

Carl A. Bertoch, P.A.
Attorney at Law

ORIGINAL
FILE COPY

537 EAST PARK AVENUE
POST OFFICE BOX 3108
TALLAHASSEE, FLORIDA 32315-3108
TELEPHONE (904) 222-2593
FAX (904) 224-2408

CARL A. BERTOCH
MEMBER FLORIDA AND OHIO BARS

OF COUNSEL
ROBERT L. UNDERWOOD, III
MEMBER D.C. BAR ONLY

January 16, 1996

941044-WS

Travis Coker
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

DELIVERED BY HAND

RE: Little Gasparilla Utility, Inc.(Seaside/Little
Gasparilla Utility, Inc.) Application for
Non-Profit Association Exemption

Dear Mr. Coker:

Enclosed is the Application for Exemption for the above referenced utility. As to any detail information on the utility system itself, we request that you refer to the filing for Seaside/Little Gasparilla Utility, Inc. and we incorporate that information herein by reference.

Thank you for your assistance.

Respectfully submitted,



Robert L. Underwood

DOCUMENT NUMBER-DATE
00569 JAN 17 1996
FPSC-RECORDS/REP

EXEMPTION 7
PAGE 1 OF 2

941044-WS

SECTION 367.022(7), FLORIDA STATUTES
RULE 25-30.060(3)(g), FLORIDA ADMINISTRATIVE CODEORIGINAL
FILE COPY

NAME OF SYSTEM: LITTLE GASPARILLA UTILITY, INC.

PHYSICAL ADDRESS OF SYSTEM: LITTLE GASPARILLA ISLAND
CHARLOTTE COUNTY, FLORIDA

MAILING ADDRESS (IF DIFFERENT): P.O. Box 5145
Grove City, Florida 34224

COUNTY: Charlotte

PRIMARY CONTACT PERSON:

NAME: Jack Boyer, President

ADDRESS: Palm Island
P.O. Box 5145, Grove City, Florida 34224

PHONE #: (941) 697-8141

NAME OF OWNER(S): Members

NATURE OF APPLICANT'S BUSINESS ORGANIZATION: (CORPORATION, PARTNERSHIP, SOLE PROPRIETOR, ETC.) Florida Not-For-Profit Corporation

I believe this system to be exempt from the regulation of the Florida Public Service Commission pursuant to Section 367.022(7), Florida Statutes, for the following reasons:

1. The corporation, association, or cooperative is nonprofit.
2. Service will be provided solely to members who own and control it.
3. The utility services provided are:
Water Yes (Yes or No) | Wastewater No (Yes or No)
For utility service not provided, state how handled:
4. The billing services will be provided by:
Company

EXEMPTION 7
PAGE 2 OF 2

APPLICATION FOR NONPROFIT ASSOCIATION EXEMPTION

5. The service territory is located at: _____
Little Gasparilla Island-see attached legal
6. Attached are the articles of incorporation as filed with the Secretary of State and bylaws which clearly show the requirements for membership, that the members' voting rights are one vote per unit of ownership and the circumstances under which control of the corporation passes to the non-developer members.

Control of the corporation must pass: 1) at 51 percent ownership by the non-developer members or 2) at some greater percentage delimited by a time period not to exceed 5 years from the date of incorporation.
7. Attached is proof of ownership of the utility facilities and the land upon which the facilities will be located or other proof of the applicant's right to continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost effective alternative.

I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in Section 775.082, S. 775.083, or S. 775.084.

1-15-96

(Date)



Applicant's Signature

John R. Beyer

Applicant's Name (Typed or Printed)

Bres.

Applicant's Title

SEE EXHIBIT A ATTACHED

When you finish filling out the application, the original and four copies of the application, Articles of Incorporation, Bylaws and proof of ownership should be mailed to:

Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0650

EXHIBIT A

LITTLE GASPARILLA UTILITY, INC

INFORMATION IN SUPPORT OF NON-PROFIT EXEMPTIONS

1. Name of system owner: Little Gasparilla Utility, Inc.
2. Physical address of system: Little Gasparilla Island, Charlotte County,
Florida
3. Mailing address: P.O. Box 5145, Grove City, Florida 34224
4. Name, address, & phone # of contact: Jack Boyer, President
941-699-8141
5. Nature of business(Corp. P'ship): Florida Not-For-Profit Corporation
6. Statement regarding ss 837.06: The applicant is aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083 or s. 775.084.
7. Statement business is non-profit: Florida Not-For-Profit
8. It provides service to members who own & control it: Yes, see By-Laws & Articles
9. What service is provided: Water utility system
10. Who does the billing: Little Gasparilla System, Inc.
11. Specify the service area: See Seaside/Little Gasparilla Utility, Inc. File
12. Submit Art. Of Inc. As files w/ Sec'y of State: Attached

