now or hereafter made thereon. There are also transferred, set over and assigned to the Mortgagee, its successors and assigns hereby all conditional sales agreements, leases and use agreements of machinery, equipment and other personal property of the Mortgagor in the categories hereinabove set forth and now and hereafter affixed to, placed upon or used in connection with the operation of said premises under which the Mortgagor is the lessee of, or entitled to use, such items, and the Mortgagor agrees to execute and deliver to the Mortgagee specific separate assignments thereof to the Mortgagee of such leases and agreements when requested by the Mortgagee; and nothing herein shall obligate the Mortgagee to perform any obligations of the Mortgagor under such leases or agreements, unless it so chooses, which obligations the Mortgagor hereby covenants and agrees to well and punctually perform.

As further security for payment of the indebtedness and performance of the obligations, covenants and agreements secured hereby, the Mortgagor hereby transfers, sets over and assigns to the Mortgagee:

(a) All rents, security deposits, issues and profits, revenues, royalties, bonuses, rights and benefits under any and all leases or tenancies now existing or hereafter created of the Premises or any part thereof, with the right to receive and apply the same to said indebtedness, and the Mortgagee may demand, sue for and recover such payments, but shall not be required to do so; provided, however, that so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, issues and profits is reserved to the Mortgagor. To carry out the foregoing, the Mortgagor agrees (1) to execute and deliver to the Mortgagee such conditional assignments of leases and rents applicable to the Premises as the Mortgagee may from time to time request, while this Mortgage and the debt secured hereby are outstanding, and further (2) not to cancel, accept a surrender of, reduce the rentals under, anticipate any rentals under, or modify any such leases or tenancies, or consent to an assignment or subletting thereof, in whole or in part, without the Mortgagee's written consent. Nothing herein shall obligate the Mortgagee to perform the duties of the Mortgagor as landlord or lessor under any such leases or tenancies, which duties the Mortgagor hereby covenants and agrees to well and punctually perform.

(b) All judgments, awards of damages and settlements hereinafter and as a result or in lieu of any taking of the premises or any interest therein or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises or the improvements thereon or any part thereof, including any award for change of grade of streets. The Mortgagee may apply all such sums or any part thereof so received on the indebtedness secured hereby in such manner as it elects, or, at its option, the entire amount or any part thereof so received may be released. The Mortgagor hereby irrevocably authorizes and appoints the Mortgagee its attorney-in-fact to collect and receive any such judgments, awards and settlements from the authorities or entities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefore, and to apply the same to payment on account of the debt secured hereby, whether then matured or not; and the Mortgagor will execute and deliver to the Mortgagee on demand such assignments and other instruments as the Mortgagee may require for said purposes and will reimburse the Mortgagee for its cost (including reasonable counsel fees) in the collection of such judgments and settlements.

Receipt of rents, awards, and any other monies or evidences thereof, pursuant to the provisions of the foregoing paragraphs (a) and (b) and any disposition of the same by the Mortgagee shall not constitute a waiver of the right of foreclosure by the Mortgagee in the event of default or failure of performance by the Mortgagor of any covenant or agreement contained herein or the Note, the Loan Agreement or the Security Document.

TO HAVE AND TO HOLD the aforegranted and bargained premises with all privileges and appurtenances thereof, to the said Mortgagee and its successors and assigns, to its and their use and behalf forever, And the said Mortgagor, for itself and its successors and assigns, does hereby covenant, grant and agree to and with the Mortgagee and its successors and assigns, that until the delivery hereof it is the lawful owner of the said granted premises seized and possessed thereof in its own right in fee simple, has full power and lawful authority to grant and convey the same in manner aforesaid, that the premises are free and clear from any encumbrance whatsoever, except as otherwise recited in Schedule A, that it and its successors shall warrant and defend the same to the said Mortgagee and its successors and assigns against the lawful claims and demands of any person or persons whatsoever, except as otherwise herein recited; and that it will not cause or permit any lien to arise against the premises that is superior to the lien of this Mortgage.

The Mortgagor further covenants and agrees with the said Mortgagee, its successors and assigns, as follows:

1. Payment and Performance. The Mortgagor shall pay the Note hereby secured and interest thereon as the same shall become due and payable, and also any other indebtedness that may accrue to the Mortgagee under the terms of this Mortgage, and to perform all other agreements set forth herein and in said Note, the Loan Agreement and the Security Instruments. The Mortgagor has no right of setoff with respect to the Note, and the Mortgagor must pay all sums due without deduction for any.

2. Insurance. The Mortgagor will keep the buildings, improvements and personal property now existing or hereafter erected or located on the Premises and the interests and liabilities incident to the ownership thereof insured against loss by fire and such other hazards, casualties and contingencies, and in manner, form and companies as may be required by the Mortgagee. In no event shall the amount of coverage be less than one hundred percent (100%) of the insurable value based on replacement cost, and in default thereof the Mortgagee shall have (in addition to other rights set forth herein) the right to obtain such insurance at the cost of Mortgagor, such cost to be secured hereby. Such policy shall be endorsed with the standard New Hampshire mortgagee clause with loss payable to the Mortgagee, as its interest may appear, and shall be deposited with the Mortgagee, and the Mortgagor shall deliver to the Mortgagee a new policy as replacement for any expiring policy at least fifteen (15) days before the date of such expiration; all such policies will contain a provision or endorsement that they may not be canceled without sixty (60) days written notice from the insurer to the Mortgagee; all amounts recoverable under any policy are hereby assigned to the Mortgagee. In event of a loss, the amount collected may, at the option of the Mortgagee, be used in any one or more of the following ways: (1) applied upon the indebtedness then matured or unmatured; (2) used to fulfill any of the covenants contained herein as the Mortgagee may determine; (3) used to replace or restore the property to a condition satisfactory to the Mortgagee; or (4) released to the Mortgagor; the Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney-in-fact of the Mortgagor to assign any policy in the event of the foreclosure of this mortgage or other extinguishment of the indebtedness secured hereby. The insurance carrier providing the insurance shall be a carrier qualified to write such insurance in the State of New Hampshire and shall be chosen by the Mortgagor subject to the approval of the Mortgagee. Additionally the Borrower shall maintain or cause to be maintained public liability insurance on the Premises in an amount acceptable to the Mortgagee (in no event less than \$1,000,000.00) from a carrier acceptable to Mortgagee. If the Premises are located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area it will keep the Premises insured against loss by flood for the term of the Notes, in an amount at least equal to the outstanding principal balance of the Notes or the maximum limit of coverage available for the Premises under the National Flood Insurance Act of 1968, whichever, is less.

3. Taxes and Assessments. The Mortgagor will pay, before the same become delinquent or any penalty attached thereto for nonpayment, all taxes, assessments and charges of every nature that may now or hereafter be levied or assessed, upon the Premises or any part thereof, or upon the rents, issues, income or profits thereof, whether any or all of said taxes, assessments or charges be levied directly or indirectly, and will pay, before the same become delinquent or any penalty attached thereto for the nonpayment, all taxes that by reason of nonpayment create a lien prior to the lien of the Mortgage; and will thereon submit to the Mortgagee such evidence of the due and punctual payment of such taxes, etc. as the Mortgagee may require, and the Mortgagor will also pay all taxes, assessments or charges that may be levied on the Note secured hereby, or on the interest thereon, excepting the federal income tax imposed under the laws of the United States of America or any future general income tax levied by the State of New Hampshire.

4. Maintenance of the Premises. The Mortgagor will keep protected in good order, repair and condition (reasonable wear and tear and casualty insured against excepted) at all times the buildings and improvements (including the Mortgagor's fixtures) now standing or hereafter erected or placed upon the Premises and any and all of the Mortgagor's appurtenances, apparatus and articles of personal property, including, but not limited to, furniture, furnishings and equipment, now or hereafter in or attached to or used in connection with said buildings or improvements, promptly replacing any of the aforesaid that may become lost, destroyed or unsuitable for use; will always maintain in good order and condition all the facilities, easements, works, and ways set forth in the description and easements of the Mortgage, whether located upon the premises hereby mortgaged or elsewhere; and will not commit or suffer any strip or waste of the Premises, or any violation of any law, regulation, ordinance or contract affecting the Premises, and will not commit or suffer any demolition, removal or material alteration of any buildings or improvements (including fixtures) on the Premises without the written consent of the Mortgagee. The Mortgagor shall maintain and preserve the parking areas, passageways and drives now or hereafter existing on the Premises, and, without prior written consent of the Mortgagee, no building or other structure other than those designated on the project layout plans shall be erected thereon and no new buildings or additions to existing buildings shall be erected on the remainder of the Premises herein mortgaged without prior written consent of Mortgagee.

5. Actions of the Mortgagee. If the Mortgagor shall neglect or refuse to keep in good repair the property conveyed by this Mortgage and Security Agreement, to replace the same as herein agreed, to maintain and pay the premiums for insurance that may be required under Paragraph 2, or to pay and discharge all taxes, assessments and charges of every nature and to whomever assessed, as provided for in Paragraph 3, the Mortgagee may, at its election, cause such repairs or replacements to be made, obtain such insurance or pay said taxes, assessments and charges, and any amounts paid as a result thereof, together with interest thereon at the highest rate of interest specified in the Note secured hereby from the date of payment, shall be immediately due and payable by the Mortgagor to the Mortgagee, and until paid shall be added and become part of the principal debt secured hereby, and the same may be collected as a part of said principal debt in any suit herein or upon the Note; or the Mortgagee, by the payment of any tax, assessment or charge, may if it sees fit if allowed by law, be thereby subrogated to the rights of the state, county, village and all political or governmental subdivisions. No such actions or advances shall be deemed to relieve the Mortgagor of any default hereunder or impair any right or remedy consequent thereon, and the exercise of the rights to make advances granted in this paragraph shall be optional with the Mortgagee and not obligatory, and the Mortgagee shall not in any case be liable to the Mortgagor for a failure to exercise any such right. Mortgagee shall have no responsibility with respect to the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to be paid in satisfaction thereof.

6. Tax and Insurance Escrow. The Mortgagor shall, upon written request therefor by the Mortgagee, which request may be withdrawn and remade from time to time at the discretion of the Mortgagee, pay to the Mortgagee on a monthly basis as hereafter set forth a sum equal to the municipal and other governmental real estate taxes, assessed against the Premises and all

premiums next due for fire and other casualty insurance required of Mortgagor hereunder, less all sums already paid therefor, divided by the number of months to lapse not less than one (1) month prior to the date when said taxes and assessments will become delinquent and when such premiums will become due. Such sums as estimated by the Mortgagee shall be paid with monthly payments due under the Note, and such sums shall be held by the Mortgagee to pay said taxes, assessments and premiums before the same become delinquent. The Mortgagor agrees that should there be insufficient funds so deposited with the Mortgagee for said taxes, assessments and premiums when due, it will upon demand by the Mortgagee promptly pay to the Mortgagee amounts necessary to make such payments in full; any surplus funds may be applied toward the payment of the indebtedness secured by the Mortgage or credited toward future such taxes, assessments and premiums. If the Mortgagee shall have commenced foreclosure proceedings, the Mortgagee may apply such funds toward the payment of the mortgage indebtedness without causing thereby a waiver of any rights, statutory or otherwise, and specifically such application shall not constitute a waiver of the right of foreclosure hereunder. The Mortgagor hereby assigns to the Mortgagee all the foregoing sums so held hereunder for such purposes.

7. Security Agreement and Financing Statement. The Mortgagor further covenants and agrees that the Mortgage shall constitute a security agreement and financing statement with respect to any and all machinery, equipment, chattels, articles of personal property, and fixtures described and included in the Mortgage, and all additions, accessions, substitutions and replacements thereto and therefor, together with the proceeds thereof, and all of which are hereinafter referred to as the collateral, and the Mortgagor hereby grants and conveys to the Mortgagee, its successors and assigns, a security interest therein. The Mortgagee warrants that for purposes of the Uniform Commercial Code its state of organization and its principal place of business are as stated in the first paragraph of this Mortgage and agrees that it shall not change such state of organization or principal place of business without providing thirty (30) days advance written notice to the Mortgagee. Upon default of any term, condition or covenant of the Mortgage and acceleration of any indebtedness hereby secured, the Mortgagee may, at its discretion, require the Mortgagor to assemble the collateral and make it available to the Mortgagee at a place reasonably convenient to both parties to be designated by the Mortgagee. The Mortgagee shall give the Mortgagor notice, by registered mail, postage prepaid, of the time and place of any public sale of any of the collateral or of the time any private sale or other intended disposition thereof is to be made by sending notice to the Mortgagor at least ten (10) days before the time of the sale or other disposition, which provisions for notice the Mortgagor and the Mortgagee agree are reasonable; provided, however, that nothing herein shall preclude the Mortgagee from proceeding as to both real and personal property in accordance with Mortgagee's rights and remedies in respect of the real property. The Mortgagee shall have all of the remedies of a secured party under the Uniform Commercial Code as now in effect in the State of New Hampshire, and such further remedies as may from time to time hereafter be provided in New Hampshire for a secured party. The Mortgagor agrees that all rights of the Mortgagee as to said collateral and as to said real estate, and rights and interest appurtenant thereto, may be exercised together or separately and further agrees that in exercising its power of sale as to said collateral and as to said real estate, and rights and interests appurtenant thereto, the Mortgagee may sell the collateral or any part thereof, either separately from or together with the sale of the

real estate, rights and interests appurtenant thereto, or any part thereof, all as the Mortgagee may in its discretion elect.

8. Books and Records. The Mortgagor shall maintain full and correct books and records showing in detail the earnings and expenses of the Premises; will permit the Mortgagee and its representatives to examine said books and records and all supporting vouchers and data any time from time to time upon request by the Mortgagee. The Mortgagor shall provide financial statements of the Premises to the Mortgagee at least annually.

9. Other Proceedings. If any action or proceeding be commenced, to which action or proceeding the Mortgagee is made a party by reason of the execution of the Mortgage or the Note that it secures, or in which it becomes necessary to defend or uphold the lien of the Mortgage, all sums paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created hereby including attorneys' fees, shall be paid by the Mortgagor, together with interest thereon from date of payment at the highest rate specified in the Note secured hereby, and any such sum, and the interest thereon, shall be immediately due and payable and be secured hereby, having the benefit of the lien hereby created, as a part thereof and of its priority.

10. Releases, Etc. Without affecting the liability of the Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may at any time and from time to time, either before or after the maturity of the Note and without notice or consent:

- a. Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation.
- b. Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.
- c. Exercise or refrain from exercising or waive any right the Mortgagee may have.
- d. Accept additional security of any kind.
- e. Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

11. Zoning and Other Law. If at any time the then-existing use or occupancy of the mortgaged premises shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, that the Mortgagor shall not

~~cause or permit such use or occupancy to be discontinued without the prior written consent of the Mortgagee.~~

12. Leases. The Mortgagee must examine and approve (which approval will not be unreasonably withheld) in writing prior to execution, delivery and commencement thereof, all leases, tenancies and occupancies of the Premises entered into by the Mortgagor; and the Mortgagor at its cost and expense, upon request of the Mortgagee, shall cause any parties in possession of the premises under any such leases, tenancies and occupancies, not so approved, to vacate the premises immediately; and the Mortgagor acknowledges that the Mortgagee may from time to time at its option enter upon the Premises and take any other action in court or otherwise to cause such parties to vacate the premises; the costs and expenses of the Mortgagee in so doing shall be paid by the Mortgagor to the Mortgagee on demand thereof and shall be part of the indebtedness secured by the Mortgage as costs and expenses incurred to preserve and protect the security; such rights of the Mortgagee shall be in addition to all its other rights as the Mortgagee, including the right of foreclosure, for breach by the Mortgagor in the requirements of this paragraph.

13. Receipt of Rents, Etc. Receipt and disposition of rents, income of the Premises, insurance proceeds, eminent domain awards, or any other sums under the provisions of the Mortgage, the Note, the Loan Agreement, or the Security Instruments by Mortgagee shall not be a waiver or release of any rights of the Mortgagee, including but not limited to, the right of foreclosure or acceleration of the Note, whether such receipt or disposition shall be before or after exercise of any such rights.

14. Assignment. This Mortgage is not assignable or assumable by the Mortgagor and if all or any part of the Premises is sold or conveyed or if there are transfers of any interests in the Mortgagor, then the Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage.

15. No Junior Security Interests. The Mortgagor shall not, without the prior written consent of the Mortgagee, grant any other mortgage, lien or security interest in the Premises.

16. Default; Remedies.

(a) The Mortgagor shall be in default under this Mortgage upon the occurrence of an event of default under any of the Loan Documents, including the Loan Agreement and the expiration of the grace period as specified in the applicable Loan Document (herein called the "Events of Default"). Such Events of Default shall include without limitation, the following:

(i) Default in the due and punctual payment of any payment of principal of or premium, if any, or interest on the Note and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(ii) Default in payment or performance under any of the obligations

under the Loan Documents, and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(iii) Default in the due performance or observance of any covenant or provision of this Mortgage and such default shall continue beyond the expiration of the applicable period of grace, if any.

(b) Upon the occurrence of an Event of Default which has not been cured within any applicable remedy period or demand under any demand instrument, and at the option of the Mortgagee, (i) the Mortgagee may declare the obligations of the Mortgagor to the Mortgagee to be immediately due and payable, (ii) the Mortgagee may immediately take possession of the Premises by forcible entry if necessary without being guilty of trespass or other claim by the Mortgagor or other party in possession, and (iii) the Mortgagee may forthwith exercise all other rights and remedies provided herein, or in any of the other Loan Documents, or which may be available to the Mortgagee by law, including without limitation, the STATUTORY POWER OF SALE;

(c) Notwithstanding any other provision set forth herein and not in limitation thereof, this Mortgage is upon the STATUTORY CONDITIONS as well as the other terms and conditions hereof, for any breach of which the Mortgagee shall have the STATUTORY POWER OF SALE; and

(d) All rights and remedies set forth herein shall be cumulative and concurrent, and may be pursued singly, successively, or together, at the Mortgagee's sole discretion, and may be exercised as often as occasion thereof shall occur.

(e) If the Mortgagor, its successors or assigns, pays the Mortgagee, all amounts under the Loan Documents, complies with and performs all terms and obligations as set forth in the Note and the Loan Documents, pays all taxes, insurance premiums, escrow deposits and assessments on the Premises, to whomsoever laid or assessed, and shall not commit nor suffer any strip or waste of the Premises, nor default in any of the Mortgagor's covenants or obligations, nor commit any breach of any covenant herein contained, then the Mortgage shall be void; otherwise it shall remain in full force and effect.

17. Possession by Mortgagee.

(a) If the Mortgagee shall take possession of the Premises as permitted hereby, then in addition to, and not in limitation of, the Mortgagee's STATUTORY POWER OF SALE, Mortgagee may:

(i) hold, manage, operate, and lease the Premises to the Mortgagor or to any other entity on such terms and for such period(s) of time as the Mortgagee may deem proper, and the provisions of any lease made by the Mortgagee pursuant hereto shall be valid and binding upon Mortgagor notwithstanding the fact that

the Mortgagee's right of possession may terminate or this Mortgage may be satisfied of record prior to the expiration of the term of such lease;

(ii) make such alterations, additions, improvements, renovations, repairs, and replacements to the Premises as the Mortgagee may deem proper;

(iii) remodel such improvements so as to make the same available in whole or in part for business purposes;

(iv) collect the rents, issues, and profits arising from the Premises, past due and thereafter becoming due, and apply the same, in such order of priority as the Mortgagee may determine, to the payment of all charges and commissions incidental to the collection of rents, the management of the Premises, and the obligations and all sums or charges required to be paid by the Mortgagor hereunder;

(v) take any other action the Mortgagee deems necessary or appropriate in its sole discretion to preserve, protect, or improve the Premises;

(b) All monies advanced by the Mortgagee for the above purposes and not repaid out of the rents collected shall immediately and without demand be repaid by the Mortgagor to the Mortgagee, together with interest thereon at the same rate as provided in the Note, and shall be added to the principal indebtedness secured hereby; and

(c) The taking of possession and the collection of rents by the Mortgagee as described above shall not be construed to be an affirmation of any lease of the Premises or any part thereof, and the Mortgagee, or any purchaser at any foreclosure sale, may terminate any such lease at any time, whether or not such taking of possession and collection of rents has occurred.

18. Foreclosure Pursuant to Power of Sale.

(a) Upon default, the Mortgagee or its legal representatives or assigns may on such terms and conditions as the Mortgagee deems appropriate in its sole discretion and pursuant to the POWER OF SALE, sell the Premises by public sale to the highest bidder as provided herein and in N.H. RSA 479:25-27a, as such statutes may be amended from time to time;

(b) If the Mortgagee invokes the POWER OF SALE, the Mortgagee may, without further demand upon the Mortgagor, sell the Premises or any estate therein, in one or more parcels, to the highest bidder for cash or other consideration acceptable to the Mortgagee at public sale to be held upon the Premises;

(c) If the Mortgagee seeks to enforce its rights and remedies hereunder, Mortgagor shall fully cooperate with Mortgagee in any foreclosure of the Premises scheduled by Mortgagee, including without limitation; (i) providing Mortgagee with any information concerning the

Premises reasonably requested by Mortgagee, such as rental income information, taxes, water assessment charges and any maintenance costs associated with the Premises; (ii) arranging with the Mortgagee two (2) preview dates, each three hours in length, prior to the dates of any foreclosure sale; and (iii) granting the Mortgagee unlimited access to the Premises on the date of the foreclosure sale for one hour before and one hour after the foreclosure sale. In addition, the Mortgagor shall, without waiving its right to enjoin a foreclosure under RSA Chapter 479 or under the federal bankruptcy code, 11 U.S.C., Section 101, et seq, under no circumstances and in event in any way interfere with, any foreclosure sale of the Premises scheduled by the Mortgagee.

