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VIA OVERNIGHT MAIL

July 18, 2007

Honorable Jaclyn A. Brilling  
Secretary NYS Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

**RE: Case 07-W-0923 – Transfer of Water Supply Assets to Hopewell 376 Water, LLC**

Dear Secretary Brilling:

On behalf of Hopewell 376 Water, LLC, please find enclosed the following documents:

- Articles of Incorporation for Hopewell 376 Water, LLC;
- Blanket Utility Easement Agreement for Public Water Supply access; and
- 26<sup>th</sup> Amendment to Purchase and Sale Agreement.

We trust this satisfies the final reporting requirements of the June 12, 2008 Order Approving Petition of the transfer of Water Supply Assets to Hopewell 376 Water, LLC. Should you have any questions or concerns please contact me at 315.475.3700, extension 24.

Best regards,

SYNAPSE RISK MANAGEMENT, LLC



Brian H. Macrae  
Partner

Enclosures

cc: Robert V. Tiburzi, Jr., Hopewell 376 Water, LLC  
Janet DeVeccio, PSC

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***STATE OF NEW YORK***

***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the  
Department of State, at the City of Albany, on  
July 11, 2008.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

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NCR-26

New York  
Department of State  
Division of Corporations, State Records  
and Uniform Commercial Code  
41 State Street  
Albany, NY 12231  
www.dos.state.ny.us

ARTICLES OF ORGANIZATION

OF

HOPWELL 376 WATER, LLC

Under Section 203 of the Limited Liability Company Law

- FIRST: The name of the limited liability company is Hopewell 376 Water, LLC.
- SECOND: The county within this state in which the office of the limited liability company is to be located is Westchester.
- THIRD: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The address within or without the state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is Hopewell 376 Water, LLC, One West Red Oak Lane, White Plains, NY 10601.

IN WITNESS WHEREOF, these articles have been subscribed this 21<sup>st</sup> day of May, 2007, by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

  
Luna Droubi, Organizer

NCR-26

070522000 006

ARTICLES OF ORGANIZATION

OF

HOPEWELL 376 WATER, LLC

Under Section 203 of the Limited Liability Company Law

Filed by:

Luna Droubi  
Thacher Proffitt & Wood LLP  
Two World Financial Center  
New York, NY 10281

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STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED MAY 22 2007

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**HOPEWELL 376 WATER, LLC  
BLANKET UTILITY EASEMENT AGREEMENT**

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**HP COOLIDGE 376, LLC**

to

**HOPEWELL 376 WATER, LLC**

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**BLANKET UTILITY EASEMENT AGREEMENT**

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Dated: April \_\_, 2008

Property Location: 228 Route 376  
East Fishkill  
New York

County: Dutchess

RECORD AND RETURN TO:  
Thacher Proffitt & Wood LLP  
50 Main Street, 16<sup>th</sup> Floor  
White Plains, New York 10606  
Attention: Gregory P. Murphy, Esq.  
File No.: 17800-00419

## BLANKET UTILITY EASEMENT AGREEMENT

For and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid, and other good and valuable considerations, the undersigned, **HP COOLIDGE 376, LLC**, a Delaware limited liability company having an address at One West Red Oak Lane, White Plains, New York 10604, (the "**Grantor**"), does hereby sell, convey, and warrant to **HOPEWELL 376 WATER, LLC**, a Delaware limited liability company having an address at One West Red Oak Lane, White Plains, New York 10604 (the "**Grantee**"), a permanent utility easement and right-of-way with the right to use, operate, inspect, repair, maintain, replace, alter and rework water lines, water pipe lines, water facilities, manholes, pump stations, wellheads or other appurtenances thereunto required, over, across and/or under a certain parcel of real property lying and being situated in Orange County, New York, a more accurate description of said property being attached hereto and made a part hereof as though fully copied herein in words and figures and marked **EXHIBIT "A"** (the "**Premises**").

It is understood and agreed that this Agreement shall give and convey to the Grantee herein the right of ingress and egress upon the lands above described and the improvements thereon for the purpose of operating, maintaining and repairing the above described water system utility improvements (the "**Utility Improvements**") and to facilitate Grantee's ability to operate as a viable stand-alone water company and the protection of the wellheads.

It is further understood and agreed that the consideration above mentioned shall be in full settlement of all claims, grants or rights of action accrued, accruing or to accrue to the Grantor herein.

Grantee shall indemnify and hold Grantor harmless from and against any and all claims, actions, suits, judgments, damages, liability and expense, including reasonable attorney's fees, in connection with loss of life, personal injury and/or damage to the Premises arising from or out of the rights granted hereunder or any occurrence occasioned in whole or in part by any act or omission of Grantee, its agents, contractors, employees, servants or licensees.