13. **Submit By-Laws which shows: Attached**
 - a) requirements for membership: SubscriberS to service of the utility
 - b) voting rights are one vote per unit of ownership: Yes
 - c) how control goes from the corp. to non-developer members: Control immediately vested in members

14. **Control must pass:**
 - a) at 51% ownership by non-developer members, or
 - b) a percentage greater than 51% delimited by a time of 5 years from the date of incorporation.

See By-Laws

15. **Proof of ownership of utility facilities & land: Attached merger documents & see Seaside/Little Gasparilla Utility, Inc. file**

TERRITORY DESCRIPTION

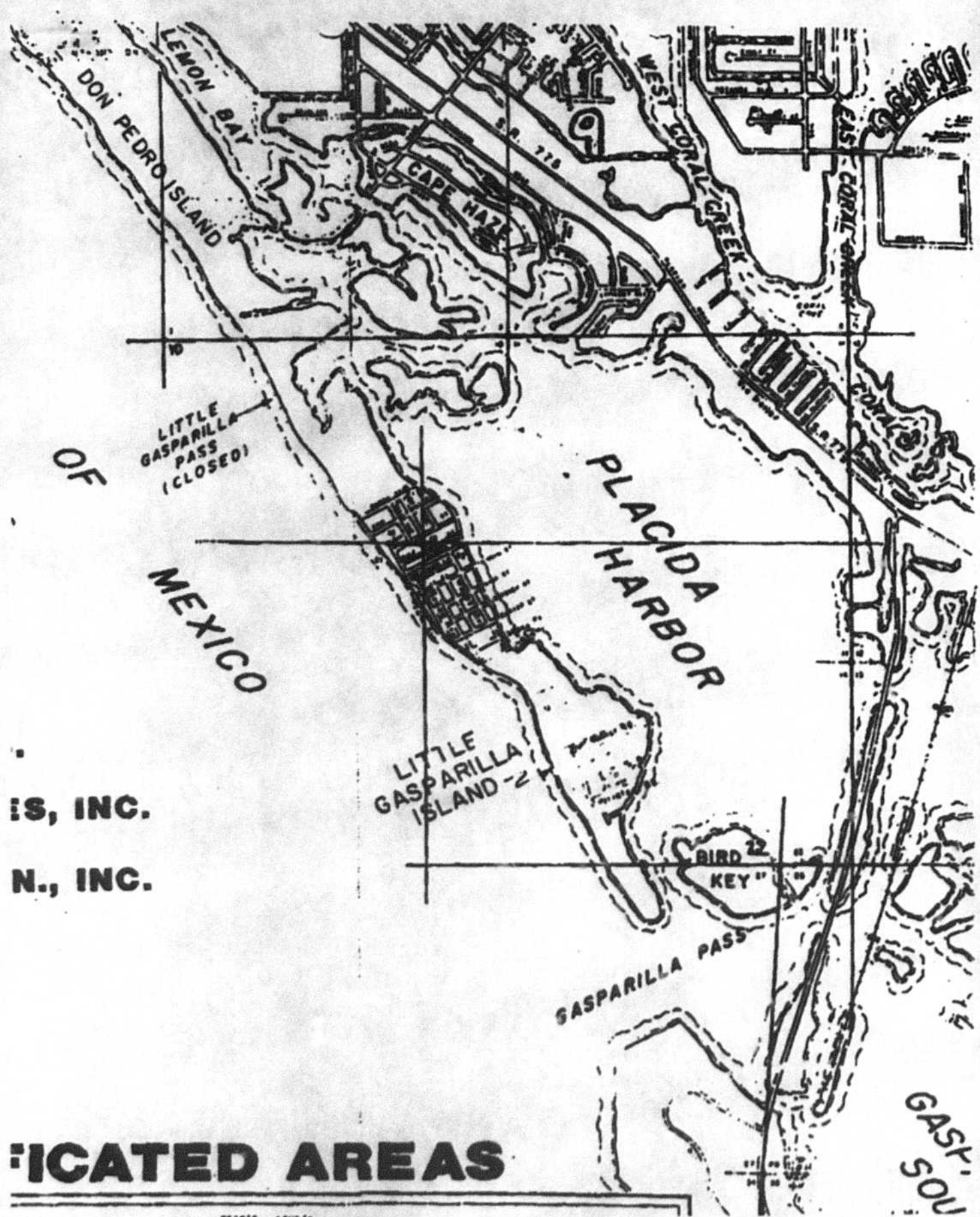
Seaside/Little Gasparilla Utility Inc.