(d) The deed given by reason of such sale shall convey to the purchaser an indefeasible title to the Premises, discharged of all rights of redemption with respect to this mortgage by the Mortgagor and its successors or assigns, or any person claiming from or under it or them. The Mortgagee shall apply the proceeds of such sale first to all costs of notice and sale of the Premises including reasonable attorneys', accountants' and appraisers' fees, then to any and all accrued but unpaid interest due to the Mortgagee, and thereafter to the principal indebtedness evidenced by the Note and secured hereby, and to the other indebtedness secured hereby. Any excess may be paid to others having a lien on the Premises not having priority over this Mortgage and if none, then to the Mortgagor. Mortgagor shall be liable for any deficiency;

(e) In the event of foreclosure, at the option of the Mortgagee, the interest of each of the Mortgagor and the Mortgagee herein may be sold as a single unit together with the collateral as may secure the Note or be secured by the Loan Documents; and

(f) If the provisions of the Uniform Commercial Code apply, any property or security given to secure the indebtedness secured hereby may be sold with or as a part of the Premises, or any part thereof, at one or more foreclosure sales, and any notice required under such provisions shall be fully satisfied by the notice provided to be given hereby in execution of the POWER OF SALE.

19. Appointment of Receiver. The Mortgagee may, at any time following an Event of Default hereunder which has not been cured within any applicable remedy period or demand under any demand instrument (subject to any limitations in the Loan Documents), apply to any court having jurisdiction for appointment of receiver. That court shall promptly appoint a receiver of the Premises, who shall be authorized to receive and apply the income, profits, issues, rents and revenues from whatever source derived. The rents, profits, income, issues, and residues shall be applied by the receiver according to the lien of this Mortgage and the practice of the court. The appointment of the receiver shall be made by such court as an admitted equity in a matter of absolute right to the Mortgagee, and without references to the adequacy or inadequacy of the value of the Premises or to the solvency or insolvency of the Mortgagor or any co-borrower or guarantor of the obligations secured hereby.

20. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered

or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

21. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of the Mortgagor and Mortgagee.

22. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Mortgage, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon the Mortgagor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by the Mortgagee in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

23. Invalidity. In any case where any one or more of the provisions of this Mortgage are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof.

24. Homestead; Exemptions. This is not homestead property. Mortgagor, for the consideration aforesaid, hereby waives all rights of exemption in the Premises as the same are now or hereafter provided by virtue of the Bankruptcy provisions of the United States Code, including, without limitation, 11 U.S.C. §522.

25. Sovereign Immunity. Nothing herein contained or contained in the Loan Agreement, the Note, any guaranty guarantying the Note or any other Security Instrument shall be deemed to constitute a waiver of the sovereign immunity of the Mortgagee, which immunity is hereby reserved to the Mortgagee.

Dated this 16th day of October, 2009.

LAKELAND MANAGEMENT COMPANY, INC.

By: Wade R. Crowshaw
Name: Wade R. Crowshaw
Title: President

STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

The foregoing instrument was acknowledged before me this 16th day of October, 2009, by Wade R. Crowshaw, President of Lakeland Management Company, Inc., a New Hampshire corporation, on behalf of said corporation.

David M. Howe
Justice of the Peace/Notary Public
My commission expires: 12/31/2013
[Seal]



EXHIBIT A
Property Description

Parcel 1 -

An easement granted by Mark A. Mooney, of Belmont, New Hampshire, to Lakeland Management Company, Inc., of Belmont, New Hampshire, to wit:

A permanent easement and license, in gross, over certain property owned by the Grantor located in Laconia and in Belmont, Belknap County, New Hampshire, as shown on a certain Plan entitled, "Overall Master Subdivision Plan, Briarcrest Manufactured Housing Park, Laconia/Belmont, Belknap County, New Hampshire, for Mark Mooney", by Steven J. Smith & Associates, Inc., dated December 2, 1994, and recorded in the Belknap County Registry of Deeds as Plans 11 and 12 in Drawer L28.

This Easement includes the grant of the right to construct, maintain, repair and replace underground utilities, such as water, sewerage, electricity and telephone upon, across or within land of the Grantor and any intended roadways located thereon, for the purpose of providing utility services to or across any portion of the Grantor's property, including, but not limited to, the unrestricted right to tie in to any utility services which exist or are subsequently constructed upon or within Grantor's property.

Included in this Easement is the right, on the part of the Grantee, to drill, maintain and operate the existing water well on the burdened property, with a protective well radius of 200 feet, and the right to drill an additional well on said land, also with a protective well radius of 200 feet, provided, nevertheless, that any additional well or wells may not be closer than 400 feet from the existing well, as shown on the Plan.

Any portion of the Grantor's property which is subject to a Protective Well Radius Easement, as contemplated herein, may not be used in violation of New Hampshire RSA 485-A:30(b) or in violation of the regulations at ENV-WS 372.13, or any successor statute or regulation thereto. Notwithstanding the foregoing, any restrictions on Grantor's use of its property arising by virtue of a Protective Well Radius Easement around a well to be installed subsequent to the date of this Easement shall not become effective until a plan has been recorded in the Belknap County Registry of Deeds, showing the location of said well and the corresponding protective well radius area.

The Easements granted herein shall burden the encumbered property and run with the land. The benefits and burdens conveyed herein shall be binding upon and enure to the Grantor and the Grantee, their successors and assigns.

Meaning and intending to describe and convey all and the same property conveyed to Lakeland Management Company, Inc., by deed of Mark A. Mooney, dated December 13, 1994, and recorded in said registry on December 14, 1994 at Book 1320, Page 441.

Parcel 2 -

An easement granted by Leander Constant and Ruth Constant, of Belmont, New Hampshire, to Lakeland Management Company, Inc., of Belmont, New Hampshire, to wit:

A permanent right and easement to maintain a protective well radius over a portion of the Grantor's property and located on Route 107, Belmont, Belknap County, New Hampshire, shown as Tax Map 13-23-1 on a certain Plan entitled, "Site Plan, Lakeland Management Company, A Public Utility, Belmont, Belknap County, New Hampshire, for Mark Mooney" (the "Plan"), by Steven J. Smith & Associates, Inc., dated December 8, 1994, and recorded in the Belknap County Registry of Deeds as Plan 35 in Drawer L22.

This Easement is given for the benefit of a well owned by the Grantee and located on property of Mark A. Mooney, as shown on the Plan, and shall include all of Grantor's property located within 200 feet of said well.

This Easement is granted in accordance with the provisions of NH RSA 485-A:30(b) and regulations of the Water Supply & Pollution Control Division of the Department of Environmental Services at ENV-WS 372.13. As such, the property that is subject to this Well Radius Easement may not be developed by the Grantors or their successors or assigns in a manner inconsistent with the provisions of that Statute or Regulation or any successor regulations adopted pursuant thereto. Actions which are prohibited on the encumbered land shall include, but shall not be limited to the following:

1. The construction of any permanent buildings.
2. The construction of any wastewater disposal system, including septic tanks or leach fields.
3. Soil fertilization.
4. Storage of any oil, gasoline or other hazardous chemical.
5. Any other hazardous use as determined by the Water Supply and Pollution Control Division of the Department of Environmental Services.

The Easement granted herein shall run with the encumbered land and shall be binding upon the Grantors' successors and assigns. The benefits of the Easement granted herein shall enure to the benefit of the Grantee, and its successors and assigns.

Meaning and intending to describe and convey all and the same property conveyed to Lakeland Management Company, Inc., by deed of Leander Constant and Ruth Constant, dated December 13, 1994, and recorded in said registry on December 14, 1994 at Book 1320, Page 443.

Parcel 3 -

An easement granted by Mark A. Mooney, of Belmont, New Hampshire, to Lakeland Management Company, Inc., of Belmont, New Hampshire, to wit:

A permanent easement and license, in gross, over certain tracts or parcels of land situate off Old Prescott Hill Road, in the Town of Belmont, County of Belknap, State of New Hampshire, as shown on Plan entitled "Boundary Line Adjustment for Mark A. Mooney N.H. Route 106, Plummer Hill Road Belmont, Belknap County, New Hampshire" dated November 19, 1998, revised through December 17, 1998, by Harold E. Johnson, Inc., Licensed Land Surveyors, recorded in Drawer L 31, Plan #59, Belknap County Registry of Deeds.

This Easement includes the grant of the right to construct, maintain, repair and replace underground utilities, such as water, sewerage, electricity and telephone upon, across or within land of the Grantor and any intended roadways located thereon, for the purpose of providing utility services to or across any portion of the Grantor's property, including, but not limited to, the unrestricted right to tie in to any utility services which exist or are subsequently constructed upon or within the Grantor's property.

Reference is made to Plan entitled "Interim Drainage & Phasing Schedule for Prescott Hill Business Park N.H. Route 106 & Plummer Hill Road Belmont, New Hampshire" dated November 23, 1998, revised February 1, 1999, by Lepine Engineering & Surveying for location of water and sewer lines and manholes.

The Easements granted herein shall burden the encumbered property and run with the land. The benefits and burdens conveyed herein shall be binding upon and enure to the Grantor and the Grantee, their successors and assigns.

Meaning and intending to describe and convey all and the same property conveyed to Lakeland Management Company, Inc., by deed of Mark A. Mooney, dated February 15, 2001, and recorded in said registry on February 15, 2001, at Book 1630, Page 923.

Parcel 4 -

An easement granted by Mark A. Mooney, of Belmont, New Hampshire, to Lakeland Management Company, Inc., of Belmont, New Hampshire, to wit:

A permanent easement and license, in gross, for a protective well radius area over certain property owned by the Grantor and located on NH Route 107 in Belmont, County of Belknap, State of New Hampshire, which land is currently designated as Tax Map 204, Lot 23 on tax maps maintained by the Town of Belmont, New Hampshire. The easements hereby granted are depicted on plan entitled "Easement Plan Boundary Survey Realty Resources Chartered Map 204, Lot 23 Mark A. Mooney Belmont, Belknap County, New Hampshire", by Holden. Engineering & Surveying, Inc., dated April 2, 2007 and recorded in the Belknap County Registry of Deeds as Plan 74 in Drawer L62. (the "Plan"). By virtue of this easement, the Grantee, its successors and assigns, shall have the right to construct, maintain, repair and replace underground utility lines, such as water, sewerage, electrical and telephone upon, across or within land of the Grantor and any intended roadways located thereon, for the purpose of providing utility services to or across any portion of the Grantor's property, including, but not limited to, the right to tie into any utility services which exist or are subsequently constructed upon or within Grantor's property.

Included in this easement is the right, on the part of the Grantee, to maintain and operate the existing water wells on the premises, as well as the right to install, maintain and operate a new well in that location designated on the Plan as "Future Well", each such well to have a protective well radius of 200', as depicted on the plan.

Any portion of the Grantor's property which is subject to a protective well radius easement, as contemplated herein, may not be used in violation of New Hampshire RSA 485-A:30(b) or in violation of the Regulations at ENV-WS 372.13 or any successor statute or regulation thereto.

The purpose of this easement is to establish a protective area to prevent contamination of the aforementioned water supply wells. Hereafter, and for so long as the wells are used for a source of public water supply, the area of the above-described easement shall be kept in a natural state. No use of the area shall be permitted which could directly or indirectly degrade the quality of the water from the aforementioned wells. Uses that would be prohibited include: transportation corridors; underground utilities or structures except those that are associated with potable water, electricity or communication; the storage, handling, transport, treatment, or disposal of the following: domestic or industrial wastewater; hazardous or regulated substances such as pesticides, gas and oil, and other chemicals; hazardous or solid wastes; fertilizers;

or, any other use that the New Hampshire Department of Environmental Services determines would be detrimental to water quality. No change in use of the area of the protective easement may be undertaken without approval from the New Hampshire Department of Environmental Services, which approval shall not be unreasonably withheld. The Grantor and his successors in interest shall retain full ownership interests in the area of the protective easement.

The easements granted herein shall burden the encumbered premises and run with the land. The benefits and burdens conveyed herein shall be binding upon and enure to the benefit of the Grantor and the Grantee, his and its successors and assigns.

Meaning and intending to describe and convey all and the same property conveyed to Lakeland Management Company, Inc., by deed of Mark A. Mooney, dated May 9, 2007, and recorded in said registry on May 11, 2007, at Book 2406, Page 74.

d/cbl/5629exhinsertmortgage

SECURITY AGREEMENT

THIS AGREEMENT is made this 16th day of October, 2009 between **Lakeland Management Company, Inc.**, a New Hampshire corporation with a place of business at P.O. Box 7394, Gilford, New Hampshire 03247 (sometimes hereinafter called the "Debtor"), and the **State of New Hampshire** with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (hereinafter the "Secured Party") for themselves and their successors and assigns.

RECITALS

A. The Debtor and the Secured Party have entered into a Loan Agreement of near or even date (the "Loan Agreement"), which Agreement sets forth certain undertakings and obligations of the Debtor to the Secured Party.

B. Pursuant to the Loan Agreement, the Secured Party has agreed to extend credit to the Debtor in an amount not to exceed Ninety Five Thousand Dollars (\$95,000), in exchange for the Debtor's promissory note (the "Note") to the Secured Party.

C. To secure the obligations it has undertaken under the Loan Agreement and the Note and certain security instruments described in the Loan Agreement and to secure the payment of said sum to the Secured Party and to secure any other obligations of the Debtor to the Secured Party of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, due or to become due, or now existing or hereafter arising or acquired and whether by way of loan, discount, letter of credit, lease or otherwise (collectively the "Obligations"), the Debtor desires to create in the Secured Party a security interest in accordance with the terms of the Uniform Commercial Code, N.H.R.S.A. 382-A.

NOW, THEREFORE the Debtor agrees as follows:

1. Collateral. The Debtor, for valuable consideration received from the Secured Party, hereby grants to the Secured Party to secure all the foregoing Obligations a security interest in the following property (the "Collateral"):

(a) All the Debtor's goods, machinery, equipment, including without limitation, all water tanks, collection, treatment and distribution equipment, tanks and pipes, furnishings and fixtures, motor vehicles, and personal property, including but not limited to such property located on the Debtor's premises in Gilford and Belmont, New Hampshire, (the Debtor's "Business Premises") or used in connection with the Debtor's business conducted at said Business Premises, and in all inventory including, without limitation, all items held for sale or lease or furnished or to be furnished under contracts of service, or used or consumed in the Debtor's business (all hereinafter called the "Inventory"), and in contract rights with respect thereto and proceeds thereof, all whether now owned or hereafter acquired. The above collateral is now kept and, in the absence of written notice from the Debtor to the Secured Party, will always be kept only at the Debtor's Business Premises.

(b) The Debtor, for valuable consideration received from the Secured Party, hereby also conveys to the Secured Party a security interest in all the Debtor's accounts, accounts receivable, contract rights, notes, personal property leases, mailing lists and customer lists, rents receivable, choses in action, drafts, acceptances, instruments, investment property, letter of credit rights, chattel paper, general intangibles, cash and all other forms of obligations due or to become due to the Debtor, whether now existing or hereafter arising and whether joint, several, or joint and several, and proceeds of any of the foregoing, arising from or relating to the Debtor's business.

The Secured Party, by virtue of this Agreement, in addition to any other security or collateral that it may hold, shall have a continuing security interest in said Collateral and in contract rights with respect thereto and proceeds of both, to secure payment and performance of the liabilities and obligations of the Debtor to the Secured Party hereunder.

2. Records and Audits. The Debtor will keep an accurate record of the Collateral, and all additions thereto, and removals therefrom, and of any of its accounts, accounts receivable, contract rights, leases, general intangibles, rents receivable, notes and choses in action, as they from time to time exist, and the proceeds received or receivable therefrom, and will deliver a copy of such records to the Secured Party at such regular intervals as the Secured Party reasonably may require. When requested by the Secured Party the Debtor shall, at the Debtor's own expense, cause a verification of the Collateral to be made by some independent appraiser approved by the Secured Party and an audit of the accounts receivable, contract rights and proceeds of both, to be made by some independent auditor.

3. Maintenance and Insurance. The Debtor agrees to keep the Collateral in good condition, deterioration resulting from normal use excepted, and also to keep it insured against loss from such hazards and in such amounts as the Secured Party may require and in such companies as the Secured Party may approve, payable in case of loss to the Secured Party as its interest may appear, and the policies evidencing such insurance, or certificates thereof, shall, upon request, be deposited with the Secured Party.

4. No Liens. The Debtor represents and warrants that its title to the Collateral is free and clear of any liens or encumbrances except those listed in Schedule 4 and agrees to keep the Collateral free and clear of any future lien or encumbrance unless it obtains the advance consent of the Secured Party for any such lien or encumbrance.

5. Sale and Use in the Ordinary Course. Until Default the Debtor may sell or lease the Collateral in the ordinary course of business and may also use or consume any raw materials and supplies, the use and consumption of which is necessary in order to carry on the Debtor's business.

6. Lists of Accounts and Proceeds. Upon request of the Secured Party at any time after Default, the Debtor will deliver to the Secured Party lists or copies of all accounts promptly after they arise and will deliver to the Secured Party, promptly upon receipt, all rents and other proceeds received by the Debtor including proceeds of the accounts referred to above and

proceeds of any insurance policies in the exact form in which they are received. The Secured Party in its discretion may apply cash proceeds to the payment of any obligations secured hereby or may release such cash proceeds to the Debtor for use in the operation of the Debtor's business.

7. Default. The Debtor shall be deemed in "Default" of this Agreement:

(a) if the Debtor fails to observe or perform any of the Debtor's agreements expressed herein;

(b) upon default of the Debtor under the terms of any Obligation of the Debtor to the Secured Party secured hereby, or if notice or lapse of time, or both, are therein provided, then upon such notice or lapse of time, or both;

(c) upon the loss, unauthorized sale, unauthorized removal of the Collateral from the locations specified in Section 1 or the theft, damage or destruction of the Collateral;

(d) if the Secured Party shall deem the Collateral in danger of misuse or loss or removal from this State; or

(e) if the Debtor changes its name or state of organization without at least thirty (30) days prior notice.

8. Remedies. Upon a Default the Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code to the same extent as if they were expressly set forth herein in addition to the remedies provided herein or in any other instrument or paper executed by the Debtor, as well as the right to sell all or part of the Collateral, pursuant to New Hampshire law. In such event the Debtor shall pay all the Secured Party's costs of repossession, collection, custody, storage, sale or other dispossession and delivery, (including reasonable attorneys' fees), all of which the Secured Party may deduct from the proceeds. If the Secured Party seeks to take possession of any or all of the Collateral by judicial process, the Debtor hereby irrevocably waives any requirement of bonds, surety or security, whether required by statute, court rule or otherwise, as an incident to such possession and waives any requirement for demand for possession before the commencement of any suit or action to recover with respect thereto.

9. Certain Remedies. The Secured Party may at any time after Default notify the Debtor's account debtors, or persons otherwise indebted to the Debtor whose obligations are covered by this Agreement, that the Collateral has been assigned to the Secured Party and that payment shall be made directly to the Secured Party. Upon request of the Secured Party at any time after Default, the Debtor will so notify such debtors and will indicate on all billings to such debtors that their accounts must be paid to the Secured Party. The Secured Party shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral or proceeds thereof in its own name or in the name of the Debtor. The Debtor shall pay to the Secured Party on demand a collection charge on all accounts collected, that shall include all reasonable attorneys' fees and expenses, and all other reasonable expenses of like or unlike nature that may be expended by the Secured Party to obtain or enforce payment of any account either as against

the account debtor, the Debtor or any guarantor or surety of the Debtor or in the prosecution or defense of any action or concerning any matter arising out of or connected with the subject matter of this Agreement, the obligations secured hereby, or the Collateral, or any of Secured Party's rights or interests therein or thereto, including, without limiting the generality of the foregoing any reasonable counsel fees or expenses incurred in any bankruptcy or insolvency proceedings.

10. Power of Attorney. The Debtor does hereby make, constitute and appoint any officer of the Secured Party as the Debtor's true and lawful attorney-in-fact, with power, in the event of a default, to endorse the name of the Debtor or any of the Debtor's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of the Secured Party in full or part payment of any amounts owing to the Secured Party, to sign and endorse the name of the Debtor or any of the Debtor's officers or agents upon any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices, in connection with accounts, and any instrument or document relating thereto or to the Debtor's rights therein; to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to the Debtor may be delivered directly to the Secured Party; granting upon the Debtor's said attorney full power to do any and all things necessary to be done in and about the premises fully and effectually as might or could be done, and hereby ratifying all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the term of this Agreement and all transactions hereunder as long as the Debtor may be indebted to the Secured Party.

11. Cooperation; Secured Party Sales; No Waiver. The Debtor covenants that it will execute any documents requested by the Secured Party to perfect its security interest in the Collateral. When requested by the Secured Party following a Default by the Debtor, the Debtor shall cooperate in the Secured Party's repossession of the Collateral and will assemble the Collateral and make it available to the Secured Party at such place as the Secured Party shall designate which shall be reasonably convenient to both parties. The Secured Party may dispose of the Collateral by public or private sale, upon the place where it is then located, and the Secured Party itself may acquire the Collateral at any such sale. The Debtor agrees that notice of ten (10) days prior to such sale shall constitute reasonable notice thereof, but that if the Collateral is perishable or threatens to decline quickly in value or is a kind customarily sold on a recognized market, the Secured Party may provide shorter notice or no notice of the sale. The Secured Party shall also have the right to remove the Collateral. No waiver of the Secured Party of any defaults hereunder shall constitute a waiver of any other default or of the same default upon a future occasion.

12. Reinstatement. If after receipt of any payment of, or the proceeds of any Collateral for, all or any part of the Obligations, the Secured Party is compelled to surrender or voluntarily surrenders such payment or proceeds to any person because such payment or application of proceeds is or may be avoided, invalidated, recaptured, or set aside as a preference, fraudulent conveyance, impermissible setoff or for any other reason, whether or not such surrender is the result of (i) any judgment, decree or order of any court or administrative body having jurisdiction over the Secured Party, or (ii) any settlement or compromise by the Secured

Party of any claim as to any of the foregoing with any person (including the primary obligor with respect to any of the Obligations), then the Obligations or part thereof affected shall be reinstated and continue and this Agreement shall be reinstated and continue in full force as to such Obligations or part thereof as if such payment or proceeds had not been received, notwithstanding any previous cancellation of any instrument evidencing any such Obligation or any previous instrument delivered to evidence the satisfaction thereof or the termination of this Agreement.

13. Governing Law. This Agreement shall be governed by and be construed in accordance with New Hampshire law.

14. Amendment. This Agreement may be amended only by a written instrument executed by the parties.

15. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

16. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of the Debtor and the Secured Party.

17. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Agreement, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon the Debtor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by the Secured Party in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

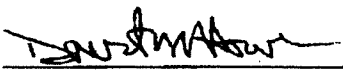
18. Invalidity. In any case where any one or more of the provisions of this Agreement are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof.

19. Sovereign Immunity. Nothing contained in this Agreement, the Loan Agreement, the Note, any guaranty guarantying the Note or the other Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Secured Party, which immunity is hereby reserved to the Secured Party.

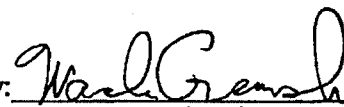
Executed on the day and year first of written.

Debtor:

**LAKELAND MANAGEMENT COMPANY,
INC.**



Witness

By: 
Name: Wade R. Crawshaw
Title: President

SCHEDULE 4
LIENS AND ENCUMBRANCES

The Collateral is subject to no liens or encumbrances.

GUARANTY

THIS GUARANTY is made this 16th day of October 2009 by Wade Crawshaw of 24 Bethel, Gilford, New Hampshire 03349 ("Guarantor"), to and with the State of New Hampshire with an address c/o the Department of Environmental Services of the State of New Hampshire of 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 ("State").

WHEREAS, contemporaneously herewith, subject to certain terms and conditions, State has agreed to loan to Lakeland Management Company, Inc., a corporation ("Borrower"), the principal sum of Ninety Five Thousand Dollars (\$95,000), which is to be repaid with interest in accordance with the terms of a certain promissory note of even date issued by Borrower to State (the "Note") in said principal amount;

WHEREAS, Guarantor is sole shareholder of Borrower;

WHEREAS, State has advised Guarantor that it will not engage in the aforesaid transactions unless, among other things, Guarantor guarantees all obligations of Borrower under the Note, including but not limited to the punctual payment of both principal and interest to be paid, as hereinafter set forth;

WHEREAS, Guarantor is willing and has agreed to guarantee the payment of the aforesaid obligations as hereinafter provided; and

WHEREAS, Guarantor will benefit from the loan evidenced by the Note;

NOW THEREFORE, in order to induce State to engage in the aforesaid loan transaction and to make said loan to Borrower and in consideration of the premises stated above and for other good and valuable consideration, the receipt of which is hereby acknowledged, Guarantor agrees as follows:

1. Guarantor hereby unconditionally and irrevocably, guarantees: (i) the due and punctual payment in full (and not merely the collectability) of the principal of the Note and the interest thereon, when due and payable, according to the terms of the Note; (ii) the due and punctual payment in full (and not merely the collectability) of all other sums and charges which may at any time be due and payable in accordance with, or under the terms of the Note; (iii) the accuracy of the representations and warranties made by Borrower in the Loan Agreement of even date between State and Borrower (the "Loan Agreement"), certain security instruments described in the Loan Agreement (the "Security Instruments") and certain affidavits and certificates delivered by Borrower to State on or about the date hereof and (iv) the due and punctual performance and observance of all of the other terms, covenants and conditions contained in the Note, the Loan Agreement, the Security Instruments and any other obligations of Borrower to State of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, due or to become due, or now existing or hereafter arising or acquired and whether by way of loan, discount, letter of credit, lease or otherwise (collectively, the "Guaranteed Obligations").

2. Guarantor expressly agrees that State may, in its sole and absolute discretion,

without notice to or further assent of Guarantor, and without in any way releasing, affecting or impairing the obligations and liabilities of Guarantor, hereunder: (i) waive compliance with, or any default under, or grant any other indulgences with respect to, the Note or any instrument or agreement securing the Note; (ii) modify, amend or change any provisions of the Note (other than to increase the principal amount due under the Note); (iii) grant extensions or renewals of or with respect to the Note, and/or effect any release, compromise or settlement in connection therewith; (iv) agree to the substitution, exchange, release or other disposition of all or any part of any collateral securing the Note; (v) make advances for the purpose of performing any term or covenant contained in the Note or any instrument securing the Note, with respect to which Borrower shall be in default; (vi) assign or otherwise transfer the Note and any other instrument or agreement securing the Note, including without limitation this Guaranty, or any interest therein; and (vii) deal in all respects with Borrower as if this Guaranty were not in effect. The obligations of Guarantor under this Guaranty shall be unconditional, irrespective of the genuineness, validity, regularity or enforceability of the Note or any security given therefor or in connection therewith or any other circumstances that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

3. The liability of Guarantor under this Guaranty shall be primary, direct and immediate and not conditional or contingent upon pursuit by State of any remedies it may have against Borrower or any other party with respect to the Note or any instrument or agreement securing the Note, whether pursuant to the terms thereof or otherwise. No exercise or nonexercise by State of any right given to it under this Guaranty, the Note or any instrument or agreement securing the Note, and no change, impairment or suspension of any right or remedy of State shall in any way affect any of Guarantor's obligations hereunder or give Guarantor any recourse against State. Without limiting the generality of the foregoing, State shall not be required to make any demand on Borrower and/or any other party, or otherwise pursue to exhaustion its remedies against Borrower or any other party, before, simultaneously with or after, enforcing its rights and remedies hereunder against Guarantor. Any one or more successive and/or concurrent actions may be brought hereon against Guarantor, either in the same action, if any, brought against Borrower and/or any other party, or in separate actions, as often as State, in its sole discretion, may deem advisable.

4. Guarantor hereby expressly waives: (i) presentment and demand for payment and protest of nonpayment; (ii) notice of acceptance of this Guaranty and of presentment, demand and protest; (iii) notice of any default hereunder or under the Note or under any other agreement executed in connection with the Note and of all indulgences; (iv) demand for observance or performance of, or enforcement of, any terms or provisions of this Guaranty or the Note, or any instrument or agreement securing the Note; and (v) all other notices and demands otherwise required by law that Guarantor may lawfully waive.

5. Any claim against the Borrower or any guarantor to which Guarantor may be or become entitled (including, without limitation, claims by subrogation or otherwise by reason of any payment or performance by Guarantor in satisfaction and discharge, in whole or in part, of his obligations under this Guaranty) shall be and hereby is made subject and subordinate to the prior

payment or performance in full of the Guaranteed Obligations. Nothing herein contained shall be construed to give Guarantor any right of subrogation in and to the rights of State under the Note or any instrument or agreement securing the Note until all amounts owing to State under the Note have been paid in full.

In addition to any other security given by Guarantor to State, State is hereby authorized and empowered, at its option, to appropriate and apply to the payment and extinguishment of the Guaranteed Obligations, at any time after such liability becomes payable, any and all moneys or other property of Guarantor and any proceeds thereof (including proceeds of sales provided for below) now or hereafter in the possession of State for any purpose, including safekeeping or pledge for this or any other liability of Guarantor, and including any balance on deposit or otherwise for the account of, to the credit of, or belonging to Guarantor.

6. Any notice, demand, request or other communication given hereunder or in connection herewith (hereinafter "Notices") shall be deemed sufficient if in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the party to receive such Notice at its address first above set forth or at such other address as such party may hereafter designate by Notice given in like fashion. Notices shall be deemed given when mailed.

7. Any payments made by Guarantor under the provisions of this Guaranty shall, if made to State, be made at its address first set forth above, unless some other address is hereafter designated by State.

8. All rights and remedies afforded to State by reason of this Guaranty and the Note and any instrument or agreement securing the Note, or by law, are separate and cumulative and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies. No delay or omission by State in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies hereunder, and no modification or amendment hereof, shall be deemed made by State unless in writing and duly executed. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of State, and no single or partial exercise of any right or remedy hereunder shall preclude further exercise of any other right or remedy.

9. The obligations of Guarantor to make payment in accordance with the terms of this Guaranty shall not be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower or its estate in bankruptcy or reorganization resulting from the operation of any present or future provision of federal bankruptcy laws or other statute or from the decision of any court.

10. Guarantor hereby covenants and agrees that Guarantor will, at Guarantor's expense, annually deliver to State on or before April 15 of each year financial statements in form and content satisfactory to State accurately reflecting all changes in net worth for the preceding year and, as soon as practicable after filing with the Internal Revenue Service, each year,

Guarantor's complete federal income tax return with the schedules thereto.

11. This Guaranty shall remain in full force and effect until State is given written notice of Guarantor's intention to discontinue this Guaranty, notwithstanding any intermediate or temporary payment or settlement of the whole or any part of the Guaranteed Obligations. No such notice shall be effective unless received and acknowledged by an officer of State at its head office or at the branch of State where this Guaranty is given. No such notice shall affect any rights of State or of any affiliate hereunder including, without limitation, the rights set forth in Sections 2, 4, 5 and 9 with respect to Guaranteed Obligations incurred prior to the receipt of such notice or Guaranteed Obligations incurred pursuant to any contract or commitment in existence prior to such receipt. This Guaranty shall continue to be effective or be reinstated, notwithstanding any such notice, if at any time any payment made or value received with respect to a Guaranteed Obligation is rescinded or must otherwise be returned by State upon the insolvency, bankruptcy or reorganization of Borrower, or otherwise, all as though such payment had not been made or value received.

12. Guarantor agrees that if this Guaranty shall be enforced by suit or otherwise, or if State shall exercise or endeavor to exercise any of its remedies under the Note, the Guarantor will reimburse State, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees.

13. This Guaranty shall be construed in accordance with the laws of the State of New Hampshire.

14. This Guaranty shall inure to the benefit of, and be enforceable by, State and its successors and assigns, and shall be binding upon, and enforceable against, Guarantor and his personal representatives, heirs, and assigns.

15. Whenever the context so requires reference herein to the masculine gender shall include the feminine gender or the neuter or vice versa; and the singular shall include the plural and vice versa.

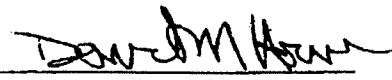
16. If more than one person executes this Guaranty, the liability of all such persons hereunder shall be joint and several.

17. Guarantor hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any rights of the Lender under this Guaranty.


18. All references herein to the Loan Agreement, the Note and the Security Instruments shall be deemed to include such instruments as they may be amended from time to time. 19. If any provision or condition of this Guaranty is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Guaranty.

20. Nothing contained in this Guaranty, the Loan Agreement, the Note or any Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.



Witness



Wade Crawshaw, Guarantor

SUBORDINATION AGREEMENT

Agreement made this 16th day of October, 2009 by Wade Crawshaw, an individual with an address of 24 Tate Road, G. Ford, New Hampshire 03249 (hereinafter called the "Subordinated Creditor"), and the State of New Hampshire with an address c/o the Department of Environmental Services, 29 Hazen Drive, P. O. Box 95, Concord, New Hampshire 03302-0095 (hereinafter called the "State").

RECITALS

A. Lakeland Management Company, Inc. (the "Borrower") is obligated and is becoming obligated to the Subordinated Creditor under certain debt arrangements described below.

B. The State is extending a loan to the Borrower pursuant to a Loan Agreement of near or even date between the State and the Borrower (the "Loan Agreement") and as evidenced by the Promissory Note of the Borrower of near or even date (the "Note") in the original principal amount of \$95,000 (the "Loan"). The Subordinated Creditor has guaranteed the obligations of the Borrower with respect to the Loan pursuant to a Guaranty of the Subordinated Creditor of even date. (the "Guaranty").

C. In consideration and as a condition of the State extending the above-described Loan to the Borrower, which Loan will benefit the Subordinated Creditor, the sole shareholder of the Borrower, by enhancing the financial condition of the Borrower, the Subordinated Creditor has agreed to enter into this agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The payment of any and all Subordinated Debt is expressly subordinated to the extent and in the manner set forth in paragraphs 2 through 6, inclusive, hereof to Superior Indebtedness. The term "Subordinated Debt" shall mean and include any and all indebtednesses, liabilities and obligations of the Borrower to the Subordinated Creditor, absolute or contingent, direct or indirect, joint, several or independent, now outstanding or owing or that may hereafter be existing or incurred, arising by operation of law or otherwise, due or to become due, or held or to be held by the Subordinated Creditor, whether created directly or acquired by assignment, as a participation, conditionally, as collateral security from another or otherwise, including indebtednesses, obligations and liabilities of the Borrower to the Subordinated Creditor as a member of any partnership, syndicate, association or other group, and whether incurred by the Borrower as principal, surety, endorser, guarantor, accommodation party or otherwise, including, without limiting the generality of the foregoing, all indebtednesses, liabilities and obligations of the Borrower to the Subordinated Creditor arising out of the following described promissory notes which are attached hereto:

[DESCRIBE]

Nothing currently we

The term "Superior Indebtedness" as used in this Subordination Agreement shall mean and include any and all indebtednesses, liabilities and obligations of the Borrower to the State pursuant to any document which evidences, secures or otherwise relates to the Loan, whether such amounts are absolute or contingent, direct or indirect, joint, several or independent, now outstanding or owing or that may hereafter be existing or incurred, arising by operation of law or otherwise, due or to become due, or held or to be held by the State.

2. If for any reason any of the Superior Indebtedness is not paid when due or is not paid on or before the maturity thereof, or if there shall occur and be continuing any event which with the giving of notice or lapse of time or both would constitute a default or event of default under any instrument or agreement now or hereafter executed evidencing, in connection with, as security for or providing for the issuance of any of the Superior Indebtedness, then, unless and until such event of default or default shall have been cured, or unless and until the Superior Indebtedness shall be paid in full, the Subordinated Creditor will not ask for, sue for, take, demand, receive or accept from the Borrower by setoff or in any other manner, any payment or distribution on account of the Subordinated Debt nor present any instrument evidencing the Subordinated Debt for payment (other than such presentment as may be necessary to prevent discharge of other liable parties on such instrument).

3. The Subordinated Creditor will not ask for, demand, sue for, take, receive or accept from the Borrower, by setoff or in any other manner, any payment or distribution on account of the Subordinated Debt, if the making of such payment would constitute or would result in the occurrence of a violation of the provisions of any instrument or agreement evidencing, in connection with, as security for or providing for the issuance of any Superior Indebtedness or would result in the occurrence of any event that with the giving of notice or lapse of time or both would constitute an event of default or default under the provisions of any such instrument or agreement.

4. If the Subordinated Creditor shall receive any payment or distribution on account of the Subordinated Debt that the Subordinated Creditor is not entitled to receive under the provisions of the foregoing paragraphs 2 or 3, the Subordinated Creditor will hold any amount so received in trust for the State and will forthwith turn over such payment to the State in the form received by Subordinated Creditor to be applied on the Superior Indebtedness.

5. The Subordinated Creditor will not commence any action or proceeding against the Borrower to recover all or any part of the Subordinated Debt or join with any other creditor unless the State shall also join in bringing any proceedings against the Borrower under any bankruptcy, reorganization, readjustment of debt, arrangement of debt, receivership, liquidation or insolvency law or statute of the federal or any state government unless and until all Superior Indebtedness shall have been paid in full.

6. In the event of any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement with creditors, adjustment of debt, whether or not pursuant to bankruptcy laws, the sale of all or substantially all of the assets, dissolution, liquidation or any other marshalling of the assets and liabilities of the Borrower, the Subordinated Creditor will at the State's request file any claim, proof of claim or other instrument of similar character necessary to enforce the obligations of the Borrower in respect of the Subordinated Debt and will hold in trust for the State and pay over to the State, in the form received, to be applied on the Superior Indebtedness, any and all monies, dividends or other assets received in any such proceedings on account of the Subordinated Debt unless and until the Superior Indebtedness shall be paid in full. If the Subordinated Creditor shall fail to take any such action requested by the State, the State may, as attorney-in-fact for the Subordinated Creditor take such action on behalf of the Subordinated Creditor, and the Subordinated Creditor hereby appoints the State as attorney-in-fact for the Subordinated Creditor to demand, sue for, collect and receive any and all such monies, dividends or other assets and give acquittance therefor and to file any claim, proof of claim or other instrument of similar character and to take such other proceedings in the State's own name or in the name of the Subordinated Creditor as the State may deem necessary or advisable for the enforcement of this Subordination Agreement; and the Subordinated Creditor will execute and deliver to the State such other and further powers of attorney and any other instruments as the State may request in order to accomplish the foregoing.

7. The State may, at any time, and from time to time, without the consent or notice to the Subordinated Creditor, without incurring responsibility to the Subordinated Creditor, and without impairing or releasing any of the State's rights or any of the obligations of the Subordinated Creditor under this Subordination Agreement:

(a) Change the manner, place or terms of payment, or change or extend for any period the time of payment of, or renewal or otherwise alter (other than to increase the principal amount due) the Superior Indebtedness or any instrument or agreement now or hereafter executed evidencing, in connection with, as security for or providing for the issuance of any of the Superior Indebtedness in any manner or enter into or amend in any manner any other agreement relating to the Superior Indebtedness (including provisions restricting or further restricting payment of Subordinated Debt);

(b) Sell, exchange, release or otherwise deal with all or any part of any property by whomsoever at any time pledged or mortgaged to secure howsoever securing, the Superior Indebtedness;

(c) Release anyone liable in any manner for payment or collection of the Superior Indebtedness;

(d) Exercise or refrain from exercising any rights against the Borrower or others (including the Subordinated Creditor); and

(e) Apply any sums received by the State, by whomsoever paid and however realized, to payment of the Superior Indebtedness in such a manner as the State, in its sole discretion, may deem appropriate.

8. The Subordinated Creditor will (i) cause all Subordinated Debt to be evidenced by a note, debenture or other instrument evidencing the Subordinated Debt, (ii) at the State's request promptly surrender or cause to be surrendered any such note, debenture, or instrument evidencing the Subordinated Debt so that a statement or legend may be entered thereon to the effect that such note, debenture, or other instrument is subordinated to Superior Indebtedness in favor of the State in the manner and to the extent set forth in this Subordination Agreement, (iii) mark the books of Subordinated Creditor to show that the Subordinated Debt is subordinated to the Superior Indebtedness in the manner and to the extent set forth in this Subordination Agreement; and (iv) cause all financial statements of the Subordinated Creditor hereafter prepared for delivery to any person to make specific reference to the provisions of this Subordination Agreement.

9. The Subordinated Creditor agrees to execute any and all other instruments necessary as required by the State to subordinate the Subordinated Debt to the Superior Indebtedness as herein provided. The Subordinated Creditor shall not amend the terms of the Subordinated Debt without the consent of the State.

10. The Subordinated Creditor will not assign or transfer to others any claim the Subordinated Creditor has or may have against the Borrower as long as any of the Superior Indebtedness remains outstanding unless such assignment or transfer is expressly made subject to this Subordination Agreement.

11. The Subordinated Creditor represents and warrants that (i) neither the execution nor delivery of this Subordination Agreement nor fulfillment of or compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Subordinated Creditor is now subject, and (ii) none of the Subordinated Debt is or will be subordinated to any other indebtedness of the Borrower other than the Superior Indebtedness unless otherwise agreed by the State.

12. Notice of acceptance of this Subordination Agreement is waived, acceptance on the part of the State being conclusively presumed by its request for this Subordination Agreement and delivery of the same to it.

13. This Subordination Agreement may be assigned by the State in connection with any assignment or transfer of Superior Indebtedness.


14. This Subordination Agreement is executed and delivered in and shall be construed under and governed by the laws of the State of New Hampshire.

15. This Subordination Agreement may be amended only by a written instrument executed by the parties.


16. Nothing contained in this Subordination Agreement, the Loan Agreement, the Note, the Guaranty or the Security Instruments (as defined in the Loan Agreement) shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

17. Sovereign Immunity. Nothing contained in this Agreement, the Loan Agreement, the Note, the Guaranty or the other Security Instruments (as defined in the Loan Agreement) shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

Executed on the day and year first above written.



Witness



Wade Crawshaw

COLLATERAL ASSIGNMENT OF CONTRACTS, PLANS AND PERMITS

FOR VALUE RECEIVED, Lakeland Management Company, Inc., a New Hampshire corporation with a principal place of business at P.O. Box 7394, Gilford, New Hampshire 03247, ("Assignor"), hereby assigns to the State of New Hampshire c/o Department of Environmental Service with an address of 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 ("Assignee"), all its right, title and interest in and to any contracts and rights, written or oral, including without limitation, all construction, engineering, architects and equipment purchase contracts and warranties (the "Contracts") relating to the design, construction or equipping of improvements on property of Assignor located in Belmont, New Hampshire (the "Project") as more particularly described in a Loan Agreement of even date between Assignor and Assignee (the "Loan Agreement"), including any plans, blueprints, drawings and specifications prepared in connection therewith (the "Plans") and all governmental approvals, licenses and permits relating thereto (the "Permits"), all whether now owned or hereafter acquired and proceeds thereof (the "Collateral").

In addition, the parties hereto agree as follows:

1. Security. This Assignment is made as additional security for the performance by Assignor of all of its obligations under the Loan Agreement, Assignor's Promissory Note in the original principal amount of \$95,000 (the "Note") and certain security instruments as described in the Loan Agreement (the "Security Instruments"), each dated as of even date and delivered to or to be delivered to Assignee.

2. Representations. Assignor represents, warrants and covenants to Assignee that:

(a) Assignor is and shall be the owner of the Collateral free and clear of any liens, security interests or encumbrances; and

(b) The execution, delivery and performance of the Assignment by Assignor does not and will not conflict with any material contract, statute, rule, judgment, decree or order to which Assignor is subject.

3. Event of Default. Unless a default or event of default under the Note, the Loan Agreement or a Security Instrument (an "Event of Default"), Assignor shall be entitled to enjoy and enforce all of its rights under the Contracts, the Plans and the Permits. If such an Event of Default shall occur and Assignee shall have given written notice to the other party to the Contracts of its intention to exercise its rights hereunder, then Assignee shall be entitled thereafter to enjoy and enforce all of the rights of the Assignor under the Contracts, the Plans and the Permits, and shall become bound to perform all future obligations of the Assignor thereunder. Unless and until such notice is given, Assignee shall not be obligated to perform any of the obligations of the Assignor under the Contracts, the Plans or the Permits.

4. UCC Rights and Remedies. Without limiting the other remedies provided herein

or provided by law, upon an Event of Default Assignee shall have the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in New Hampshire, with respect to the Collateral to the full extent provided by law. Assignor agrees that Assignee may file one or more UCC-1 financing statement in the appropriate filing offices at Assignor's expense to perfect Assignee's security interest in the Collateral and that Assignor shall take any and all actions reasonably requested by Assignee to perfect Assignee's security interest in the Collateral.