During periods of operation, maintenance or repair, Grantee shall obtain and maintain at all times general liability insurance insuring against claims on account of death, bodily injury, or property damage that may arise from or be occasioned by the condition, use or occupancy of the Premises by Grantee, its agents, contractors, employees, servants or licensees. Such insurance shall with respect to the Premises name Grantor and its successors and/or assigns as additional insureds thereunder. Such insurance shall provide that the insurance may not be cancelled without at least ten (10) days prior written notice given by the insurer to Grantor.

Grantee shall, at all times during the term of this Agreement, maintain the Utility Improvements in first class condition and good working order, and promptly make repairs and replacements as required to do so, at Grantee's sole cost and expense. All work performed shall (i) be performed in a first-class manner by licensed contractors and with all required approvals, licenses, permits and certificates; and (ii) be performed during regular business hours unless

otherwise agreed to by the parties. Grantee will promptly restore the Premises to its original condition upon completion of repairs pursuant to its obligations hereunder.

If Grantee shall default in its obligations under this Agreement, then Grantor shall, in addition to all other remedies it may have at law or in equity, after ten (10) days prior written notice to Grantee (except in the event of an emergency), have the right to perform such obligations on behalf of Grantee for the cost thereof, together with interest thereon at the rate of ten (10%) percent plus reasonable collection fees. In the event of a breach or attempted or threatened breach of this Agreement, the non-breaching party shall be entitled to obtain an injunction and specifically enforce the performance of such obligation.

Grantor herein reserves all oil, gas, and other minerals in, on, and under the Premises.

It is further understood and agreed that this Agreement constitutes the entire agreement between the Grantor and the Grantee, there being no oral agreements or representations of any kind made between the Grantor and Grantee.

The grant and other provisions herein described shall constitute a covenant running with the land for the benefit of the Grantee, its successors and assigns.

**[NO FURTHER TEXT ON THIS PAGE]**

WITNESS THE SIGNATURE of the Grantor on this the \_\_\_\_ day of April, 2008.

**HP COOLIDGE 376, LLC**, a Delaware limited liability company

By: 

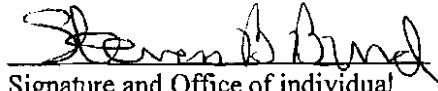
Name: Robert V. Tiburzi, Jr.

Title: Vice President

STATE OF NEW YORK                    )  
:  
COUNTY OF WESTCHESTER        )

ss.:

On the 17 day of April, in the year 2008, before me, the undersigned personally appeared **Robert V. Tiburzi, Jr.** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Signature and Office of individual  
taking acknowledgement

Steven B. Burd  
Notary Public, State of New York  
No. 41-4624332  
Qualified in Rockland County  
Commission Expires Jan 31, 2011