Charlotte County, Florida

Township 42 South, Range 21 East

Including Little Gasparilla Island within:

Section 15, Section 16, Section 21, Section 22 and Section 27.



IS, INC.

N., INC.

LITTLE GASPARILLA UTILITY INC.

CERTIFICATION BY CORPORATE SECRETARY

I hereby certify that the attached By-Laws are all true and correct copies for Little Gasparilla Utility Inc., a Florida Not-for-Profit Corporation, and are still in full force and effect and have not been amended.

DATED: 1/12/96

[Signature]

Secretary

(Corporate Seal)

STATE OF FLORIDA)
SS
COUNTY OF CHARLOTTE)

The foregoing instrument was acknowledged before me this 12th day of January, 1996, by Robert L. Underwood, of Tallahassee, Florida, who is personally known to me ~~or who has produced~~ as identification and who did take an oath and executed the foregoing Certification on behalf of said Corporation.

My Commission Expires: 3-9-96

(Notary Seal)



Notary: [Signature]

Print Name: Era Lucille Fountain

Notary Public, State of Florida # CC179103

This instrument was prepared by: Robert L. Underwood, III
Carl A. Bertock, P.A.
537 East Park Avenue
Tallahassee, Florida 32301

BY-LAWS

OF

LITTLE GASPARILLA UTILITY, INC.

ARTICLE I

GENERAL PURPOSES

The purposes for which this Corporation is formed, and the powers which it may exercise are set forth in the Charter of the Corporation.

ARTICLE II

NAME AND LOCATION

SECTION 1: The name of this Corporation is Little Gasparilla Utility, Inc.

SECTION 2. The principal office of this Corporation shall be located in Little Gasparilla Island, Florida, but the Corporation may maintain offices and places of business at such other places within the State as the Board of Directors may determine.

ARTICLE III

SEAL

SECTION 1. The seal of the Corporation shall have inscribed thereon the name of the corporation and the year of its organization, and shall contain the words, "Corporation Not For Profit".

SECTION 2: The Secretary of the Corporation shall have custody of the seal.

SECTION 3: The seal may be used by causing it or a facsimile thereof to be impressed or reproduced or otherwise affixed to a document.

ARTICLE IV

FISCAL YEAR

The fiscal year of the Corporation shall begin the first day of January each year.

ARTICLE V

MEMBERSHIP

SECTION 1: The holders of membership certificates of this Corporation are its members. Any person having reasonable access to the sources of and who is in need of water, or other services operated by the Corporation and who receives the approval of the Board of Directors may be admitted to membership upon subscribing for or otherwise acquiring a membership certificate and by signing other such agreements for service as may be provided and required by the Corporation; provided that no person shall be entitled to service who is not a member, and no person otherwise eligible shall be permitted to subscribe for or acquire, a membership certificate of the Corporation if the capacity of the Corporation's water system is exhausted by the needs of its existing members. There shall be no membership fee as such, provided that the Corporation may charge initial connection and other fees upon the issuance or acquisition of each membership certificate.

SECTION 2: Each connection for the services rendered by the Corporation, or upon the signing of a contract for service hookups to be completed in the future, shall entitle the subscriber for such connection to one membership certificate for each service connection.

SECTION 3: At any meeting of the members of the Corporation, each member shall be entitled to one vote upon each matter submitted to a vote; provided the member is in good standing for all certificates held.

SECTION 4: In case of the death of a member, or if a member ceases to be eligible for membership, or any member willfully fails to comply with the By-Laws, or Rules and Regulations of the Corporation, the Board of Directors may terminate his membership by resolution of the Board. A transfer by a member of all membership certificates held by such member shall terminate such member's membership. Any member whose membership is terminated for cause, other than ceasing to be eligible, may appeal the action of the Board of Directors to the members at their next regular or special meeting. Thereafter such member shall be reinstated by the issuance of a new membership certificate only upon such conditions as the Board of Directors may deem necessary or appropriate. Termination of such membership shall result in a disconnection of water service to the member. Termination shall not result in forfeiture of a member's entitlement to any patronage refund resulting from status as a member pursuant to Article XII of these By-Laws. However, any such refund shall have deducted from it any debt or obligation owed the Corporation by the member.