5. Amendment. Assignor shall not amend, terminate, modify or execute amendments to the Contracts, the Plans or Permits or change orders which would involve substantial changes in the cost or nature of the Project, without first obtaining the prior written consent of Assignee, which consent shall not be unreasonably withheld or delayed.

6. Governing Law. This Agreement shall be governed by and be construed in accordance with New Hampshire law.

7. Amendment. This Agreement may be amended only by a written instrument executed by the parties.

8. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

9. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of Assignor and Assignee.

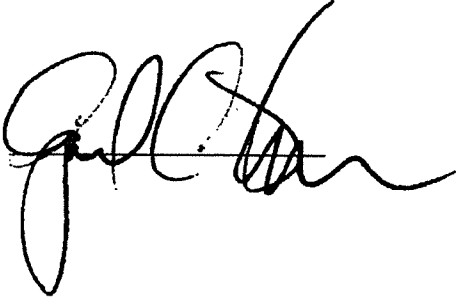
10. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Agreement, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon Assignor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by Assignee in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

11. Invalidity. In any case where any one or more of the provisions of this Agreement are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof.

12. Sovereign Immunity. Nothing contained in this Agreement, the Loan Agreement, the Note, any guaranty guarantying the Note or the other Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Assignee, which immunity is hereby reserved to the Assignee.

IN WITNESS WHEREOF, Assignee and Assignor have executed this Assignment dated as of the first day of October, 2009.
16th

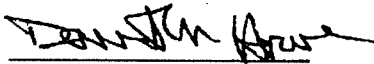
In the presence of:



STATE OF NEW HAMPSHIRE

By: Michael Walls, Asst. Commr.
Thomas S. Burack, Commissioner
of Environmental Services

LAKELAND MANAGEMENT COMPANY, INC.



By: Wade R. Comstock
Name: Wade R. Comstock
Title: President

CERTIFICATE

CONCERNING DEBT FOREGIVENESS

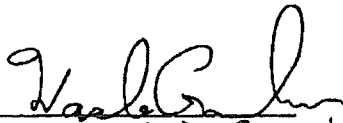
The undersigned, being the borrower pursuant to a Loan Agreement of near or even date between the undersigned and the State of New Hampshire (the "Loan Agreement") acknowledges that:

1. Subject to certain conditions the undersigned is eligible to have up to 50 percent of the loan made pursuant to the Loan Agreement forgiven during the course of repayment of the loan.
2. Subject to certain exceptions forgiveness of debt constitutes taxable income of the debtor for federal income tax and state business profits tax purposes.
3. The undersigned has been advised to consult with its tax advisors concerning the timing and amount of taxes that the undersigned may incur as result of forgiveness of debt pursuant to the Loan Agreement.

Executed this 16th day of October, 2009.

LAKELAND MANAGEMENT
COMPANY, INC.

By:


Name: Wade R. Coanshaw
Title: President

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-26

REQUEST:

Re: Schedule 3; Page 2 of 2; 2010 Owner Loan - \$16,727:

- a) Please provide a copy of the promissory note relative to this loan. If no such documentation exists, please explain the anticipated repayment terms of this loan.
- b) Please explain in sufficient detail the purpose(s) of this loan. Please provide a specific amount relative to each indicated purpose.
- c) Please explain the basis for the 7.00% interest rate on this loan.

RESPONSE:

- a) The note is attached.
- b) The purpose of the loan was to construct the tanks and VFDs to the extent the cost exceeded the \$81,503.34 ARRA loan proceeds.
- c) The Company used its judgment to determine the appropriate interest rate.

In the event the Maker shall fail to pay any installment due under this note when due, and such failure shall continue for Fifteen (15) days after receipt of written notice of such non-payment, at the option of the holder hereof, and upon notice of acceleration, the entire principal amount of this note, plus accrued interest shall be immediately due and payable. In the event the Maker shall fail to pay any installment due under this note within fifteen (15) days after said installment is due, in addition

in the event any instrument given by or on behalf of Maker to the holder hereof is dishonored, in addition to all other remedies available to the holder hereof, Maker shall pay the holder hereof, on demand, for each instrument dishonored, the sum of Fifteen Dollars (\$15.00), plus all bank charges incurred by the holder. Any such charges not paid by the first of the month following the month in which demand is made for the charge shall be added to the principal amount of this note.

Failure of the holder hereof to enforce any provision hereof shall not constitute a waiver of that provision or of any default, and the express waiver of any default or defaults shall not constitute the waiver of any provision hereof, or of any subsequent default. Except as expressly provided herein, Maker waives presentment, demand, protest, and notice of protest and dishonor. Maker may prepay all or any portion of this note at any time, and on multiple occasions, without penalty, but any such prepayment shall not change the amortization schedule.

Gifford, NH 03247, promises to pay to the order of C&C Water Services, Inc., at 24 Tate Road, Gifford, NH 03249, or at such other place as the holder hereof may designate, the principal sum of Sixteen Thousand Seven Hundred Twenty-seven Dollars (\$16,727.00), plus simple interest on the declining balance at the rate of seven percent (7%) per year until paid in full. Principal and interest shall be paid in Twenty (20) equal quarterly installments of Nine Hundred Ninety-four and Sixteen Hundredths Dollars (\$994.16), commencing Sixty (60) days after the end of the calendar quarter in which falls the effective date of the general increase in the water rates of Maker next occurring after the date hereof (the "Commencement Date"), and continuing on the same day of each month thereafter until paid in full. Any principal or accrued interest remaining unpaid on the Sixtieth (60th) day after the fifth anniversary of the Commencement Date, shall then be paid in full. All monies received by the holder hereof from, or on behalf of, the Maker shall be applied first to the costs and expenses of collection, if any, then to late charges accrued but unpaid, if any, then to interest, and then to principal.

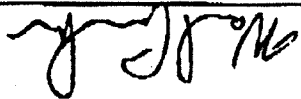
PROMISSORY NOTE

\$16,727.00

Gifford, New Hampshire
September 1, 2010

Atchafalaya Project

Wade R. Crawshaw, President



By:

LAKELAND MANAGEMENT CO., INC.

In Witness Whereof, Lakeland Management Company, Inc. has caused its corporate name to be hereunto affixed as of the date first above written.

to all other remedies available to the holder hereof, upon notice of imposition given before the due date of the next installment, the Maker shall pay to the holder a late charge equal to five percent (5%) of the installment not timely paid. Late charges not paid by the first of the month following the month in which the late charge is imposed shall be added to the principal amount of this note. In the event of default hereunder, interest shall continue to accrue until the monies due hereunder are paid in full. During any suit brought to enforce this note, interest shall continue to accrue at the higher of the rate herein provided, or the maximum rate in effect pursuant to RSA 336:1. In the event of default hereunder, the Maker shall, in addition to principal and accrued interest, pay the holder hereof all expenses of collection, including, but not limited to, court costs and attorneys fees. All remedies of the holder hereof shall be cumulative.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-27

REQUEST:

Re: Schedule 4A; Page 1 of 3; Adjustment for Uncollectible Accounts - \$(2,835):
Please detail the "other adjustments amounting to \$2,117" that is indicated on Page 8, Line 21 of Steven P. St. Cyr's direct testimony regarding water rates.

RESPONSE:

The other adjustments were necessary in order to bring the total accounts receivable balance in line with the sum of the individual customer balances.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-28

REQUEST:

Re: Schedule 4A; Pages 2 of 3 and 3 of 3; Adjustments to Taxes other than Income:

- a) Please provide copies of the following documents relative to the State Utility Property Tax for the years 2008, 2009 and 2010:
 - i) Notice of Value and Tax Bill — Utility Property received annually from NHDRA
 - ii) Forms DP-255 submitted annually to NHDRA
 - iii) Appraisal Reports prepared by NHDRA
- b) Please provide copies of the 2008, 2009 and 2010 municipal property tax bills from the Town of Belmont.

RESPONSE:

- a) i) See attached copy of the 2008, 2009 & 2010 Notice of Value and Tax Bill.
- a) ii) See attached copy of the 2008, 2009 & 2010 Form DP-255.
- a) iii) The Company was not provided with a copy of the 2008, 2009 & 2010 Appraisal Reports.
- b) See attached copy of the 2008, 2009 & 2010 property tax bills from the Town of Belmont.

TDD Access: Relay NH 1-800-735-2964
 Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

Enclosures

Utility Appraiser

Scott E. Dickman



Sincerely,

Please include your Tax Identification Number on all payments and correspondence.

"Utility property taxpayers aggrieved by the determination by the commissioner of the value of utility property pursuant to RSA 83-F:5 and the assessment of the tax imposed under this chapter may appeal such valuations and assessments according to the procedure and subject to the time limits provided for other taxes administered by the department under RSA 21-J."

According to RSA 21-J:28-b, 1, the taxpayer is to direct the appeal to the Department of Revenue Administration Hearings Bureau, "within 60 days after notice of the assessment or demand for payment." RSA 21-J:28-b, IV, states that "within 30 days of the notice of decision the taxpayer may appeal such decision by written application to the Board of Tax and Land Appeals or Superior Court."

If an appeal is desired, effective April 1, 2005, RSA 83-F:8 Appeals, was revised as follows:

Financial Statement Penalty - Failure to comply with filing deadline for annual Utility Property Tax Information Update, per RSA 83-F:5, VII.

Assessed Valuation	\$243,036.73
Tax Rate per \$1,000 Valuation	\$6.60
Total Utility Property Tax Due	\$1,604.04
Financial Statement Penalty	\$0.00

The enclosed 2008 Utility Property Tax Return Form DR-255 must be completed and submitted to DRA within 30 days from the date of this notice, with payment. Please complete and submit this required return in accordance with the enclosed instructions. For your convenience, 2009 Quarterly Payment forms are also enclosed.

Mail Returns/Payments to: DOCUMENT PROCESSING, PO BOX 637, CONCORD, NH 03302-0637.

NOTICE OF VALUE AND TAX BILL
 UTILITY PROPERTY
 RSA 83-F

WADE CRAWSHAW
 LAKELAND MANAGEMENT COMPANY
 PO BOX 7394
 GILFORD NH 03247
 TAX ID# 02-0430192

Margaret L. Fulton
 Assistant Commissioner

DECEMBER 15, 2008

PROPERTY APPRAISAL DIVISION
 Stephen W. Hamilton
 Director

State of New Hampshire
 Department of Revenue Administration
 PO Box 487, Concord, NH 03302-0487
 Telephone (603) 271-2887
 www.nh.gov/revenue





State of New Hampshire
Department of Revenue Administration

109 Pleasant Street
PO Box 487, Concord, NH 03302-0487
Telephone (603) 271-2887
www.nh.gov/revenue



PROPERTY APPRAISAL DIVISION
Stephan W. Hamilton
Director

Michael B. Marcell, Sr.
Assistant Director

Kevin A. Clougherty
Commissioner

Margaret L. Fulton
Assistant Commissioner

DECEMBER 15, 2009

WADE R CRAWSHAW
LAKELAND MANAGEMENT COMPANY

PO BOX 7394
GILFORD

NH 03247-

TAX ID# 02-0430192

NOTICE OF VALUE AND TAX BILL
UTILITY PROPERTY
RSA 83-F

The enclosed 2009 Utility Property Tax Return Form DP-255 must be completed and submitted to DRA within 30 days from the date of this notice, with payment. Please complete and submit this required return in accordance with the enclosed instructions. For your convenience, 2010 Quarterly Payment forms are also enclosed.

Mail Returns/Payments to: DOCUMENT PROCESSING, PO BOX 637, CONCORD, NH 03302-0637.

Assessed Valuation	Tax Rate per \$1,000 Valuation	Total Utility Property Tax Due	Financial Statement Penalty
\$264,409.13	\$6.60	\$1,745.10	\$0.00

Financial Statement Penalty - Failure to comply with filing deadline for annual Utility Property Tax Information Update, per RSA 83-F:5, VII.

If an appeal is desired, effective April 1, 2005, RSA 83-F:8 Appeals, was revised as follows:

"Utility property taxpayers aggrieved by the determination by the commissioner of the value of utility property pursuant to RSA 83-F:3 and the assessment of the tax imposed under this chapter may appeal such valuations and assessments according to the procedure and subject to the time limits provided for other taxes administered by the department under RSA 21-J."

According to RSA 21-J:28-b, I, the taxpayer is to direct the appeal to the Department of Revenue Administration Hearings Bureau, "within 60 days after notice of the assessment or demand for payment."

RSA 21-J:28-b, IV, states that "within 30 days of the notice of decision the taxpayer may appeal such decision by written application to the Board of Tax and Land Appeals or Superior Court."

Please include your Tax Identification Number on all payments and correspondence.

Sincerely,

Scott E. Dickman
Utility Appraiser
Enclosures

TDD Access: Relay NH 1-800-735-2884

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.



**State of New Hampshire
Department of Revenue Administration**

109 Pleasant Street
PO Box 487, Concord, NH 03302-0487
Telephone (603) 271-2687
www.nh.gov/revenue

DECEMBER 15, 2010

PROPERTY APPRAISAL DIVISION
Stephen W. Hamilton
Director
David M. Cornell
Assistant Director



Kevin A. Clougherty
Commissioner
Margaret L. Fulton
Assistant Commissioner

WADE R CRAWSHAW
LAKELAND MANAGEMENT COMPANY

PO BOX 7394
GILFORD

NH 03247-

TAX ID# 02-0430192

**NOTICE OF VALUE AND TAX BILL
UTILITY PROPERTY
RSA 83-F**

The enclosed 2010 Utility Property Tax Return Form DP-255 must be completed and submitted to DRA within 30 days from the date of this notice, with payment. Please complete and submit this required return in accordance with the enclosed instructions. For your convenience, 2011 Quarterly Payment forms are also enclosed.

Mail Returns/Payments to: DOCUMENT PROCESSING, PO BOX 637, CONCORD, NH 03302-0637.

Assessed Valuation	\$267,053.09
Tax Rate per \$1,000 Valuation	\$6.60
Total Utility Property Tax Due	\$1,762.55
Financial Statement Penalty	\$0.00

Financial Statement Penalty - Failure to comply with filing deadline for annual Utility Property Tax Information Update, per RSA 83-F:5, VII.

If an appeal is desired, effective April 1, 2005, RSA 83-F:8 Appeals, was revised as follows:

"Utility property taxpayers aggrieved by the determination by the commissioner of the value of utility property pursuant to RSA 83-F:3 and the assessment of the tax imposed under this chapter may appeal such valuations and assessments according to the procedure and subject to the time limits provided for other taxes administered by the department under RSA 21-J."

According to RSA 21-J:28-b, 1, the taxpayer is to direct the appeal to the Department of Revenue Administration Hearings Bureau, "within 60 days after notice of the assessment or demand for payment." RSA 21-J:28-b, IV, states that "within 30 days of the notice of decision the taxpayer may appeal such decision by written application to the Board of Tax and Land Appeals or Superior Court."

Please include your Tax Identification Number on all payments and correspondence.

Sincerely,

Scott E. Dickman

Scott E. Dickman
Utility Appraiser
Enclosures

TDD Access: Relay NH 1-800-735-2994
Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
 UTILITY PROPERTY TAX RETURN
 For the Tax Year 2002
 Due on or before 90 days from date of Notice of Value and Tax Bill

FORM DP-255 871

NAME OF TAXPAYER: *Home State Bank*
 ADDRESS: *100 State St*
 CITY: *Manchester*
 STATE: *NH* ZIP: *03102*

PROPERTY ADDRESS: *100 State St*
 CITY: *Manchester*
 STATE: *NH* ZIP: *03102*

Check box if type: Full return Partial return

STEP 1: Assessed valuation of your utility property as of April 1, 2002: *24302672*
 Rate of taxation per \$100 of utility property value: *6.60*
 Annual utility property tax (multiply Line 1 times Line 2, rounded to 1 cent): *1604.04*

STEP 2: Penalties, interest and other charges:
 1. Penalties: *0*
 2. Interest: *0*
 3. Other charges: *0*

STEP 3: Total due (Line 3 plus Lines 4 and 5): *1604.04*

STEP 4: Balance due (Line 3 plus Line 6): *1604.04*

STEP 5: Apply overpayment to:
 1. Balance due (Line 4 minus Line 6, if applicable): *1604.04*
 2. Overpayment (Line 6 minus Line 4, if applicable): *0*

STEP 6: Signature of taxpayer: *[Signature]*
 Date: *09/23/02*

OFFICE OF REVENUE ADMINISTRATION
 2002 NH 03000
 603 293 9500

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
UTILITY PROPERTY TAX RETURN
For the Tax Year 2009

Due on or before 30 days from date of Notice of Value and Tax Bill.

FOR DRA USE ONLY

STEP 1 Please Type or Print	NAME OF TAXPAYER Lakeland Management Company, Inc.	FEDERAL EMPLOYER IDENTIFICATION NUMBER 02-0430192
	NUMBER & STREET ADDRESS PO Box 7394	DEPARTMENT IDENTIFICATION NUMBER
	ADDRESS (Continued)	
	CITY/TOWN, STATE & ZIP CODE Gilford, NH 03247	

STEP 2
Return Type
Check Return Type
Amended Return Final Return

STEP 3 Figure Your Tax, Credits, Interest and Penalties	1 Assessed valuation of your utility property as of April 1.....	1 264409.13	
	2 Rate of taxation per \$1000 of utility property valuation.....	2 6.60	
	3 Annual Utility Property Tax (multiply Line 1 times Line 2, divided by 1000).....		3 1745.10
	4 Payments:		
	(a) Payments from estimated taxes.....	4(a) 0.00	
	(b) Credits or other payments.....	4(b) 0.00	
	(c) Payments made with original return (amended returns only).....	4(c) 0.00	
	Enter the sum of Lines 4(a) through 4(c).....		4 0.00
	5 Tax due (Line 3 minus Line 4).....		5 1745.10
	6 Additions to tax:		
	(a) Interest.....	6(a) 0.00	
	(b) Failure to Pay.....	6(b) 0.00	
	(c) Failure to File.....	6(c) 0.00	
	(d) Underpayment of Estimated Tax.....	6(d) 0.00	
	(e) Financial Statement Penalty.....	6(e) 0.00	
Enter the sum of Lines 6(a) through 6(e).....		6 0.00	
STEP 4 Figure Your Net Balance Due or Overpayment	7 Balance due (Line 5 plus Line 6) Make check payable to: State of New Hampshire (if less than \$1.00 do not pay, but still file the return).....		7 1745.10
	8 Overpayment (Line 4 minus, Line 3 plus Line 6, if applicable).....	8	
	9 Apply Overpayment to: Credit the 2010 year tax liability.....		9

STEP 5
Signatures
Under penalties of perjury, I declare that I have examined this return and to the best of my belief the information herein is true, correct and complete. (If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has knowledge.)

David William Jordan 1/14/10

FOR DRA USE ONLY	SIGNATURE (IN INK) OF TAXPAYER David William Jordan, Secretary	SIGNATURE (IN INK) OF PAID PREPARER OTHER THAN TAXPAYER	DATE
	PRINT SIGNATORY NAME & TITLE 603-293-8580	PRINT PREPARER'S NAME & TAX IDENTIFICATION NUMBER	
	TAXPAYER'S TELEPHONE NUMBER	PREPARER'S ADDRESS	
	<div style="border: 1px solid black; padding: 5px;"> NH DRA MAIL DOCUMENT PROCESSING DIVISION TO: PO BOX 637 CONCORD NH 03302-0637 </div>	CITY/TOWN, STATE & ZIP CODE	

FORM
DP-255
611

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
UTILITY PROPERTY TAX RETURN
For the Tax Year 2010

Due on or before 30 days from date of Notice of Value and Tax Bill.


FOR DRA USE ONLY

STEP 1 Please Type or Print	NAME OF TAXPAYER Lakeland Management Company, Inc.	FEDERAL EMPLOYER IDENTIFICATION NUMBER 02-0430192
	NUMBER & STREET ADDRESS P.O. Box 7394	DEPARTMENT IDENTIFICATION NUMBER
	ADDRESS (Continued)	
	CITY/TOWN, STATE & ZIP CODE Gilford, NH 03247	

STEP 2
Return
Type
Amended Return Final Return

STEP 3 Figure Your Tax, Credits, Interest and Penalties	1 Assessed valuation of your utility property as of April 1	1	267,053.09	
	2 Rate of taxation per \$1000 of utility property valuation	2	6.60	
	3 Annual Utility Property Tax (multiply Line 1 times Line 2, divided by 1000)	3		1,762.55
	4 Payments:			
	(a) Payments from estimated taxes	4(a)		
	(b) Credits or other payments	4(b)		
	(c) Payments made with original return (amended returns only)	4(c)		
	Enter the sum of Lines 4(a) through 4(c)	4		
	5 Tax due (Line 3 minus Line 4)	5		1,762.55
	6 Additions to tax:			
(a) Interest	6(a)			
(b) Failure to Pay	6(b)			
(c) Failure to File	6(c)			
(d) Underpayment of Estimated Tax	6(d)			
(e) Financial Statement Penalty	6(e)			
Enter the sum of Lines 6(a) through 6(e)	6			
STEP 4 Figure Your Net Balance Due or Overpay- ment	7 Balance due (Line 5 plus Line 6) Make check payable to: State of New Hampshire (If less than \$1.00 do not pay, but still file the return)	7		1,762.55
	8 Overpayment (Line 4 minus, Line 3 plus Line 6, if applicable)	8		
	9 Apply Overpayment to: Credit the 2011 year tax liability	9		

STEP 5
Signatures
Under penalties of perjury, I declare that I have examined this return and to the best of my belief the information herein is true, correct and complete. (If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has knowledge.)