**HOPEWELL 376 WATER, LLC  
26<sup>TH</sup> AMENDMENT TO THE SALES AGREEMENT**

## TWENTY-SIXTH AMENDMENT TO SALES AGREEMENT

THIS TWENTY-SIXTH AMENDMENT TO SALES AGREEMENT (this "Amendment") is made as of July 13, 2007 among AR FUELS, INC., a New York corporation ("ARF"), HOPEWELL GARDENS APARTMENTS, LLC, a New York limited liability company ("HGA"), J.I.H. PROPERTIES LTD., a New York Corporation ("JIH"), HOPEWELL GARDENS, INC., a New York corporation ("HGI") (ARF, HGA, JIH and HGI shall be hereinafter collectively referred to as "Seller"), and COOLIDGE EQUITIES, LTD, an New York corporation ("Coolidge") and HOPEWELL 376 WATER, LLC, a New York limited liability company ("376 Water") (Coolidge and 376 Water shall be hereinafter collectively referred to as "Purchaser"), to the Sales Agreement dated September 21, 2006 (the "Purchase Agreement"), as amended by a First Amendment to Sales Agreement dated as of October 5, 2006 (the "First Amendment") as amended by a Second Amendment to Sales Agreement dated as of October 19, 2006 (the "Second Amendment"), as amended by a Third Amendment to Sales Agreement dated as of November 3, 2006 (the "Third Amendment"), as amended by a Fourth Amendment to Sales Agreement dated as of November 13, 2006 (the "Fourth Amendment"), as amended by a Fifth Amendment to Sales Agreement dated as of November 21, 2006 (the "Fifth Amendment"), as amended by a Sixth Amendment to Sales Agreement dated as of December 1, 2006 (the "Sixth Amendment"), as amended by a Seventh Amendment to Sales Agreement dated as of December 13, 2006 (the "Seventh Amendment"), as amended by an Eighth Amendment to Sales Agreement dated as of December 22, 2006 (the "Eighth Amendment"), as amended by an Ninth Amendment to Sales Agreement dated as of January 5, 2007 (the "Ninth Amendment"), as amended by an Tenth Amendment to Sales Agreement dated as of January 19, 2007 (the "Tenth Amendment"), as amended by an Eleventh Amendment to Sales Agreement dated as of January 24, 2007 (the "Eleventh Amendment"), as amended by an Twelfth Amendment to Sales Agreement dated as of February 2, 2007 (the "Twelfth Amendment"), as amended by an Thirteenth Amendment to Sales Agreement dated as of February 14, 2007 (the "Thirteenth Amendment"), as amended by an Fifteenth Amendment to Sales Agreement dated as of February 16, 2007 (the "Fourteenth Amendment"), as amended by an Fifteenth Amendment to Sales Agreement dated as of February 27, 2007 (the "Fifteenth Amendment"), as amended by an Sixteenth Amendment to Sales Agreement dated as of March 2, 2007 (the "Sixteenth Amendment"), as amended by an Seventeenth Amendment to Sales Agreement dated as of March 7, 2007 (the "Seventeenth Amendment"), as amended by an Eighteenth Amendment to Sales Agreement dated as of March 16, 2007 (the "Eighteenth Amendment"), as amended by a Nineteenth Amendment to Sales Agreement dated as of March 19, 2007 (the "Nineteenth Amendment"), and as amended by a Twentieth Amendment to Sales Agreement dated as of March 21, 2007 (the "Twentieth Amendment"), as amended by a Twenty-First Amendment to Sales Agreement dated as of March 22, 2007 (the "Twenty-First Amendment"), as amended by a Twenty-First Amendment to Sales Agreement dated as of March 26, 2007 (the "Twenty-Second Amendment"), as amended by a Twenty-Third Amendment to Sales Agreement dated as of March 26, 2007, as amended by a Twenty-Third Amendment to Sales Agreement dated as of March 28, 2007 (the "Twenty-Third Amendment"), as amended by a Twenty-Fourth Amendment to Sales Agreement dated as of March 29, 2007 (the "Twenty-Fourth Amendment"), and as amended by a Twenty-Fifth Amendment to Sales Agreement dated as of March 30, 2007 (the "Twenty-Fifth Amendment") (the Purchase Agreement as amended by the First Amendment, the Second Amendment, the

Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment, the Ninth Amendment, the Tenth Amendment, the Eleventh Amendment, the Twelfth Amendment, the Thirteenth Amendment, the Fourteenth Amendment, the Fifteenth Amendment, the Sixteenth Amendment, the Seventeenth Amendment, the Eighteenth Amendment, the Nineteenth Amendment, the Twentieth Amendment, the Twenty-First Amendment, the Twenty-Second Amendment, the Twenty-Third Amendment, the Twenty-Fourth Amendment, the Twenty-Fifth Amendment and this Amendment shall be referred to as the "**Contract**") in consideration of the mutual covenants set forth below. Terms used but not defined herein shall have the same meanings ascribed to such terms in the Contract.

1. Hopewell Water Treatment Plant.

- (a) HGI was a waterworks corporation formed pursuant to the State of New York Department of Conservation – Water Resources Commission approval dated September 5, 1963 to supply water to the Hopewell Gardens Apartments Complex, which was dissolved by proclamation of the New York Secretary of State in 1981.
- (b) HGA assumed the assets of HGI (which assets are more particularly described in Exhibit A annexed hereto (the "**HGI Waterworks Assets**")) and has continued to maintain water supply to HGI's original customer base (which customer base is more particularly described in Exhibit B annexed hereto (the "**HGI Customer Base**")).
- (c) HGA caused to be filed a Certificate of Incorporation of a new company named HGI with the Secretary of State of the State of New York on April 18, 2007 and thereafter returned the HGI Waterworks Assets to HGI.
- (d) HGI is recognized by the PSC as the holder of the license to operate the HGI Waterworks Assets and to maintain and provide water supply to the HGI Customer Base.
- (e) 376 Water is a New York limited liability company formed by Coolidge for the sole purpose of acquiring and operating the HGI Waterworks Assets for the HGI Customer Base.
- (f) HGA, HGI and 376 Water have filed or intend to file a joint petition to the PSC seeking the PSC's permission for the transfer of the HGI Waterworks Assets from HGI to 376 Water, a copy of which is annexed hereto as Exhibit C (the "**Petition**").
- (g) HGI hereby joins in the Contract as a Seller for the sole purpose of conveying any and all right, title and interest it may have in and to the HGI Waterworks Assets to 376 Water.
- (h) 376 Water hereby joins in the Contract as a Purchaser for the sole purpose of acquiring and operating the HGI Waterworks Assets for the HGI Customer Base. HGA, HGI and 376 Water hereby agree that effective