ARTICLE VI

MEMBERSHIP CERTIFICATES

SECTION 1: This Corporation shall not have capital stock, but membership shall be represented by membership certificates.

SECTION 2: A membership certificate shall be a copy of the Application for Service that has been accepted by the Corporation and that shall have the following statements affixed thereto:

“Membership Certificate
In
Little Gasparilla Utility, Inc.

A not-for-profit corporation incorporated
under the laws of the State of Florida

This is to certify that _____ Address: _____
is a member of Little Gasparilla Utility, Inc. and is entitled to its services
at the foregoing address subject to the provisions of the Charter, by-laws,
and Rules and Regulations of the Corporation.

This membership certificate is issued and accepted in accordance with and
subject to the conditions and restrictions stipulated in the Charter, By-Laws
of the Corporation, and amendments to the same heretofore or hereafter made.

Transfers of membership certificates shall be made only upon the books
of the Corporation, only to persons eligible to become members, only

with the approval of the Board of Directors and only when the member transferring is free from indebtedness to the Corporation, all as more fully set forth in the Charter and By-Laws of the Corporation.

Each member of this Corporation shall be entitled to one vote at the meeting of the members. Every member upon becoming a member of this Corporation agrees to sign such agreement for the purchase of water from the Corporation.

Witness the seal of the Corporation and the signature of its duly authorized officers affixed this ____ day of _____, 19__.

Secretary

President

SECTION 3: All transfers of membership certificates shall be made upon the books of the Corporation upon surrender of the certificates covering the same by the holders thereof or by their legal representatives but only with the approval of the Board of Directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the Corporation.

SECTION 4: Each member agrees to sign such other Water Users r Service Agreements as the Corporation shall from time to time provide and require.

SECTION 5: Certificates not surrendered by members upon termination of membership in the Corporation shall be declared void by the Board of Directors, and upon adoption of such a resolution by the Board, the Secretary shall so note on the books of the Corporation and

thereafter such membership certificate shall be void. Lost certificates may be reissued upon direction and upon such conditions as the Board of Directors may determine.

ARTICLE VII

MEETINGS OF MEMBERS

SECTION 1: The annual meeting of the members of this Corporation shall be held at Little Gasparilla Island, Florida, on Thursday, the Third Week of August of each year, if not a legal holiday, or if a legal holiday, on the next business day following. The place and time of the annual meeting may be changed by the Board of Directors giving notice thereof to each member not less than ten days in advance thereof.

SECTION 2: Special meetings of the members may be called at any time by the action of the Board of Directors and such meeting must be called by the President whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the President or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted except such as is specified in the notice.

SECTION 3: Notice of any special meeting of members of the Corporation may be given by notice, not less than three nor more than thirty days prior to the meeting. Such a notice shall state the day and hour, place and purpose of the special meeting. No notice of the annual meeting shall be required.

SECTION 4: Each member shall have only one vote upon each matter submitted to a vote at a meeting of the members and the vote of each member shall be equal to that of every other member. Voting by proxy shall be permitted. The members present, in person or by proxy, shall constitute a quorum for the transaction of any business.

Section 5: Directors of this Corporation shall be elected at the annual meeting of the members. No cumulative voting shall be allowed.

SECTION 6: The order of business at the regular meetings and, so far as possible at all other meetings, shall be:

1. Calling to order and report of Secretary as to number.
2. Proof of notice of meeting, if required.
3. Reading and action on any unapproved minutes.
4. Reports of officers and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE VIII

DIRECTORS AND OFFICERS

SECTION 1: The business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors of this Corporation shall consist of five members except the initial Board shall be three. At each annual meeting, the members of the Corporation shall elect for a term of one year, the number of directors whose terms of office have expired. Except for the first Board of Directors that will serve until a Board is elected by the members no person shall be eligible to become or remain a Director of the Corporation who:

(a) is not a member of the Corporation;

(b) is a relative of a Director. "Relative" here shall mean an individual who is related to another Director as father, mother, son, daughter, brother, sister, uncle, aunt, first cousins,

nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother or half sister. Directors who are relatives, as defined herein, at the time this By-Law is enacted, shall be entitled to remain in office for the balance of the terms.