FOR DRA USE ONLY	SIGNATURE (IN INK) OF TAXPAYER 	DATE 1-23-11	SIGNATURE (IN INK) OF PREPARED OTHER THAN TAXPAYER	DATE
	NAME AND TITLE Wade Crawshaw, President		PRINT PREPARER'S NAME & TAX IDENTIFICATION NUMBER	
	PHONE SIGNATURE NAME & TITLE (603) 293-8580		PREPARER'S ADDRESS	
	TAXPAYER'S TELEPHONE NUMBER		CITY/TOWN, STATE & ZIP CODE	
	MAIL TO: NH DRA DOCUMENT PROCESSING DIVISION PO BOX 637 CONCORD NH 03302-0637			

DP-255
Rev 11/2010

WEDNESDAY, SEP 21 1999
9:00 AM TO 4:00 PM
(603)267-8312

TOWN CLERK - TAX COLLECTOR
PO BOX 910
BELMONT, NH 03220-0910

First Bill

REAL ESTATE TAX BILL

TAX YEAR 2008 000005-000005 05/15/2008 12% if paid after 07/01/2008 DUE DATE

MAP/PARCEL 999-000-000-002 E/O UTILITY PROVINCE ROAD AREA

999-000-000-002 E/O UTILITY PROVINCE ROAD

LAKELAND MANAGEMENT CO., INC.
C/O MARK MOONEY
428 SCOTT ROAD
BELMONT, NH 03220

1/2 Tax At 2007 Tax Rate

Municipal Tax Amount	1,371.96
School Tax Amount	1,862.58
County Tax Amount	250.66
Total Tax	3,485.20
Estimated Tax Amt	1,742.70

TAX CALCULATION	
2007 Tax Rate	Building 222,000
Municipal 6.13	
School 8.39	
County 1.13	

2007 Tax Rate	15.70	Estimated	222,000
			<Amount To Pay> 1,742.70

INFORMATION TO TAXPAYERS

ADDITIONAL INFORMATION ON REVERSE SIDE OF BILL

THE TAXPAYER MAY, BY MARCH 1 FOLLOWING THE DATE OF NOTICE OF TAX AND NOT AFTERWARDS, APPLY IN WRITING TO THE SELECTMEN OR AGGRESSORS FOR A TAX ABATEMENT.

IF YOU ARE ELDERLY, DISABLED, 65 OR A VETERAN OR VETERAN'S SPOUSE, OR ARE UNABLE TO PAY TAXES DUE TO POVERTY OR OTHER GOOD CAUSE, YOU MAY BE ELIGIBLE FOR A TAX EXEMPTION, CREDIT, ABATEMENT OR DEFERRAL. A PERMANENT APPLICATION MUST BE FILED BY APRIL 15TH PRECEDING THE SETTING OF THE TAX RATE. FOR DETAILS AND APPLICATION INFORMATION, CONTACT THE OFFICE OF THE APPRAISER AT 237 8300.

PAYMENT POLICIES

- PLEASE MAKE CHECKS (OR MONEY ORDERS PAYABLE TO TOWN OF BELMONT,
- PLEASE MAIL TO TOWN OF BELMONT, PO BOX 910 BELMONT, NH 03220-0910.
- POSTDATED CHECKS WILL NOT BE ACCEPTED AND WILL BE RETURNED TO SENDER.
- IF PAYMENT OF THIS BILL IS MADE BY MAIL AND YOU DESIRE A RECEIPT, RETURN THE ENTIRE BILL AND A SELF ADDRESSED STAMPED ENVELOPE FOR RETURN OF RECEIPTED BILL.

DETACH HERE TO RETURN TO THE TOWN OF BELMONT, NH 03220-0910

TOWN OF BELMONT, NH
REAL ESTATE TAX BILL

MAP/PARCEL 999-000-000-002 E/O UTILITY PROVINCE ROAD 2008 000005-000005 07/01/2008 DUE DATE

12.00% APR Interest Charged After 07/01/2008 On This Bill

<Amount To Pay> 1,742.70

LAKELAND MANAGEMENT CO., INC.
C/O MARK MOONEY
428 SCOTT ROAD
BELMONT, NH 03220

PAID
7-15-08

MONDAY THRU FRIDAY
7:30 AM TO 4:00 PM
(603) 297-8322

TOWN OF BELMONT, NH
TOWN CLERK - TAX COLLECTOR - CYNTHIA DERON
PO BOX 310
BELMONT, NH 03220-0310

Second Bill REAL ESTATE TAX BILL

TAX YEAR	FILE NUMBER	ISSUE DATE	PAID DATE	DUE DATE
2008	000005-000005	10/17/2008	12% if paid after	12/01/2008

MAP/PARCEL: 999-000 000-002 LOCATION: 2/O UTILITY PROVINCE ROAD
 OWNER: LAUREL MANAGEMENT CO., INC.
 C/O MARK MOONEY
 428 SOUTH ROAD
 BELMONT, NH 03220

TAX CALCULATION		ASSESSED VALUATION		MUNICIPAL TAX AMOUNT	
Municipal	5.24	Buildings	257,700	Municipal Tax Amount	1,570.45
School	3.24			School Tax Amount	2,366.47
County	1.22			County Tax Amount	326.59
				Total Tax	4,363.51
				Actual Tax Amount	4,363.51
				Paid to Date	-1,742.70
				Amount To Pay	2,620.81

Handwritten notes:
 4,363.51
 3,272.63
 1,090.88
 2008 Exp
 11/18/08 Paid

INFORMATION TO TAXPAYERS
 THE TAXPAYER MAY, BY MARCH 1 FOLLOWING THE DATE OF NOTICE OF TAX AND NOT AFTERWARDS, APPLY IN WRITING TO THE SELECTMEN OR ASSESSOR(S) FOR A TAX ABATEMENT.
 IF YOU ARE ELDERLY, DISABLED, DEAF, A VETERAN OR VETERAN'S SPOUSE, OR ARE UNABLE TO PAY TAXES DUE TO POVERTY OR OTHER GOOD CAUSE, YOU MAY BE ELIGIBLE FOR A TAX EXEMPTION, CREDIT, ABATEMENT OR DEFERRED. A PERMANENT APPLICATION MUST BE FILED BY APRIL 15TH PRECEDING THE SETTING OF THE TAX RATE. FOR DETAILS AND APPLICATION INFORMATION, CONTACT THE OFFICE OF THE APPRAISER AT 284-9306.

PAYMENT POLICIES
 1. PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO: TOWN OF BELMONT.
 2. PLEASE MAIL TO: TOWN OF BELMONT, NH BOX 310 BELMONT, NH 03220-0310.
 3. POSTDATED CHECKS WILL NOT BE ACCEPTED AND WILL BE RETURNED TO SENDER.
 4. IF PAYMENT OF THIS BILL IS MADE BY MAIL, AND YOU DESIRE A RECEIPT, RETURN THE ENTIRE BILL AND A SELF-ADDRESSED STAMPED ENVELOPE FOR RETURN OF RECEIVED BILL.

TO ENLARGE PROPERTIES PLEASE RETURN ORIGINAL PORTION OF BILL TO POSTAGE HEREIN

TOWN OF BELMONT, NH REAL ESTATE TAX BILL

MAP/PARCEL	LOCATION	TAX YEAR	FILE NUMBER	DUE DATE
999-000-000-002	2/O UTILITY PROVINCE ROAD	2008	000005 000005	12/01/2008

12.00% APR Interest Charged After
 07/01/2008 On 1st Bill 1742.70
 12/01/2008 On 2nd Bill 2620.81

Amount To Pay 2,620.81
 \$2,620.81 Pd 11-18-8 ck # 5020

LAUREL MANAGEMENT CO., INC.
 C/O MARK MOONEY
 428 SOUTH ROAD
 BELMONT, NH 03220

Change of Address → Laurel Management Co., Inc.
 c/o Mike Crawshaw

First Bill

REAL ESTATE TAX BILL

TAX YEAR	BILL NUMBER	BILLING DATE	INTEREST RATE	DUE DATE
2009	000005-000005	04/24/2009	12% if paid after	07/02/2009
MAP/PARCEL	LOCATION OF PROPERTY		AREA	
999-000-000-002	B/O UTILITY PROVINCE ROAD			
OWNER OF RECORD			TAX CALCULATION	
LAKELAND MANAGEMENT CO., INC. C/O WADE CRAWSHAW PO BOX 7394 GILFORD, NH 03247-7394			1/2 Tax At 2008 Tax Rate	
			Municipal Tax Amount	1,670.45
			School Tax Amount	2,366.47
			County Tax Amount	326.59
			Total Tax	4,363.51
TAX CALCULATION	ASSESSED VALUATION			
2008 Tax Rate	Buildings	267,700	Estimated Tax Amt	2,181.76
Municipal 6.24				
School 8.84				
County 1.22				
TOTAL 16.30	NET VALUE 267,700		<Amount To Pay>	2,181.76

INFORMATION TO TAXPAYERS

THE TAXPAYER MAY, BY MARCH 1 FOLLOWING THE DATE OF NOTICE OF TAX AND NOT AFTERWARDS, APPLY IN WRITING TO THE SELECTMEN OR ASSESSOR(S) FOR A TAX ABATEMENT.

IF YOU ARE ELDERLY, DISABLED, BLIND, A VETERAN OR VETERAN'S SPOUSE, OR ARE UNABLE TO PAY TAXES DUE TO POVERTY OR OTHER GOOD CAUSE, YOU MAY BE ELIGIBLE FOR A TAX EXEMPTION, CREDIT, ABATEMENT OR DEFERRAL. A PERMANENT APPLICATION MUST BE FILED BY APRIL 15TH PROCEEDING THE SETTING OF THE TAX RATE. FOR DETAILS AND APPLICATION INFORMATION, CONTACT THE OFFICE OF THE APPRAISER AT 267-8300.

PAYMENT POLICIES

- PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO: TOWN OF BELMONT.
- PLEASE MAIL TO: TOWN OF BELMONT, PO BOX 310 BELMONT, NH 03220-0310.
- POSTDATED CHECKS WILL NOT BE ACCEPTED AND WILL BE RETURNED TO SENDER.
- IF PAYMENT OF THIS BILL IS MADE BY MAIL, AND YOU DESIRE A RECEIPT, RETURN THE ENTIRE BILL AND A SELF ADDRESSED STAMPED ENVELOPE FOR RETURN OF RECEIPTED BILL.

↑ DETACH HERE ↑ TO ENSURE PROPER CREDIT PLEASE RETURN ENTIRE BOTTOM PORTION OF BILL ↑ DETACH HERE ↑

TOWN OF BELMONT, NH
REAL ESTATE TAX BILL

MAP/PARCEL	LOCATION OF PROPERTY	TAX YEAR	BILL NUMBER	DUE DATE
999-000-000-002	B/O UTILITY PROVINCE ROAD	2009	000005-000005	07/02/2009

12.00% APR Interest Charged After
07/02/2009 On This Bill

<Amount To Pay> 2,181.76

 2232
 LAKELAND MANAGEMENT CO., INC.
 C/O WADE CRAWSHAW
 PO BOX 7394
 GILFORD, NH 03247-7394

MONDAY THRU FRIDAY
7:30 AM TO 4:00 PM
(603)267-8302

TOWN OF BELMONT, NH
TOWN CLERK - TAX COLLECTOR
PO BOX 310
BELMONT, NH 03220-0310

11-10-1
ck# 5088

Second Bill

REAL ESTATE TAX BILL

TAX YEAR	BILL NUMBER	BILLING DATE	INTEREST RATE	DUE DATE
2009	000005-000005	10/20/2009	12% if paid after	12/01/2009
MAP/PARCEL	LOCATION OF PROPERTY		AREA	
999-000-000-002	B/O UTILITY PROVINCE ROAD			
OWNER OF RECORD			TAX CALCULATION	
LAKELAND MANAGEMENT CO., INC. C/O WADE CRAWSHAW PO BOX 7394 GILFORD, NH 03247-7394			Municipal Tax Amount	1,848.16
			School Tax Amount	2,384.89
			County Tax Amount	351.65
			Total Tax	4,584.70
TAX CALCULATION		ASSESSED VALUATION		
Municipal	6.99	Buildings	264,400	Actual Tax Amount
School	9.02			Paid to Date
County	1.33			-2,181.76
TOTAL		NET VALUE		<Amount To Pay>
	17.34		264,400	2,402.94

INFORMATION TO TAXPAYERS

ADDITIONAL INFORMATION ON REVERSE SIDE OF BILL

THE TAXPAYER MAY, BY MARCH 1 FOLLOWING THE DATE OF NOTICE OF TAX AND NOT AFTERWARDS, APPLY IN WRITING TO THE SELECTMEN OR ASSESSOR(S) FOR A TAX ABATEMENT.

IF YOU ARE ELDERLY, DISABLED, BLIND, A VETERAN OR VETERAN'S SPOUSE, OR ARE UNABLE TO PAY TAXES DUE TO POVERTY OR OTHER GOOD CAUSE, YOU MAY BE ELIGIBLE FOR A TAX EXEMPTION, CREDIT, ABATEMENT OR DEFERRAL. A PERMANENT APPLICATION MUST BE FILED BY APRIL 15TH PRECEEDING THE SETTING OF THE TAX RATE. FOR DETAILS AND APPLICATION INFORMATION, CONTACT THE OFFICE OF THE APPRAISER AT 267-8300.

PAYMENT POLICIES

- PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO: TOWN OF BELMONT.
- PLEASE MAIL TO: TOWN OF BELMONT, PO BOX 310 BELMONT, NH 03220-0310 .
- POSTDATED CHECKS WILL NOT BE ACCEPTED AND WILL BE RETURNED TO SENDER.
- IF PAYMENT OF THIS BILL IS MADE BY MAIL, AND YOU DESIRE A RECEIPT, RETURN THE ENTIRE BILL AND A SELF ADDRESSED STAMPED ENVELOPE FOR RETURN OF RECEIPTED BILL.

↑ DETACH HERE ↑ TO ENSURE PROPER CREDIT PLEASE RETURN ENTIRE BOTTOM PORTION OF BILL ↑ DETACH HERE ↑

**TOWN OF BELMONT, NH
REAL ESTATE TAX BILL**

MAP/PARCEL	LOCATION OF PROPERTY	TAX YEAR	BILL NUMBER	DUE DATE
999-000-000-002	B/O UTILITY PROVINCE ROAD	2009	000005-000005	12/01/2009

12.00% APR Interest Charged After
07/01/2009 On 1st Bill 2181.76
12/01/2009 On 2nd Bill 2402.94

<Amount To Pay> 2,402.94

|||||
LAKELAND MANAGEMENT CO., INC.
C/O WADE CRAWSHAW
PO BOX 7394
GILFORD, NH 03247-7394

2211

122

LAKELAND MANAGEMENT CO., INC.
 C/O WADE CRAWSHAW
 PO BOX 7394
 GILFORD, NH 03247-7394

<Amount To Pay> 2,292.35

12.00% APR Interest Charged After 07/02/2010 On This Bill

999-000-000-002 B/O UTILITY PROVINCE ROAD 2010 000005-000005 07/02/2010

MAP/PARCEL LOCATION OR PROPERTY TAX YEAR INTEREST RATE DUE DATE

TOWN OF BELMONT, NH REAL ESTATE TAX BILL

DETACH HERE TO ENSURE PROPER CREDIT PLEASE RETURN ENTIRE BOTTOM PORTION OF BILL

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PAYMENT POLICIES

TOTAL	17.34
2009 Tax Rate	6.99
Municipal	9.02
School	1.33
County	

ASSESSED VALUATION	264,400
Buildings	264,400
RENEWABLE	264,400

1/2 Tax At 2009 Tax Rate	1,848.16
Municipal Tax Amount	2,384.89
School Tax Amount	351.65
County Tax Amount	4,584.70
Total Tax	2,292.35
Estimated Tax Amt	2,292.35
<Amount To Pay>	2,292.35

LAKELAND MANAGEMENT CO., INC.
 C/O WADE CRAWSHAW
 PO BOX 7394
 GILFORD, NH 03247-7394

OWNER OF RECORD

999-000-000-002 B/O UTILITY PROVINCE ROAD

MAP/PARCEL LOCATION OR PROPERTY TAX YEAR INTEREST RATE DUE DATE

2010 000005-000005 05/12/2010 12% if paid after 07/02/2010

TAX YEAR BILL NUMBER BILLING DATE INTEREST RATE DUE DATE

REAL ESTATE TAX BILL

First Bill

BELMONT, NH 03220-0310

PO BOX 310

7:30 AM TO 4:00 PM (603)267-8302

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2010

163

Second Bill

REAL ESTATE TAX BILL

TAX YEAR	BILL NUMBER	BILLING DATE	INTEREST RATE	DUE DATE
2010	000005-000005	10/29/2010	12% if paid after	12/06/2010
MAP/PARCEL	LOCATION OF PROPERTY		AREA	
999-000-000-002	B/O UTILITY PROVINCE ROAD			
OWNER OF RECORD			TAX CALCULATION	
LAKELAND MANAGEMENT CO., INC. C/O WADE CRAWSHAW PO BOX 7394 GILFORD, NH 03247-7394			Municipal Tax Amount	2,003.25
			School Tax Amount	2,633.61
			County Tax Amount	360.58
			Total Tax	4,997.44
TAX CALCULATION		ASSESSED VALUATION		
Municipal	7.50	Buildings	267,100	Actual Tax Amount
School	9.86			4,997.44
County	1.35			Paid to Date
				-2,278.78
TOTAL	18.71	NET VALUE	267,100	<Amount To Pay>
				2,718.66

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**TOWN OF BELMONT, NH
REAL ESTATE TAX BILL**

MAP/PARCEL	LOCATION OF PROPERTY	TAX YEAR	BILL NUMBER	DUE DATE
999-000-000-002	B/O UTILITY PROVINCE ROAD	2010	000005-000005	12/06/2010

12.00% APR Interest Charged After
07/01/2010 On 1st Bill 2292.35
12/06/2010 On 2nd Bill 2705.09

<Amount To Pay> 2,718.66

 2203
 LAKELAND MANAGEMENT CO., INC.
 C/O WADE CRAWSHAW
 PO BOX 7394
 GILFORD, NH 03247-7394

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-29

REQUEST:

Re: Schedule 4A; Page 3 of 3; Adjustments to Income Taxes:

- a) Please provide copies of the Company's 2008, 2009 and 2010 state and federal income tax returns.
- b) Please indicate the Company's total net operating loss carryforward for both federal and state income tax purposes as of 12/31/09 and 12/31/10.

RESPONSE:

- a) See attached copy of the 2008 & 2009 federal income and state business tax returns. The Company has not yet prepared its 2010 federal income and state business tax returns.
- b) The net operating loss carry forward for federal income and state business taxes is \$4,986 and \$4,794, respectively, at 12/31/09. The Company has not yet prepared its 2010 federal income and state business tax returns, and as such, it is unable to indicate the net operating loss carry forward for federal income and state business taxes for 12/31/10.

U.S. Corporation Income Tax Return
For calendar year 2008 or tax year beginning _____, 2008, ending _____,
▶ See separate instructions.

A Check if: 1 <input type="checkbox"/> Consolidated return (attach Form 851) 2 <input type="checkbox"/> Life/nonlife consolidated return 3 <input type="checkbox"/> Personal holding co (attach Sch PH) 4 <input type="checkbox"/> Personal service corp (see instr) 5 <input type="checkbox"/> Schedule M-3 attached	Use IRS label. Otherwise, print or type.	Name Lakeland Management Company Number, street, and room or suite number. If a P.O. box, see instructions. C&C Water Services, Inc., POBox 7394 City or town state ZIP code Gilford NH 03247	B Employer identification number 02-0430192 C Date incorporated 02/05/1970 D Total assets (see instructions) \$ 390,981.
E Check if: (1) Initial return (2) Final return (3) Name change (4) <input checked="" type="checkbox"/> Address change			

I N C O M E	1 a Gross receipts or sales	138,667.	b Less returns & allowances		c Balance	▶	1c	138,667.
	2 Cost of goods sold (Schedule A, line 8)						2	
	3 Gross profit. Subtract line 2 from line 1c						3	138,667.
	4 Dividends (Schedule C, line 19)						4	
	5 Interest						5	125.
	6 Gross rents						6	
	7 Gross royalties						7	
	8 Capital gain net income (attach Schedule D (Form 1120))						8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9	
	10 Other income (see instructions — attach schedule)						10	
	11 Total income. Add lines 3 through 10						▶ 11	138,792.

D E D U C T I O N S S E E I N S T R U C T I O N S	12 Compensation of officers (Schedule E, line 4)						12	
	13 Salaries and wages (less employment credits)						13	
	14 Repairs and maintenance						14	17,143.
	15 Bad debts						15	
	16 Rents						16	
	17 Taxes and licenses						17	7,228.
	18 Interest						18	
	19 Charitable contributions						19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)						20	8,209.
	21 Depletion						21	
	22 Advertising						22	
	23 Pension, profit-sharing, etc. plans						23	
	24 Employee benefit programs						24	
	25 Domestic production activities deduction (attach Form 8903)						25	
	26 Other deductions (attach schedule). See Other Deductions Statement						26	90,274.
	27 Total deductions. Add lines 12 through 26						▶ 27	122,854.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11						28	15,938.
29 Less: a Net operating loss deduction (see instructions)						29a		
b Special deductions (Schedule C, line 20)						29b		
						29c		

T A X R E F U N D A B L E P A Y M E N T S C R E D I T S	30 Taxable income. Subtract line 29c from line 28 (see instructions)						30	15,938.
	31 Total tax (Schedule J, line 10)						31	2,391.
	32a 2007 overpayment credited to 2008	32a						
	b 2008 estimated tax payments	32b						
	c 2008 refund applied for on Form 4466	32c						
	d Tax deposited with Form 7004	32d						
	e Tax deposited with Form 7004	32e						0.
	f Credits: (1) Form 2439 (2) Form 4136	32f						
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g						0.
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached						▶ <input checked="" type="checkbox"/>	33
34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed							34	2,469.
35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid							35	
36 Enter amount from line 35 you want: Credited to 2009 estimated tax							▶ 36	Refunded ▶

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP code: **STEPHEN P ST CYR AND ASSOCIATES**
17 SKY OAKS DR
Biddeford ME 04005-9281

Preparer's SSN or PTIN: **04-3385786**
 EIN: **04-3385786**
 Phone no.: **(207) 282-5222**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation.		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4.		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b.		

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12.					

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2,391.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		2,391.
5a	Foreign tax credit (attach Form 1118)	5a	
	b Credit from Form 8834	5b	
	c General business credit (attach Form 3800)	5c	
	d Credit for prior year minimum tax (attach Form 8827)	5d	
	e Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	2,391.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (att schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	2,391.