immediately upon the PSC's approval of the Petition, all of HGA's and HGI's right, title and interest in and to the HGI Waterworks Assets shall be automatically conveyed to 376 Water for \$1.00 free of all liens and/or encumbrances in accordance with and pursuant to the terms of the Petition. Each of HGA, HGI and 376 Water hereby agree that the provisions of this paragraph shall be self operative without the need for any further documentation, provided, however, that each of HGA, HGI and 376 Water shall execute any documentation reasonably required by any other party (including, without limitation, any party hereto, the PSC, the DEC and/or the DOH) to evidence or effectuate the said conveyance immediately upon request. Each of HGA and HGI hereby grants 376 Water an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to 376 Water in connection with the foregoing, at law and in equity.

2. Seller's Escrow. The parties agree that Schedule B as attached to the Twenty-Fifth Amendment is hereby deleted in its entirety and replaced with Exhibit D attached hereto and made a part hereof.

3. Post-Closing Adjustments. The parties agree to true-up all closing adjustments made at Closing for rent and to adjust for prepaid rent, medical insurance costs for employees of Seller to the extent such employees become employees of Purchaser, and service contracts within 30 days of Closing. In addition, Purchaser shall provide a \$1,400.00 credit to Seller to cover a portion of Seller's mortgage expense through July 13, 2007.

4. Ratification. The parties agree that, except as modified by this Amendment, the terms and provisions of the Contract remain in full force and effect.

5. Counterparts. This Amendment may be executed in several counterparts and will be deemed fully executed when each party has executed at least one counterpart and has transmitted same to the other parties hereto via telecopier or e-mail transmission.

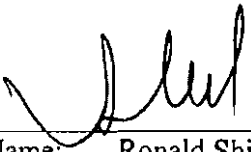
6. Effectiveness. This Amendment shall not be effective unless and until executed and delivered by each of the Seller and Purchaser (it being agreed that facsimile signatures shall be effective).

[SIGNATURE PAGE FOLLOWS]

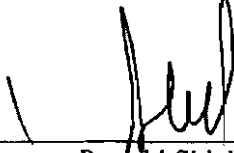
WHEREFORE, Seller and Purchaser have executed this Amendment as of the above written.

**SELLER:**

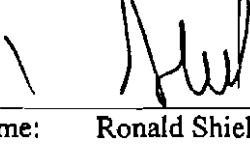
**AR FUELS, INC.**

By:   
Name: Ronald Shields  
Title: President

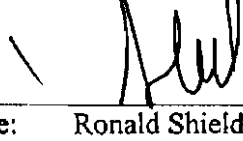
**HOPEWELL GARDENS APARTMENTS, LLC**

By:   
Name: Ronald Shields  
Title: Manager

**J.I.H. PROPERTIES LTD.**

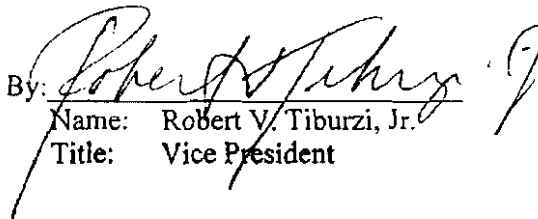
By:   
Name: Ronald Shields  
Title: President

**HOPEWELL GARDENS INC.**

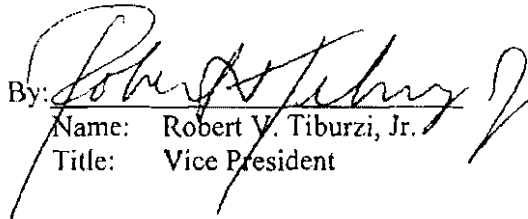
By:   
Name: Ronald Shields  
Title: President

**PURCHASER:**

**COOLIDGE EQUITIES LTD.**

By:   
Name: Robert V. Tiburzi, Jr.  
Title: Vice President

**HOPEWELL 376 WATER, INC.**

By:   
Name: Robert V. Tiburzi, Jr.  
Title: Vice President