Schedule K Other Information (see instructions)

1	Check accounting method a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
	a Business activity code no. ▶ <u>221300</u>		
	b Business activity ▶ <u>Public Utility</u>		
	c Product or service ▶ <u>Water & Sewer</u>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation ▶ _____		X
4	At the end of the tax year:		
	a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v).		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock

b Did any individual or estate own, directly 20% or more, or own directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? Yes No
 For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv)

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock
Wade Crawshaw		United States	100.00

Schedule K *Continued*

5 At the end of the tax year, did the corporation:

Yes	No
-----	----

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership see instructions

	X
--	---

If 'Yes,' complete (i) through (iv)

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership see instructions

	X
--	---

If 'Yes,' complete (i) through (iv)

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

	X
--	---

If 'Yes,' file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on **Form 851** for each subsidiary

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

	X
--	---

For rules of attribution see section 318. If 'Yes,' enter:

(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of **Forms 5472** attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?

	X
--	---

If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value property distributions (other than cash) made during the tax year. ▶ \$ _____

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		17,906.		16,198.
2a	Trade notes and accounts receivable	40,832.		43,373.	
	b Less allowance for bad debts		40,832.		43,373.
3	Inventories		967.		879.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule) . Ln. 6. Stmt		3,076.		3,038.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	480,305.		521,909.	
	b Less accumulated depreciation	184,316.	295,989.	194,416.	327,493.
11a	Depletable assets				
	b Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
	b Less accumulated amortization				
14	Other assets (attach schedule) . Ln. 14. Stmt		2,458.		
15	Total assets		361,228.		390,981.
Liabilities and Shareholders' Equity					
16	Accounts payable		22,628.		37,521.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch) . Ln. 18. Stmt		633.		4,115.
19	Loans from shareholders				41,036.
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule) . Ln. 21. Stmt		12,175.		13,072.
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital		254,401.		212,987.
24	Retained earnings — Approp (att sch)				
25	Retained earnings — Unappropriated		71,391.		82,250.
26	Adjmnt to shareholders' equity (att sch)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		361,228.		390,981.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more -see instructions

1	Net income (loss) per books	10,859.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	3,060.		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
	a Depreciation \$ 2,018.			a Depreciation . . \$	
	b Charitable contributions . . \$			b Charitable contrbns \$	
	c Travel & entertainment . . \$				
	See Ln 5 Stmt 1.				
		2,019.	9	Add lines 7 and 8	
6	Add lines 1 through 5	15,938.	10	Income (page 1, line 28) — line 6 less line 9	15,938.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	71,391.	5	Distributions	a Cash
2	Net income (loss) per books	10,859.		b Stock	c Property
3	Other increases (itemize):		6	Other decreases (itemize):	
4	Add lines 1, 2, and 3	82,250.	7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	82,250.

Underpayment of Estimated Tax by Corporations

2008

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name Lakeland Management Company Employer identification number 02-0430192

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment			
1	Total tax (see instructions).....	1	2,391.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1.....	2a	
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method.....	2b	
2c	Credit for federal tax paid on fuels (see instructions).....	2c	
2d	Total. Add lines 2a through 2c.....	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.....	3	2,391.
4	Enter the tax shown on the corporation's 2007 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5.	4	3,028.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3.....	5	2,391.

Part II Reasons for Filing – Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220, even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (<i>Form 990 – PF filers:</i> Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.....	9	04/15/08	06/15/08	09/15/08	12/15/08
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.....	10	597.	598.	598.	598.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15.....	11				
<i>Complete lines 12 through 18 of one column before going to the next column.</i>					
12 Enter amount, if any, from line 18 of the preceding column.....	12				
13 Add lines 11 and 12.....	13				
14 Add amounts on lines 16 and 17 of the preceding column.....	14		597.	1,195.	1,793.
15 Subtract line 14 from line 13. If zero or less, enter -0-.....	15		0.	0.	0.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.....	16		597.	1,195.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.....	17	597.	598.	598.	598.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.....	18				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 – no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19 03/15/09	03/15/09	03/15/09	03/15/09
20 Number of days from due date of installment on line 9 to the date shown on line 19	20 334	273	181	90
21 Number of days on line 20 after 4/15/2008 and before 7/1/2008	21 76	15		
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{366}$ x 6%	22 7.	1.		
23 Number of days on line 20 after 6/30/2008 and before 10/1/2008	23 92	92	15	
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{366}$ x 5%	24 8.	8.	1.	
25 Number of days on line 20 after 9/30/2008 and before 1/1/2009	25 92	92	92	16
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{366}$ x 6%	26 9.	9.	9.	2.
27 Number of days on line 20 after 12/31/2008 and before 4/1/2009	27 74	74	74	74
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{365}$ x 5%	28 6.	6.	6.	6.
29 Number of days on line 20 after 3/31/2009 and before 7/1/2009	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{365}$ x %	30			
31 Number of days on line 20 after 6/30/2009 and before 10/1/2009	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{365}$ x %	32			
33 Number of days on line 20 after 9/30/2009 and before 1/1/2010	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33}}{365}$ x %	34			
35 Number of days on line 20 after 12/31/2009 and before 2/16/2010	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35}}{365}$ x %	36			
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37 30.	24.	16.	8.
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns.	38			78.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2008

Attachment
Sequence No. **67**

Name(s) shown on return

Lakeland Management Company

Identifying number

02-0430192

Business or activity to which this form relates

Form 1120 Line 20

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).	3	\$800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	3,889.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008.	17	4,320.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

Section B -- Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C -- Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	8,209.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD120812 06/12/08

Form 4562 (2008)

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24 a Do you have evidence to support the business/investment use claimed?										Yes		No		24b If 'Yes,' is the evidence written?		Yes		No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost											
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25												
26 Property used more than 50% in a qualified business use:																			
27 Property used 50% or less in a qualified business use:																			
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28												
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29											

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions):					
43 Amortization of costs that began before your 2008 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report.					44

Form 1120, Page 1, Line 26

Other Deductions Statement

Source of Supply Expense	0.
Sewer Fees	36,926.
Pumping Expense	5,985.
Water Treatment Expense	6,801.
Transmission and Distribution Expense	0.
Customer Accounts Expense	4,921.
Administrative and General Expense	35,641.
Total	<u>90,274.</u>

Form 1120, Page 4, Schedule L, Line 6

Ln 6 Stmt

Other Current Assets:	Beginning of tax year	End of tax year
Prepaid Property Taxes	871.	2,602.
Prepaid Insurance	2,205.	436.
Prepaid State Business Taxes		
Prepaid State Utility Property Taxes		
Prepaid Management Fee		
Prepaid Federal Income Taxes		
Total	<u>3,076.</u>	<u>3,038.</u>

Form 1120, Page 4, Schedule L, Line 14

Ln 14 Stmt

Other Assets:	Beginning of tax year	End of tax year
Rate Case Expenditures	682.	
Sale of Company	1,776.	
Total	<u>2,458.</u>	

Form 1120, Page 4, Schedule L, Line 18

Ln 18 Stmt

Other Current Liabilities:	Beginning of tax year	End of tax year
Accrued Taxes	633.	4,115.
Total	<u>633.</u>	<u>4,115.</u>

Form 1120, Page 4, Schedule L, Line 21

Ln 21 Stmt

Other Liabilities:	Beginning of tax year	End of tax year
Accumulated Deferred Income Taxes	12,175.	13,072.

Form 1120, Page 4, Schedule L, Line 21
Ln 21 Stmt

Continued

Other Liabilities:	Beginning of tax year	End of tax year
Total	<u>12,175.</u>	<u>13,072.</u>

Form 1120, Page 4, Schedule M-1, Line 5
Ln 5 Stmt

Rounding	<u>1.</u>
Total	<u>1.</u>

For the CALENDAR year **2008** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

STEP 1 Print or Type <input type="checkbox"/> <i>Check box if there has been a name change since last filing</i>	PROPRIETORSHIP — LAST NAME	FIRST NAME AND INITIAL	SOCIAL SECURITY NUMBER	
	PROPRIETORSHIP — SPOUSE/CU PARTNER'S LAST NAME	FIRST NAME AND INITIAL	SOCIAL SECURITY NUMBER	
	CORPORATE, PARTNERSHIP, ESTATE, TRUST, NON-PROFIT OR LLC NAME Lakeland Management Company		FEDERAL EMPLOYER IDENTIFICATION NUMBER 02-0430192	
	NUMBER AND STREET ADDRESS C&C Water Services, Inc., POBox 7394		DEPARTMENT IDENTIFICATION NUMBER (DIN)	
	ADDRESS (continued)		If required to use DIN, DO NOT enter SSN or FEIN	
	CITY OR TOWN Gilford	STATE NH	ZIP CODE 03247	PRINCIPAL BUSINESS ACTIVITY CODE (Federal) 221300

STEP 2
Return Type
and
Federal
Information

You must answer the following two questions, or your return will be considered incomplete, and may be subject to penalties.

Are You Required To File A BET Return (Receipts Over \$150,000)? YES NO If yes, you must attach a completed return to this BT-Summary.

Are You Required To File A BPT Return (Business Income Over \$50,000)? YES NO

(2) CORPORATION OR (2) COMBINED GROUP (3) PARTNERSHIP (5) NON-PROFIT (1) PROPRIETORSHIP (4) FIDUCIARY AMENDED RETURN FINAL RETURN

Check here if the IRS has made any agreed or partially agreed to adjustments for any federal income tax return which has not been previously reported to New Hampshire. Enter years covered by IRS _____

DO NOT USE THIS FORM TO REPORT AN IRS ADJUSTMENT. See Step 2 instructions.

STEP 3
COMPLETE THE BET AND/OR BPT RETURN(S) AND THEN THE BUSINESS TAX SUMMARY

STEP 4 Figure Your Balance Due or Overpayment	1 a Business Enterprise Tax Net of Statutory Credits	1 a	0.	
	1 b Business Profits Tax Net of Statutory Credits	1 b	1,481.	1 1,481.
	2 PAYMENTS:			
	a Tax paid with application for extension	2 a		
	b Total of this year's estimated tax payments	2 b		
	c Credit carryover from prior tax period	2 c		
	d Paid with original return (Amended returns only)	2 d		2
	3 TAX DUE: (Line 1 minus Line 2)	3		1,481.
	4 ADDITIONS TO TAX:			
	a Interest (See instructions)	4 a	61.	
	b Failure to Pay (See instructions)	4 b	148.	
	c Failure to File (See instructions)	4 c		
	d Underpayment of Estimated Tax (See instructions)	4 d	73.	4 282.
	5 a Subtotal of Amount Due (Line 3 plus Line 4)	5 a		1,763.
	5 b Return Payment Made Electronically	5 b		
	5 BALANCE DUE: Line 5a minus 5b. Make your payment on-line at www.nh.gov/revenue or make check payable to: STATE OF NEW HAMPSHIRE. Enclose, but do not staple or tape, your payment with this return.			5 1,763.
	6 OVERPAYMENT: (Line 1 plus Line 4 minus Lines 2 and 5b)	6		
	7 Apply overpayment amount on Line 6 to:			
	a Credit — Next Year's tax liability	7 a		
	b Refund	7 b		

STEP 5
Under penalties of perjury, I declare that I have examined this summary and the attached returns, and to the best of my belief they are true, correct and complete. (If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has knowledge.) If a combined group, I also certify that all affiliated companies are included in the appropriate group described in this return.

POA: By checking this box and signing below, you authorize us to discuss this return with the preparer listed on this return.

FOR DRA USE ONLY

Signature (in ink) and Title if Fiduciary _____ Date _____

Signature (in ink) of Paid Preparer _____ Date _____

If joint return, BOTH parties must sign, even if only one had income. _____ Date _____

Filing as surviving spouse/CU Partner

Print Signatory Name _____

Preparer's Address
17 SKY OAKS DR

Preparer's Tax Identification Number **04-3385786** Preparer's Telephone Number **(207) 282-5222**

Printed Name of Preparer _____

MAIL TO: **NH DRA** **(603) 293-8589** **Biddeford** **ME 04005-9281**
PO BOX 637 Taxpayer's Telephone No. City/Town State Zip Code

CONCORD NH 03302-0637

**NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
BUSINESS ENTERPRISE TAX RETURN FOR CORPORATIONS,
PARTNERSHIPS, FIDUCIARIES AND NON-PROFIT ORGANIZATIONS**

YOU ARE REQUIRED TO FILE THIS RETURN IF THE GROSS RECEIPTS WERE GREATER THAN \$150,000 OR THE ENTERPRISE VALUE TAX BASE WAS GREATER THAN \$75,000.

SEQUENCE #2

For the CALENDAR year **2008** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

THIS RETURN MUST BE FILED WITH THE BT-SUMMARY.

STEP 1	CORPORATE, PARTNERSHIP, ESTATE, NON-PROFIT OR LLC NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
Please Print or Type Name		

If your business activities are conducted both inside and outside New Hampshire AND the business enterprise is subject to a business privilege tax, a net income tax, a franchise tax measured by net income of a capital stock or other similar taxes, whether or not it is actually imposed by another state, or is subject to the jurisdiction of another state to impose a net income tax or capital stock tax upon it, then the business enterprise must apportion its enterprise value tax base. Complete Form BET-80 to determine the values for Lines 1, 2 and 3. If you need Form BET-80 and it is not included in your booklet, it may be obtained from our web site at www.nh.gov/revenue or by calling (603) 271-2192.

STEP 2 Compute the Taxable Enterprise Value Tax Base	1 Dividends Paid	1		
	2 Compensation and Wages Paid or Accrued	2		
	3 Interest Paid or Accrued	3		
	4 Taxable Enterprise Value Tax Base (Sum of Lines 1, 2 and 3)			4
STEP 3 Figure Your Tax	5 New Hampshire Business Enterprise Tax (Line 4 multiplied by .0075)			5
	6 STATUTORY CREDITS			
	a RSA 162-L:10. CDFA-Investment Tax Credit	6a		
	b RSA 162-N Community Reinvestment and Opportunity Credit Repealed for tax years ending on or after 7/01/07	6b		
	c RSA 162-N. Economic Revitalization Zone Tax Credit. Effective for tax periods ending on or after 7/01/07 (See instructions) ...	6c		
	d RSA 162-P. Research & Development Tax Credit (unused portion, see instructions) Effective for tax periods ending on or after 9/07/07	6d		
	e RSA 162-Q Coos County Job Creation Tax Credit	6e		6
7 Business Enterprise Tax Net of Statutory Credits (Line 5 minus Line 6. IF NEGATIVE, ENTER ZERO) ENTER THIS AMOUNT ON LINE 1(a) OF THE BT-SUMMARY			7	0.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
CORPORATION BUSINESS PROFITS TAX RETURN

SEQUENCE # 4A

For the CALENDAR year **2008** or other taxable period beginning _____ and ending _____
Month Day Year Month Day Year

Due Date for CALENDAR year filers is on or before **March 16, 2009** or the 15th day of the 3rd month after the close of the taxable period.
YOU ARE REQUIRED TO FILE THIS FORM IF GROSS BUSINESS INCOME WAS GREATER THAN \$50,000.

STEP 1 Print or Type	NAME OF CORPORATION	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
	Lakeland Management Company	02-0430192

STEP 2 Questions

A Is the corporation filing its tax return on an IRS approved 52/53 week tax year? Yes No
If yes, provide the period beginning 01/01/2008 and ending 12/31/2008 date.
Month Day Year Month Day Year

B Does the corporation file with the IRS as part of a federal consolidated return? Yes No

C Is this corporation affiliated with any other business organization that files business tax returns with this department? Yes No
Identify by name and FEIN: _____

D Does the corporation file as part of a unitary group in any other jurisdiction? Yes No

E Is this a 'combined' business profits tax return? Yes No

If the answer to 'E' is yes, do not complete this return. You must file a NH-1120-WE return. You may download the Business tax forms for Combined Groups from our web site at www.nh.gov/revenue or call (603) 271-2192 to request the business tax booklet for Combined Groups.

STEP 3 Figure Your Taxes

1 Gross Business Profits IRC RECONCILIATION

a Taxable income (loss) before net operating loss deduction and special deductions. If IRC Reconciliation is taken enter the amount from Line 5 of the Corporate Schedule R. (Attach copy of federal return)	1a	15,938.	
b Separate entity and other items of income or expense not allowed for on this form (attach schedule)	1b		
c New Hampshire Gross Business Profits [Combine Line 1(a) and Line 1(b)] (If negative, show in parenthesis. See worksheet for Net Operating Loss, NOL, provisions)	1c	15,938.	

2 Additions and Deductions

a Add back income taxes or franchise taxes measured by income (Attach schedule of taxes by state)	2a	1,480.	
b New Hampshire Net Operating Loss Deduction (Attach Form DP-132)	2b		
c Interest on direct U.S. obligations	2c		
d Wage adjustment required by IRC Section 280C	2d		
e Foreign dividend gross-up (IRC Section 78)	2e		
f Add back expenses related to constitutionally exempt income ...	2f		
g Research contribution (See RSA 77-A:4 XII. Attach computation)	2g		
h Interest and Dividends subject to tax under RSA 77 (Attach a schedule detailing name, FEIN and amount)	2h		
i Add back return of capital from Qualified Investment Capital Company	2i		
j Combine Lines 2(a) through 2(i). (If negative, show in parenthesis)	2j	1,480.	

3 Adjusted Gross Business Profits (Line 1(c) adjusted by Line 2(j). If negative, show in parenthesis)	3	17,418.
4 New Hampshire Apportionment (Attach Form DP-80)	4	1.000000
5 New Hampshire Taxable Business Profits (Line 3 x Line 4. If negative, enter zero.)	5	17,418.
6 New Hampshire Business Profits Tax (Line 5 x 8.5%)	6	1,481.

STEP 4 Figure Your Credits

7 Credits allowed under RSA 77-A:5 (Attach Form DP-160)	7	
8 Subtotal (Line 6 minus Line 7)	8	1,481.
9 New Hampshire Business Enterprise Tax Credit	9	
10 New Hampshire Business Enterprise Tax Credit to be applied against Business Profits Tax (Enter the lesser of Line 8 or Line 9)	10	0.
11 New Hampshire Business Profits Tax Net of Statutory Credits (Line 8 minus Line 10)	11	1,481.

ENTER THE AMOUNT FROM LINE 11 ON LINE 1(b) OF THE BT-SUMMARY.
THIS RETURN MUST BE FILED WITH THE BT-SUMMARY AND ALL APPLICABLE FEDERAL SCHEDULES.

**EXCEPTIONS AND PENALTY
FOR THE UNDERPAYMENT OF ESTIMATED TAX**

CHECK ONE

BUSINESS TAX RETURNS

INTEREST AND DIVIDENDS TAX RETURN

OTHER

SEQUENCE #6

For the CALENDAR year **2008** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

NAME Lakeland Management Company	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER OR DEPARTMENT IDENTIFICATION NUMBER 02-0430192
--	---

PART I – FIGURE YOUR UNDERPAYMENT

1 Current year tax \$ **1,481.**
2 90% of Line 1 (Line 1 x .90) \$ **1,333.**

3a Enter in columns A through D the installment dates that correspond to the 15th of the 4th, 6th, 9th, and 12th months of your tax period or specify statutory due dates. (I&D filers see instructions)

	A	B	C	D
	04/15/2008	06/16/2008	09/15/2008	12/15/2008
3b Applicable percentages	25%	25%	25%	25%
3c Enter Line 2 multiplied by Line 3(b) for columns A through D	333.	333.	333.	334.
4 Amount paid timely or credited for each period				
5 Overpayment of previous installment				
6 Total (Line 4 plus Line 5)				
7 Overpayment [Line 6 minus Line 3(c)]. Enter in Line 5 next column				
8 Underpayment (Line 3(c) minus Line 6)	333.	333.	333.	334.

PART II – EXCEPTIONS TO PENALTY – SEE INSTRUCTIONS

9 Cumulative amount paid or credited from the beginning of the tax year through the installment dates (see instructions)

10 Applicable percentages

11 Exception, prior period's tax (prior year must be 12 full months) [RSA 21-J:32,IV(a)]

12 Applicable percentages

13 Exception, prior period's tax base and facts using current years tax rate [RSA 21-J:32,IV(b)]

14 Applicable percentages

15 Exception tax on annualized income [RSA 21-J:32,IV(c)] (Attach Schedule)

	A	B	C	D
9				
10	25%	50%	75%	100%
11				
12	25%	50%	75%	100%
13				
14	22.5%	45%	67.5%	90%
15				

PART III – COMPUTE THE PENALTY

16 Amount of underpayment from Part I, Line 8

17 Enter the date of payment or statutory due date of tax, whichever is earlier

18 Enter the number of days from installment date [Line 3(a)] to date shown on Line 17

19 Interest due thru 12/31/08 at 10%: (see instructions) $\frac{\text{No. of days} \times 10\%}{366} \times \text{Underpayment amount (Line 16)}$

20 Interest due after 12/31/08 at 7%: (see instructions) $\frac{\text{No. of days} \times 7\%}{365} \times \text{Underpayment amount (Line 16)}$

Note: For interest rate in other years see instructions

21 Penalty for Underpayment of Estimated Tax (Line 19 plus Line 20)

22 Total Penalty for Underpayment of Estimated Tax (Total of columns A through D, Line 21)

	A	B	C	D
16	333.	333.	333.	334.
17	03/16/2009	03/16/2009	03/16/2009	03/16/2009
18	335	273	182	91
19	24.	18.	10.	1.
20	5.	5.	5.	5.
21	29.	23.	15.	6.
22				73.

U.S. Corporation Income Tax Return
For calendar year 2009 or tax year beginning _____, 2009, ending _____
▶ See separate instructions.

A Check if: 1 <input type="checkbox"/> Consolidated return (attach Form 851) 2 <input type="checkbox"/> Life/nonlife consolidated return 3 <input type="checkbox"/> Personal holding co (attach Sch PH) 4 <input type="checkbox"/> Personal service corp (see instr) 5 <input type="checkbox"/> Schedule M-3 attached	Name Lakeland Management Company Number, street, and room or suite number. If a P.O. box, see instructions. C&C Water Services, Inc., POBox 7394 City or town state ZIP code Gilford NH 03247	B Employer identification number 02-0430192 C Date incorporated 02/05/1970 D Total assets (see instructions) \$ 421,932.
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change		

I N C O M E	1 a Gross receipts or sales	150,647.	b Less returns & allowances		c Balance ▶	1c	150,647.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	150,647.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (see instructions - attach schedule)					10	
	11 Total income. Add lines 3 through 10					▶ 11	150,647.

D E D U C T I O N S S E E I N S T R U C T I O N S	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	7,984.
	15 Bad debts					15	2,835.
	16 Rents					16	
	17 Taxes and licenses					17	8,161.
	18 Interest					18	
	19 Charitable contributions					19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	8,209.
	21 Depletion					21	
	22 Advertising					22	
	23 Pension, profit-sharing, etc. plans					23	
	24 Employee benefit programs					24	
	25 Domestic production activities deduction (attach Form 8903)					25	
	26 Other deductions (attach schedule). See Other Deductions Statement					26	128,444.
	27 Total deductions. Add lines 12 through 26					▶ 27	155,633.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	-4,986.
29 Less: a Net operating loss deduction (see instructions)			29 a				
b Special deductions (Schedule C, line 20)			29 b				
					29 c		

T A X R E F U N D A B L E C R E D I T S	30 Taxable income. Subtract line 29c from line 28 (see instructions)					30	-4,986.
	31 Total tax (Schedule J, line 10)					31	
	32 a 2008 overpayment credited to 2009	32 a					
	b 2009 estimated tax payments	32 b					
	c 2009 refund applied for on Form 4466	32 c					
	d Tax deposited with Form 7004			d Bal ▶	32 d		
	e Credits: (1) Form 2439 (2) Form 4136				32 e		
	f Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32 f		
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32 g		
	32 g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32 g		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					▶ 33		
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34		
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount from line 35 you want Credited to 2010 estimated tax					▶ 36		
						Refunded ▶	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Sign Here ▶ Signature of officer _____ Date _____ Title _____

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	STEPHEN P ST CYR AND ASSOCIATES 17 SKY OAKS DR Biddeford ME 04005-9281		EIN 04-3385786
		Phone no. (207) 282-5222		

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5.	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation.		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers.					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4
5a	Foreign tax credit (attach Form 1118)		5a
5b	Credit from Form 8834, line 29		5b
5c	General business credit (attach Form 3800)		5c
5d	Credit for prior year minimum tax (attach Form 8827)		5d
5e	Bond credits from Form 8912		5e
6	Total credits. Add lines 5a through 5e		6
7	Subtract line 6 from line 4		7
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (att schedule)		9
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10

Schedule K Other Information (see instructions)

	Yes	No
1 Check accounting method a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the:		
a Business activity code no. ▶ 221300		
b Business activity ▶ Public Utility		
c Product or service ▶ Water & Sewer		
3 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation ▶		X
4 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b Did any individual or estate own, directly 20% or more, or own directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part II of Schedule G (Form 1120) (attach Schedule G)	X	
5 At the end of the tax year, did the corporation:	Yes	No
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership see instructions. If 'Yes,' complete (i) through (iv)		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

Schedule K | *Continued*

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership see instructions X
 If 'Yes,' complete (i) through (iv)

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) X
 If 'Yes,' file **Form 5452**, Corporate Report of Nondividend Distributions.
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? X
 For rules of attribution see section 318. If 'Yes,' enter:
 (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount
 If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election with not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? X
 If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value property distributions (other than cash) made during the tax year. ▶ \$ _____

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		16,198.		35,079.
2a	Trade notes and accounts receivable	43,373.		37,183.	
	b Less allowance for bad debts		43,373.		37,183.
3	Inventories		879.		615.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule) Ln. 6 Stmt		3,038.		2,981.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	521,909.		546,732.	
	b Less accumulated depreciation	194,416.	327,493.	206,649.	340,083.
11a	Depletable assets				
	b Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
	b Less accumulated amortization				
14	Other assets (attach schedule) Ln. 14 Stmt				5,991.
15	Total assets		390,981.		421,932.
Liabilities and Shareholders' Equity					
16	Accounts payable		37,521.		2,401.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch) Ln. 18 Stmt		4,115.		73,366.
19	Loans from shareholders		41,036.		47,192.
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule) Ln. 21 Stmt		13,072.		12,094.
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital		212,987.		212,987.
24	Retained earnings - Approp (att sch)				
25	Retained earnings - Unappropriated		82,250.		73,892.
26	Adjmnt to shareholders' equity (att sch)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		390,981.		421,932.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more -see instructions

1	Net income (loss) per books	-8,358.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	-1,023.		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
	a Depreciation \$ 4,395.			a Depreciation \$	
	b Charitable contributions \$			b Charitable contribns \$	
	c Travel & entertainment \$				
		4,395.	9	Add lines 7 and 8	
6	Add lines 1 through 5	-4,986.	10	Income (page 1, line 28) - line 6 less line 9	-4,986.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	82,250.	5	Distributions: a Cash	
2	Net income (loss) per books	-8,358.		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	73,892.	8	Balance at end of year (line 4 less line 7)	73,892.

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2009

Attachment
Sequence No. **67**

Name(s) shown on return

Lakeland Management Company

Identifying number

02-0430192

Business or activity to which this form relates

Form 1120 Line 20

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions).	2	143,757.
3	Threshold cost of section 179 property before reduction in limitation (see instructions).	3	\$800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	250,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	Well and Meters	143,757.	143,757.
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	143,757.
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	143,757.
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	0.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	0.
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12.	13	143,757.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	3,889.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009.	17	4,320.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. <input type="checkbox"/>		

Section B -- Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C -- Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations -- see instructions.	22	8,209.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD120812 07/07/09

Form **4562** (2009)

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24 a Do you have evidence to support the business/investment use claimed?										Yes		No		24 b If 'Yes,' is the evidence written?										Yes		No	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)																			
Type of property (list vehicles first)	Date placed in service	Business/investment use percentage	Cost or other basis	Basis for depreciation (business/investment use only)	Recovery period	Method/Convention	Depreciation deduction	Elected section 179 cost																			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25																			
26 Property used more than 50% in a qualified business use:																											
27 Property used 50% or less in a qualified business use:																											
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1														28													
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1														29													

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a)	(b)	(c)	(d)	(e)	(f)
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a)	(b)	(c)	(d)	(e)	(f)
Description of costs	Date amortization begins	Amortizable amount	Code section	Amortization period or percentage	Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
43 Amortization of costs that began before your 2009 tax year					
44 Total. Add amounts in column (f). See the instructions for where to report.					44

Name Lakeland Management Company	Employer Identification Number 02-0430192
-------------------------------------	--

Two, three, four, or five year carryback, twenty year carryover

NOL Carryover Year	A Carryover	B Less Carrybacks/ Carryovers	C Adjusted Carryover
2008			
2007			
2006			
2005			
2004			
2003			
2002			
2001			
2000			
1999			
1998			
1997			
Total new law			

OLD LAW: Three year carryback, fifteen year carryover

NOL Carryover Year	A Carryover	B Less Carrybacks/ Carryovers	C Adjusted Carryover
2008			
2007			
2006			
2005			
2004			
2003			
2002			
2001			
2000			
1999			
1998			
1997			
1996			
1995			
1994			
Total old law			

Net Operating Loss Summary

NOL Carryover Year	A NOL Carryover Available	B Deduction Allowed in Current Year	C Adjustment Under Section 172(b)(2)	D Remaining Carryover 20 Years	E Remaining Carryover 15 Years
2008					
2007					
2006					
2005					
2004					
2003					
2002					
2001					
2000					
1999					
1998					
1997					
1996					
1995					
1994					
Totals					

Less: Carryover expiring due to 15-year limitation	
Add: Current year net operating loss	4,986.
Less: Carryback of current year net operating loss	
Net operating loss carryover to next year	4,986.

Form 1120, Page 1, Line 26

Other Deductions Statement

Source of Supply Expense	0.
Sewer System Expenses	48,578.
Pumping Expense	6,153.
Water Treatment Expense	12,004.
Transmission and Distribution Expense	0.
Customer Accounts Expense	12,755.
Administrative and General Expense	48,954.
Total	128,444.

Form 1120, Page 5, Schedule L, Line 6

Ln 6 Stmt

Other Current Assets:	Beginning of tax year	End of tax year
Prepaid Property Taxes	2,602.	2,533.
Prepaid Insurance	436.	448.
Prepaid State Business Taxes		
Prepaid State Utility Property Taxes		
Prepaid Management Fee		
Prepaid Federal Income Taxes		
Total	3,038.	2,981.

Form 1120, Page 5, Schedule L, Line 14

Ln 14 Stmt

Other Assets:	Beginning of tax year	End of tax year
Unamortized Debt Expenses		4,568.
Rate Case Expenditures		1,423.
Total		5,991.

Form 1120, Page 5, Schedule L, Line 18

Ln 18 Stmt

Other Current Liabilities:	Beginning of tax year	End of tax year
Accrued Taxes	4,115.	1,745.
Miscellaneous Current & Accrued Liabilities		71,621.
Total	4,115.	73,366.

Form 1120, Page 5, Schedule L, Line 21

Ln 21 Stmt

Other Liabilities:	Beginning of tax year	End of tax year
<u>Accumulated Deferred Income Taxes</u>	<u>13,072.</u>	<u>12,094.</u>
Total	<u><u>13,072.</u></u>	<u><u>12,094.</u></u>

FORM

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
BUSINESS TAX SUMMARY

BT-SUMMARY

FOR DRA USE ONLY

For the CALENDAR year 2009 or other taxable period beginning Mo Day Year and ending Mo Day Year

SEQUENCE # 1

STEP 1: PROPRIETORSHIP - LAST NAME, FIRST NAME AND INITIAL, SOCIAL SECURITY NUMBER, CORPORATION, PARTNERSHIP, ESTATE, TRUST, NON-PROFIT OR LLC NAME, FEDERAL EMPLOYER IDENTIFICATION NUMBER, NUMBER AND STREET ADDRESS, DEPARTMENT IDENTIFICATION NUMBER (DIN), ADDRESS (continued), CITY OR TOWN, STATE, ZIP CODE, PRINCIPAL BUSINESS ACTIVITY CODE (Federal)

STEP 2: Return Type and Federal Information, Are You Required To File A BET Return, Are You Required To File A BPT Return, Check box if there has been a name change since last filing

STEP 3: COMPLETE THE BET AND/OR BPT RETURN(S) AND THEN THE BUSINESS TAX SUMMARY

Table with columns for line numbers and amounts. Rows include: 1a Business Enterprise Tax Net of Statutory Credits, 1b Business Profits Tax Net of Statutory Credits, 2 PAYMENTS, 3 TAX DUE, 4 ADDITIONS TO TAX, 5 BALANCE DUE, 6 OVERPAYMENT, 7 Apply overpayment amount on Line 6 to.

THIS RETURN MUST BE ACCOMPANIED BY COMPLETE AND LEGIBLE COPIES OF THE APPROPRIATE FEDERAL FORMS AND SCHEDULES.

STEP 5: Under penalties of perjury, I declare that I have examined this summary and the attached returns, and to the best of my belief they are true, correct and complete.

FOR DRA USE ONLY

Signature and Title of Preparer, Signature of Paid Preparer, Printed Name of Preparer, Preparer's Tax Identification Number, Preparer's Telephone Number, Print Signatory Name, NH DRA, PO BOX 637, CONCORD NH 03302-0637, (603) 293-8589, Biddeford, ME 04005-9281

**NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
BUSINESS ENTERPRISE TAX RETURN FOR CORPORATIONS,
COMBINED GROUPS, PARTNERSHIPS, FIDUCIARIES AND
NON-PROFIT ORGANIZATIONS**

YOU ARE REQUIRED TO FILE THIS RETURN IF THE GROSS RECEIPTS WERE GREATER THAN \$150,000 OR THE ENTERPRISE VALUE TAX BASE WAS GREATER THAN \$75,000.

SEQUENCE #2

For the CALENDAR year **2009** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

THIS RETURN MUST BE FILED WITH THE BT-SUMMARY.

STEP 1 Print or Type Name	CORPORATE, PARTNERSHIP, ESTATE, TRUST, NON-PROFIT OR LLC NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
	Lakeland Management Company	02-0430192

If your business activities are conducted both inside and outside New Hampshire AND the business enterprise is subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a capital stock tax, or other similar taxes, whether or not it is actually imposed by another state, or is subject to the jurisdiction of another state to impose a net income tax or capital stock tax upon it, then the business enterprise must apportion its enterprise value tax base. Complete Form BET-80 to determine the values for Lines 1, 2 and 3. Combined groups must complete Form BET-80-WE to determine the values for Lines 1, 2 and 3. If you need Form BET-80 or BET-80-WE it may be obtained from our web site at www.nh.gov/revenue or by calling (603) 271-2192.

STEP 2 Compute the Taxable Enterprise Value Tax Base	1 Dividends Paid	1		
	2 Compensation and Wages Paid or Accrued	2		
	3 Interest Paid or Accrued	3		
	4 Taxable Enterprise Value Tax Base (Sum of Lines 1, 2 and 3)		4	
STEP 3 Figure Your Tax	5 New Hampshire Business Enterprise Tax (Line 4 multiplied by .0075)		5	
	6 STATUTORY CREDITS			
	a RSA 162-L:10. CDFA-Investment Tax Credit	6a		
	b RSA 162-N Community Reinvestment and Opportunity Credit Repealed for tax years ending on or after 7/01/07	6b		
	c RSA 162-N. Economic Revitalization Zone Tax Credit. Effective for tax periods ending on or after 7/01/07 (see instructions).	6c		
	d RSA 162-P. Research & Development Tax Credit (unused portion, see instructions) Effective for tax periods ending on or after 9/07/07	6d		
	e RSA 162-Q Coos County Job Creation Tax Credit	6e	6	
7 Business Enterprise Tax Net of Statutory Credits (Line 5 minus Line 6. IF NEGATIVE, ENTER ZERO) ENTER THIS AMOUNT ON LINE 1(a) OF THE BT-SUMMARY		7	0.	

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
CORPORATION BUSINESS PROFITS TAX RETURN

For the CALENDAR year **2009** or other taxable period beginning _____ and ending _____
Month Day Year Month Day Year

Due Date for CALENDAR year filers is on or before **March 15, 2010** or the 15th day of the 3rd month after the close of the taxable period.
YOU ARE REQUIRED TO FILE THIS FORM IF GROSS BUSINESS INCOME WAS GREATER THAN \$50,000.

STEP 1 Print or Type	NAME OF CORPORATION	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
	Lakeland Management Company	02-0430192

STEP 2 Questions

A Is the corporation filing its tax return on an IRS approved 52/53 week tax year? Yes X No _____
If yes, provide the period beginning 01/01/2009 and ending 12/31/2009 date.
Month Day Year Month Day Year

B Does the corporation file with the IRS as part of a federal consolidated return? Yes _____ No X

C Is this corporation affiliated with any other business organization that files business tax returns with this department? Yes _____ No X
Identify by name and FEIN: _____

D Does the corporation file as part of a unitary group in any other jurisdiction? Yes _____ No X

E Is this a 'combined' business profits tax return? Yes _____ No X

If the answer to 'E' is yes, do not complete this return. You must file a NH-1120-WE return. You may download the Business tax forms for Combined Groups from our web site at www.nh.gov/revenue or call (603) 271-2192 to request the business tax booklet for Combined Groups.

STEP 3 Figure Your Taxes

1 Gross Business Profits SCH R IRC RECONCILIATION

a Taxable income (loss) before net operating loss deduction and special deductions. If IRC Reconciliation is required the amount from Line 4 of the Schedule R. (Attach copy of federal return)	1a	-4,986.	
b Separate entity and other items of income and expense not allowed for on this form (attach schedule).....	1b		
c New Hampshire Gross Business Profits [Combine Line 1(a) and Line 1(b)] (If negative, show in parenthesis. See worksheet for Net Operating Loss, NOL, provisions).....	1c	-4,986.	

2 Additions and Deductions

a Add back income taxes or franchise taxes measured by income (Attach schedule of taxes by state)	2a	282.	
b New Hampshire Net Operating Loss Deduction (Attach Form DP-132)	2b		
c Interest on direct U.S. Obligations	2c		
d Wage adjustment required by IRC Section 280C	2d		
e Foreign dividend gross-up (IRC Section 78).....	2e		
f Add back expenses related to constitutionally exempt income ...	2f		
g Research contribution (See RSA 77-A:4 XII. Attach computation)	2g		
h Interest and Dividends subject to tax under RSA 77 (repealed for taxable periods ending on or after 12/31/09).....	2h		
i Add back return of capital from Qualified Investment Capital Company	2i		
j Combine Lines 2(a) through 2(i). (If negative, show in parenthesis)	2j	282.	

3 Adjusted Gross Business Profits (Line 1(c) adjusted by Line 2(j). If negative, show in parenthesis)	3	-4,704.	
4 New Hampshire Apportionment (Attach Form DP-80)	4	1.000000	
5 New Hampshire Taxable Business Profits (Line 3 x Line 4. If negative, enter zero.).....	5	0.	
6 New Hampshire Business Profits Tax (Line 5 x 8.5%).....	6	0.	

STEP 4 Figure Your Credits

7 Credits allowed under RSA 77-A:5 (Attach Form DP-160).....	7		
8 Subtotal (Line 6 minus Line 7).....	8	0.	
9 New Hampshire Business Enterprise Tax Credit.....	9	0.	
10 New Hampshire Business Enterprise Tax Credit to be applied against Business Profits Tax (Enter the lesser of Line 8 or Line 9).....	10	0.	
11 New Hampshire Business Profits Tax Net of Statutory Credits (Line 8 minus Line 10)....	11	0.	

ENTER THE AMOUNT FROM LINE 11 ON LINE 1(b) OF THE BT-SUMMARY.
THIS RETURN MUST BE FILED WITH THE BT-SUMMARY AND ALL APPLICABLE FEDERAL SCHEDULES.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Wade Crawshaw

Staff 1-30

REQUEST:

Please elaborate on the reason for the following sewer expenditures outlined in St. Cyr testimony at page 3, lines 23-30, including location installed:

- a) Two SS grinders for sewer pumps in 2009 (\$1,600).
- b) Rebuilt motor, wiring and grinder pump in 2010 (\$11,171).

RESPONSE:

Please see the discussion regarding the lift station in response to Request 1-19, above.

a) As part of the efforts to solve the problem with the grinders in 2009, the Company purchased two new grinders, to see if that would resolve the problem. It did not.

b) Of the \$11,171, \$3,855 is the cost of the increase of the electrical service described in response to Request 1-19, above. The remaining \$7,316 is the actual cost of the spare pump and motor for the lift station, described in response to Request 1-19, above. Absence of a functioning pump would have severe consequences for the consumers. It is prudent to have a spare on hand, permitting immediate substitution.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-31

REQUEST:

Re: Schedule 2 — Rate Base - Sewer: Please provide the account balances as of 03/31/09, 06/30/09 and 09/30/09 for the following rate base components:

- a) Plant in Service
- b) Accumulated Depreciation
- c) Prepayments

RESPONSE:

a)	Plant in Service	100,000	100,000	100,000
b)	Accumulated Depreciation	(43,000)	(43,000)	(43,000)
c)	Prepayments	1,519	1,519	1,519

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-32

REQUEST

Re: Schedule 2 — Rate Base - Sewer: Please explain why Materials and Supplies and Accumulated Deferred Income Taxes are not included as rate base components for the purpose of determining sewer rates.

RESPONSE:

The amount reflected in material and supplies pertains to water meters. The amount reflected in accumulated deferred income taxes represents the deferred tax on the difference between book and tax depreciation. There is no difference between book and tax depreciation on the sewer mains.

LAKELAND MANAGEMENT COMPANY, INC.
DOCKET NO. DW 10-306
STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-33

REQUEST:

Re: Schedule 2A; Page 1 of 1; Adjustment for 2009 Plant - \$1,600: Please indicate the date on which this equipment became used and useful.

RESPONSE: This equipment is grinders for the sewer lift station in the Maple Hill Acres complex. See the response to Request 1-19. The Company is still looking for documentation of the acquisition date for this equipment, and will supplement its answers. The company purchased the grinders to see if new grinders would solve the lift station problem. It didn't. The company is keeping the grinders in reserve.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-34

REQUEST:

Re: Schedule 2A; Page 1 of 2; Adjustment for 2010 Plant - \$11,171:

- a) Please provide the dates on which the respective 2010 additions became used and useful.
- b) Please verify that the \$11,171 cost indicated for the 2010 additions represents the final actual cost of these items. If not, please provide these amounts.

RESPONSE:

- a) The increase in the electrical service to the sewage lift station was completed in January 2010.

The spare pump and motor for the lift station was acquired in June 2010.

- b) Of the \$11,171, \$3,855 is the cost of the increase of the electrical service described in response to Request 1-30, above. The remaining \$7,316 is the actual cost of the spare pump and motor for the lift station, described in response to Request 1-30, above.

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

REQUEST:

Staff 1-35

Re: Schedule 4A; Page 1 of 3; Adjustment to Contracted Services - \$10,515:

- a) Please provide documentation, ie, copies of contracts, invoices, etc., in support of the contracted services expense recorded during 2009 of \$9,753.
- b) Please indicate the actual amount incurred during 2010 for contracted services expense.
- c) Please provide documentation, ie, copies of contracts, invoices, etc., in support of the contracted services expense recorded during 2010 as indicated in (b).

RESPONSE:

The Company is still seeking the data to answer this question, and will supplement its answers.

- a)
- b)
- c)

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-36

REQUEST:

Re: Item 1 — 2009 Financial Statements:

- a) Please provide a detailed explanation for the 12/31/09 balance of \$5,991 contained in Account # 186, Miscellaneous Deferred Debits.
- b) Regarding Account # 642, Operation Labor and Expenses: Please provide further explanation regarding the reason for the "increase(s) in IOC's, SOC's, Rad's & VOC's, Bacti & Chemical sampling" as stated in the Company's 2009 Annual Report.
- c) Regarding Account # 903, Customer Records and Collection Expense: Please provide a detailed analysis of the individual expenses contained in this account for the years 2008 and 2009.
- d) Regarding Account # 923, Outside Services Employed: Please provide a detailed analysis of the individual expenses contained in this account for the years 2008 and 2009.

RESPONSE:

- a) The 12/31/09 balance of \$5,991 represents the following:

Unamortized debt expense	\$4,568.00
Rate Case Expenditures	<u>\$1,423.00</u>
Total:	\$5,991.00

- b) The increase in sampling mentioned with respect to account no. 642 was the result of the addition of the new source, being Well No. 5. There was more water to test. Hence, the cost of testing increased. In addition, there was a false positive on a radiological test. Even though the positive result was false, it required increased testing in order to confirm that it was a false positive. An attempt was made to blend the

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

water from Well No. 5 with existing sources and test the blended water, but that was not feasible.

c)	Customer Records	2008	2009
	C&C Water	4,900	9,800
	Other	21	120
	Total:	4,921	9,920

d)	Outside Services	2008	2009
	C&C Water - Monthly Management	25,276	40,200
	Officer's Compensation	3,360	4,032
	St. Cyr & Associates	5,427	4,819
	Wescott, Millham & Dyer	726	
	Jordan, Gfroerer & Weddleton		1,363
	Total:	34,789	50,414

LAKELAND MANAGEMENT COMPANY, INC.

DOCKET NO. DW 10-306

STAFF DATA REQUESTS, SET 1

Date Request Received: 06/29/11

Date of Response: 07/15/11

Witness: Stephen P. St. Cyr

Staff 1-37

REQUEST:

Re: Item 16 — Management Fees and Expenses:

- a) Please provide copies of all affiliate agreements with C & C Water Services.
- b) If the Company is not able to respond to (a), please sufficiently detail all contractual arrangements with C & C Water Services.

RESPONSE:

- a) Attached is the agreement between Lakeland and C&C Water Services in force during the entirety of 2009 test year and the agreement in force starting with January 2010..
- b) Not applicable.

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party. To enable Operator to discharge its duties and responsibilities required by this Agreement, the following limited authority is granted to Operator:

1. **Access to System**
Operator shall have full time, unhindered access to all elements of the Lakeland Management Company water system including pump stations, wells, electrical wiring, signal and control equipment and all land owned by Owner. Owner grants to Operator the right to use, in the course of Operator's performance under this contract, all of the parts and components comprising the central water supply system now installed and located within the subdivision, whether considered real property, personal property or mixed property. Included within this grant, without limiting the generality of the foregoing, are rights to use all wells, pipes, mains, pumps, tanks, structures, buildings, valves, easements, connections, meters, gates, service hydrants, standpipes, maps, plans, data and other written information relative to the location, size and character of pipes and shafts, connections and services. Also included within this grant are such rights as Owner may have in all easements, covenants, restrictions, agreements and rights-of-way directly or indirectly affecting the central water supply system, including but not necessarily limited to all of those easements and rights-of-way presently owned by Owner for the installation and maintenance of water mains, wells, or drainage facilities, whether located on land of Owner or land of various lot owners, and further including all easements reserved in or to Owner to enter upon any premises to construct, operate and maintain improvements, of any kind whatever, whether above or below the ground.

2. **Compliance Administration**
Operator shall have authority to maintain responsive contact with all agencies having regulatory jurisdiction over the operation of the water system and related buildings, equipment, water treatment and piping. In the exercise of this authority, Operator shall represent the interests of Owner and shall respond to all regulatory notices of noncompliance and shall forward copies of all correspondence, memoranda or notes to Owner's representatives in a timely manner. No authority is extended to Operator to commit regulatory compliance measures on behalf of Owner beyond the financial limits of this Agreement, without the prior approval of Owner.

3. **Treatment Authority**
Operator may apply such water treatment techniques and materials as are permitted under the applicable regulatory authority. The determination of the need type and extent of treatment shall be in the sole authority of Operator and shall be subject only to superior state and local authority.

- E. **Assignment**
In the event that Owner dissolves pursuant to state law, Operator agrees to fulfill the terms of this Agreement to any successor for the entire contract period remaining at the time of dissolution, provided that said successor fulfill all of Owner's obligations hereunder. This provision shall not be interpreted as a prohibition against Operator's use of subcontractors during the normal course of operations.

If Operator shall use subcontractor(s) to accomplish any of the purposes or responsibilities under this Agreement, Operator shall directly supervise the subcontractor(s) and shall be fully responsible for all activities of such subcontractor(s).

H. Subcontractors

Operator shall maintain in full and continuous force, workman's compensation insurance for all persons in his direct employ in an amount equal to the maximum statutory limit provided for by law and shall not employ subcontractors in the performance of his duties under this Agreement unless said subcontractors provide the same workman's compensation insurance as Operator. Failure to establish or to keep in force workman's compensation insurance as specified herein, shall constitute cause for termination of Operator.

2. Workman's Compensation Insurance

Operator shall furnish proof of personal injury (including death) and property damage liability insurance coverage of One Million (\$1,000,000.00) Dollars in the aggregate and not less than Five Hundred Thousand (\$500,000.00) Dollars per occurrence. Said liability insurance coverage shall commence on the effective date of this Agreement and shall be maintained continuously by Operator until the termination date of this Agreement. Failure to establish or to keep in force liability insurance as specified herein shall constitute cause for termination of Operator. Any subcontractor employed shall provide a current Certificate of Insurance to Operator.

1. Liability Insurance

G. Insurance

Either party may terminate all provisions of this Agreement by giving a Notice of Termination in writing to the other party. In such an event, a full termination of this Agreement shall occur within sixty (60) days of the receipt of such notice by the party served. Between the receipt of a Notice of Termination and the expiration of the sixty (60) day period, both parties shall be bound by all provisions of this Agreement.

2. One Party Notice

All provisions of this Agreement shall become null and void in the event the parties mutually agree in writing to terminate this Agreement, setting forth the agreement and the effective date of such termination. Likewise, the parties may modify this Agreement in part or in its entirety by mutual and simultaneous written agreement at any time.

1. Mutual Agreement

F. Termination

II. SCOPE OF SERVICES

A. Maintenance and Repair

1. **Buildings & Grounds**
Operator shall monitor the condition of the operations structures. Operator will keep buildings clean, secure, weather tight and free from insects and rodents. All supplies, materials, and parts required for work shall be charged to Owner in accordance with this Agreement. Snow removal from roads, sidewalks, and around buildings, and mowing of grounds around the facility shall be provided by Owner. Owner shall maintain access at all times.

2. **Systems**
 - a. **Routine & Preventative Maintenance**
Operator shall provide all labor for the routine and preventative maintenance of the entire system of Owner, including but not limited to: pumping and boosting equipment, piping, valves, controls, wiring, and monitoring equipment. The labor to remove and reinstall original or same as original equipment for repair is expressly included in this section excepting contractors and machinery necessary for lifting, removal of the well pumps and maintenance on the wells. "Repair" means all labor and materials to restore failed or defective equipment, piping, structures and grounds to operating condition. Repair work authorized by Owner shall be compensated by Owner under the provisions of this Agreement.

1. **Water Storage Tanks**
Operator shall not be responsible for maintenance of the interior of water storage tanks, but shall flush tank bottoms on a regular basis, if applicable.

2. **Manholes**
Operator will perform annual inspections of manholes per year.

- b. **Scheduled Maintenance**
Operator shall regularly inspect all equipment which requires scheduled maintenance service and shall perform all work necessary in accordance with standard practice.

1. **Mapping & Tie Points**
Operator will continually, as an ongoing procedure, develop a complete set of tie points for all gate, manhole and curb boxes and update master map accordingly.

2. **Flushing**
Operator shall perform one system flushing per year.

Contract Between LMC & C&C Water Services Inc

3. **Treatment**
Operator shall keep accurate records of all water treatment applied to the system identifying the date, time, location of each treatment together with a description and the amount of all materials used.
4. **Manual**
Operator will continually collect all manuals and information pertaining to physical aspects of the system and keep a portable notebook of such information as reference material.
- c. **Inspections**
Operator shall make scheduled inspections and record them in accordance with standard practices. Operator will also check water sewer pumping stations approximately five times per week to get meter readings and to check chemicals..
3. **Sampling**
Operator shall collect all samples necessary and have them analyzed as required by the New Hampshire Department of Environmental Services (NHDES). The cost of the tests shall be the responsibility of Owner. Public notification as may be required will be provided by Operator. Cost of delivery of said notices shall be the responsibility of Owner. Noncompliance samples are to be taken when Operator deems necessary. Ex: bacteria, arsenic or corrosion control samples.
4. **Reports**
Operator will make reports and communicate with the State of NH, DES or other Authorities as required provide scheduled reports to Owner, and attend scheduled meetings with Owner and the Public. This will include producing the consumer confidence report and distributing it through the billing system.
5. **Meters**
 - a. **Reading**
Operator will read all meters quarterly and at times of change of occupancy, using whatever system is required by Owner. Three attempts will be made to record meter readings at each location, if necessary.
 - b. **Repairs**
Operator will replace all defective meters and ensure their proper repair. The cost of the repair to the meter and replacement meters shall be the responsibility of Owner.
 6. **Storage**
Operator will provide storage area to water system for spare parts, tools, and meters.

B. Emergency

1. Definition

Emergency, as used in this section, shall mean any or a combination of the following:

- a. Visible evidence of a break in underground piping including but not limited to all primary, secondary and lateral service connections.
- b. Any condition which disables or threatens to disable the operability of a pump station.
- c. Any condition which disables or threatens to disable the operability of any stem well(s).
- d. Interruption of electrical power to any or all pump house(s).
- e. Any condition which results in water pressure of less than 15 psi sustained for a period of thirty (30) minutes or more in any one zone or in a combination of zones of the distribution system as experienced at the service end.
- f. Any sewer overflow and high level at pumping station.

2. Scope of Emergency Response

Whenever an emergency condition is established as defined in this section, Operator shall immediately respond as follows:

- a. Assess by himself or by his agent the nature and extent of the emergency.
- b. Initiate a plan of action which includes an estimate of labor, equipment and materials necessary to respond to the emergency.
- c. Notify Owner for emergency operations. If Owner is not available, then Operator shall proceed to mitigate the emergency.
- d. Perform all work including labor, equipment and materials to arrest any damage to the system, stabilize defect(s) sufficiently to restore water service and to restore safe, serviceable conditions at the emergency site and to repair any damages that are related to the incident. This is all at Owner's expense.
- e. Operator shall be responsible to follow up any emergency operation with such quality testing and/or monitoring as required by law and is recommended by standard practice.

C. Enhancements & Improvements

All enhancements & improvements that are necessary to the water system will be the responsibility of Owner. Enhancements & improvements that come up during the course of the year shall be mutually agreed upon by Owner and Operator.

Contract Between LMC & C&C Water Services Inc

7

SCHEDULE OF RATES

The monthly amount for this contract is \$3798
 The hourly rate for a licensed water operator is \$56.00
 The hourly rate for a mechanic is \$46.00
 The quarterly rate for billing services is \$2450.00
 The hourly rate for backhoe or other equipment as per market rates and will be discussed with
 Owner.
 Parts and materials: 5% over cost

Date: _____

For Operator:

Wade Crawshaw, President

C&C Water Services, Inc.

P.O. Box 7394

Gilford, NH 03247

Date: _____

For Owner:

Wade Crawshaw, President

Lakeland Management Company Inc.

P.O. Box 7394

Gilford NH 03247

Contract Between LMC & C&C Water Services Inc

1

Operator shall be at all times an independent contractor. Owner shall not be responsible to any employee, materials provider or subcontractor of Operator for the payment of any wages, fees, taxes, workman's compensation insurance or any other form of remuneration which would create an employer-employee relationship between Owner and any other

D. Authority of Operator

Domestic & Industrial Pump Installer, License # 1732

Distribution III, License # 581
Treatment III, License # 581
C. Qualifications of Operator (Licensed)

All payments by Owner shall be made pursuant to bill(s) submitted by the Operator to Owner in writing and shall describe in detail the work performed and shall reference the corresponding provisions of the Schedule of Rates. No payment for labor, materials or equipment pursuant to this Agreement will be made except as provided for in this contract. Operator shall be paid a penalty of 2% for payments received in excess of 30 days from the date a bill for services is delivered to Owner pursuant to this Agreement.

B. Compensation

All provisions of this Agreement shall commence in full force January 1, 2010 at 12:00 noon and said provisions shall terminate on December 31, 2011 at 12:00 noon.

A. Duration

I. TERMS

AGREEMENT is made this 31st day of December, 2009 between C&C Water Services, Inc. (hereinafter "Operator") and Lakeland Management Company (hereinafter "Owner") as follows:

WHEREAS, C&C Water Services, Inc. is a privately owned corporation incorporated under the laws of the State of New Hampshire for the purpose of operating water systems;

WHEREAS, Lakeland Management Company is a New Hampshire Corporation under the rules and regulations of the Public Utilities Commission and the New Hampshire Department of Environmental Services for the purpose of providing and maintaining a domestic water system centrally distributed to all properties within the Belmont side of Briarcrest Estates, Granite Ridge Condominiums, The Orchard at Plummer Hill, Orchard Hill II, Maple Hill Acres boundaries including 4 commercial buildings near Route 106 and;

AGREEMENT

C&C Water Services, Inc.
Town of Gifford
State of New Hampshire



Lakeland Mgmt. Co., Inc.
Town of Belmont
State of New Hampshire

In the event that Owner dissolves pursuant to state law, Operator agrees to fulfill the terms of this Agreement to any successor for the entire contract period remaining at the time of dissolution, provided that said successor fulfill all of Owner's obligations hereunder. This

E. Assignment

Operator may apply such water treatment techniques and materials as are permitted under the applicable regulatory authority. The determination of the need type and extent of treatment shall be in the sole authority of Operator and shall be subject only to superior state and local authority.

3. Treatment Authority

Operator shall have authority to maintain responsive contact with all agencies having regulatory jurisdiction over the operation of the water & sewer systems and related buildings, equipment, water treatment and piping. In the exercise of this authority, Operator shall represent the interests of Owner and shall respond to all regulatory notices of noncompliance and shall forward copies of all correspondence, memoranda or notes to Owner's representatives in a timely manner. No authority is extended to Operator to commit regulatory compliance measures on behalf of Owner beyond the financial limits of this Agreement, without the prior approval of Owner.

2. Compliance Administration

Operator shall have full time, unhindered access to all elements of the Lakeland Management Company water & sewer systems including pump stations, wells, electrical wiring, signal and control equipment and all land owned by Owner. Owner grants to Operator the right to use, in the course of Operator's performance under this contract, all of the parts and components comprising the central water supply system now installed and located within the subdivision, whether considered real property, personal property or mixed property. Included within this grant, without limiting the generality of the foregoing, are rights to use all wells, pipes, pumps, tanks, structures, buildings, valves, easements, connections, meters, gates, service hydrants, standpipes, maps, plans, data and other written information relative to the location, size and character of pipes and shafts, connections and services. Also included within this grant are such rights as Owner may have in all easements, covenants, restrictions, agreements and rights-of-way directly or indirectly affecting the central water supply system, including but not necessarily limited to all of those easements and rights-of-way presently owned by Owner for the installation and maintenance of water mains, wells, or drainage facilities, whether located on land of Owner or land of various lot owners, and further including all easements reserved in or to Owner to enter upon any premises to construct, operate and maintain improvements, of any kind whatever, whether above or below the ground.

1. Access to System

To enable Operator to discharge its duties and responsibilities required by this Agreement, the following limited authority is granted to Operator:

provision shall not be interpreted as a prohibition against Operator's use of subcontractors during the normal course of operations.

F. Termination

1. Mutual Agreement

All provisions of this Agreement shall become null and void in the event the parties mutually agree in writing to terminate this Agreement, setting forth the agreement and the effective date of such termination. Likewise, the parties may modify this Agreement in part or in its entirety by mutual and simultaneous written agreement at any time.

2. One Party Notice

Either party may terminate all provisions of this Agreement by giving a Notice of Termination in writing to the other party. In such an event, a full termination of this Agreement shall occur within sixty (60) days of the receipt of such notice by the party served. Between the receipt of a Notice of Termination and the expiration of the sixty (60) day period, both parties shall be bound by all provisions of this Agreement.

G. Insurance

1. Liability Insurance

Operator shall furnish proof of personal injury (including death) and property damage liability insurance coverage of One Million (\$1,000,000.00) Dollars in the aggregate and not less than Five Hundred Thousand (\$500,000.00) Dollars per occurrence. Said liability insurance coverage shall commence on the effective date of this Agreement and shall be maintained continuously by Operator until the termination date of this Agreement. Failure to establish or to keep in force liability insurance as specified herein shall constitute cause for termination of Operator. Any subcontractor employed shall provide a current Certificate of Insurance to Operator.

2.

Workman's Compensation Insurance

Operator shall maintain in full and continuous force, workman's compensation insurance for all persons in his direct employ in an amount equal to the maximum statutory limit provided for by law and shall not employ subcontractors in the performance of his duties under this Agreement unless said subcontractors provide the same workman's compensation insurance as Operator. Failure to establish or to keep in force workman's compensation insurance as specified herein, shall constitute cause for termination of Operator.

H. Subcontractors

If Operator shall use subcontractor(s) to accomplish any of the purposes or responsibilities under this Agreement, Operator shall directly supervise the subcontractor(s) and shall be fully responsible for all activities of such subcontractor(s).

II. SCOPE OF SERVICES

A. Maintenance and Repair

1. **Buildings & Grounds**
Operator shall monitor the condition of the operations structures. Operator will keep buildings clean, secure, weather tight and free from insects and rodents. All supplies, materials, and parts required for work shall be charged to Owner in accordance with this Agreement. Snow removal from roads, sidewalks, and around buildings, and moving of grounds around the facility shall be provided by Owner. Owner shall maintain access at all times.

2. Systems

- a. **Routine & Preventative Maintenance**
Operator shall provide all labor for the routine and preventative maintenance of the entire system of Owner, including but not limited to: pumping and boosting equipment, piping, valves, controls, wiring, and monitoring equipment. The labor to remove and reinstall original or same as original equipment for repair is expressly included in this section excepting contractors and machinery necessary for lifting, removal of the well pumps and maintenance on the wells. "Repair" means all labor and materials to restore failed or defective equipment, piping, structures and grounds to operating condition. Repair work authorized by Owner shall be compensated by Owner under the provisions of this Agreement.

1. Water Storage Tanks

Operator shall not be responsible for maintenance of the interior of water storage tanks, but shall flush tank bottoms on a regular basis, if applicable.

2. Manholes

Operator will perform annual inspections of manholes per year.

b. Scheduled Maintenance

Operator shall regularly inspect all equipment which requires scheduled maintenance service and shall perform all work necessary in accordance with standard practice.

1. Mapping & Tie Points

Operator will continually, as an ongoing procedure, develop a complete set of tie points for all gate, manhole and curb boxes and update master map accordingly.

2. Flushing

Operator shall perform one system flushing per year.

3. Treatment

Operator shall keep accurate records of all water treatment applied to the system identifying the date, time, location of each treatment together with a description and the amount of all materials used.

4. Manual

Operator will continually collect all manuals and information pertaining to physical aspects of the system and keep a portable notebook of such information as reference material..

c. Inspections

Operator shall make scheduled inspections and record them in accordance with standard practices. Operator will also check water sewer pumping stations approximately five times per week to get meter readings and to check chemicals..

3. Sampling

Operator shall collect all samples necessary and have them analyzed as required by the New Hampshire Department of Environmental Services (NHDES). The cost of the tests shall be the responsibility of Owner. Public notification as may be required will be provided by Operator. Cost of delivery of said notices shall be the responsibility of Owner. Noncompliance samples are to be taken when Operator deems necessary. Ex: bacteria, arsenic or corrosion control samples.

4. Reports

Operator will make reports and communicate with the State of NH, DES or other Authorities as required provide scheduled reports to Owner, and attend scheduled meetings with Owner and the Public. This will include producing the consumer confidence report and distributing it through the billing system.

5. Meters

a. Reading

Operator will prepare quarterly meter cards; 7 readings are obtained by the Operator, 152 are mailed to users. Operator will receive completed cards at the Belmont Post Office, record readings in computer, make estimates for missing cards, produce bills, package and mail bills. Operator will process payments and maintain bookkeeping records on customer accounts.

b. Repairs

Operator will replace all defective meters and ensure their proper repair. The cost of the repair to the meter and replacement meters shall be the responsibility of Owner.

6. Storage

Operator will provide storage area to water system for spare parts, tools, and meters.

B. Emergency

1. Definition

Emergency, as used in this section, shall mean any or a combination of the following:

- a. Visible evidence of a break in underground piping including but not limited to all primary, secondary and lateral service connections.
- b. Any condition which disables or threatens to disable the operability of a pump station.
- c. Any condition which disables or threatens to disable the operability of any stem well(s).
- d. Interruption of electrical power to any or all pump house(s).
- e. Any condition which results in water pressure of less than 15 psi sustained for a period of thirty (30) minutes or more in any one zone or in a combination of zones of the distribution system as experienced at the service end.
- f. Any sewer overflow and high level at pumping station.

2. Scope of Emergency Response

Whenever an emergency condition is established as defined in this section, Operator shall immediately respond as follows:

- a. Assess by himself or by his agent the nature and extent of the emergency.
- b. Initiate a plan of action which includes an estimate of labor, equipment and materials necessary to respond to the emergency.
- c. Notify Owner for emergency operations. If Owner is not available, then Operator shall proceed to mitigate the emergency.
- d. Perform all work including labor, equipment and materials to arrest any damage to the system, stabilize defect(s) sufficiently to restore water service and to restore safe, serviceable conditions at the emergency site and to repair any damages that are related to the incident. This is all at Owner's expense.
- e. Operator shall be responsible to follow up any emergency operation with such quality testing and/or monitoring as required by law and is recommended by standard practice.

C. Enhancements & Improvements

All enhancements & improvements that are necessary to the water system will be the responsibility of Owner. Enhancements & improvements that come up during the course of the year shall be mutually agreed upon by Owner and Operator.

SCHEDULE OF RATES

The monthly amount for this contract is \$3798
The hourly rate for a licensed water operator is \$60.00
The hourly rate for a mechanic is \$50.00
The quarterly rate for billing services is \$2450.00
The hourly rate for backhoe or other equipment as per market rates and will be discussed with Owner.
Parts and materials: 5% over cost

Date: 12-31-9

For Operator: *Wade Crawshaw*

Wade Crawshaw, President
C&C Water Services, Inc.

Address: P.O.Box 7394
Gilford, NH 03247

Date: 12-31-9

For Owner: *Wade Crawshaw*

Wade Crawshaw, President
Lakeland Management Company Inc.

Address: P.O. Box 7394
Gilford NH 03247