A person who is an officer, trustee, general partner or managing member of a legal entity that is a member shall be eligible to be a Director.

In the event two or more relatives are simultaneously elected to the Board, all relatives, with the exception of the individual receiving the largest number of votes shall be disqualified from the election and the seat vacated by the disqualification shall be awarded to the non-relative with the next largest number of votes.

SECTION 2: The Board of Directors shall meet within ten days after the annual election of Directors and shall elect a President and Vice-President from among themselves and a Secretary and a Treasurer, each of whom shall hold office until the next annual meeting and until election and qualification of his successor unless sooner removed by death, resignation or for cause.

SECTION 3: If the office of any Director becomes vacant by reason of death, resignation, retirement disqualification or otherwise, except by removal from office, a majority of the remaining directors, though less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next regular meeting of the members of the Corporation at which time the members shall elect a director for the unexpired term of terms, provided that in the call of such regular meeting, a notice of such election shall be given.

SECTION 4: A majority of the Board of Directors shall constitute a quorum at any meeting of the Board.

SECTION 5: Compensation of officers may be fixed at any regular or special meeting of the Board of Directors.

SECTION 6: Officers and directors may be removed from office for good cause in the following manner: Any member, officer or director may present charges against a director or officer by filing them in writing with the Secretary of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by ten percent of the members of the Corporation.

Such removal shall be voted on at the next regular or special meeting of the members present. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges five days prior to the meeting; the person or persons presenting such charges shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses and the person against whom the charges are made shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the Corporation. A vacancy in any office thus created shall be filled by the directors from among their number so constituted after the vacancy in the Board has been filled. A Director cannot miss more than 1/4 (25%) of total regular meetings unless due to special circumstances. Said director may be reinstated for good cause shown. If a director is absent four (4) or more regular board meetings in succession, he or she will be disqualified and will be automatically removed from office. In this case, the said director may or may not be reinstated by action of the Board of Directors.

SECTION 7: Every Director and Officer of the Company shall be indemnified by the Company to the full extent permitted by law against all expenses and liabilities, including attorney's fees reasonably incurred by or imposed upon him/her, in connection with any proceedings or any settlement thereof, regardless of whether the acts leading to such proceedings occurred before or after the date of adoption of this By-Law, to which he/she may be a party or in which he/she may become involved by reason or his/her being or having been a Director or Officer at the time such expenses are incurred, except in such cases where the Director or Officer

is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided, that all settlements must be approved by the Board of Directors as being in the best interests of the Corporation.

SECTION 8: No Director, Officer or employee of the Corporation to whom authority to employ, promote or advance individuals has been delegated, shall employ, promote, or advance, in or to a position in the Corporation, any individual who is a relative (as defined in Article VIII, Section 1, herein) of the Officer, Director or employee.

ARTICLE IX

DUTIES OF DIRECTORS

SECTION 1. The Board of Directors subject to restrictions of law, the Charter, or these By-Laws, shall exercise all of the powers of the corporation, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority (to be exercised by resolution duly adopted by the Board) in respect to the matters as herein after set forth:

A. To pass upon the qualifications of members, and to cause to be issued appropriate certificates of membership.

B. To select and appoint all officers, agents, or employees of the Corporation or remove such agents or employees of the Corporation for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, fix their compensation and pay for faithful services.

C. To borrow from any source, money, goods or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust, and trust agreements and to do every act and thing necessary to effectuate the same.

D. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed necessary, or convenient for the conduct of the business and affairs of the Corporation and the guidance and control of its officers and employees, and to prescribe penalties for the breach thereof.

E. To cause at least once each year, financial statements to be prepared for the Corporation by a certified public accountant. The report prepared by such accountant shall be submitted to the members of the Corporation at their annual meeting, together with a proposed budget for the ensuing year. Copies of such financial statements shall be submitted to any parties as may be required by other agreements.

F. To fix the charges, rates and connection fees, to be paid by each member for services rendered by the Corporation to him, the type of payment and the manner of collection, provided, however, that no rate shall be set for non-residential members that exceeds the residential rate by ten percent.

G. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the Corporation to give adequate bonds the cost thereof to be paid by the Corporation, and it shall be mandatory upon the directors to so require.

H. To select one or more banks or savings and loan associations, to act as depositories of the funds of the Corporation and to determine the manner of receiving, depositing and disbursing the funds of the Corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks or savings and loan associations and the person or persons signing such checks and the forms thereof at will, except that no bank or savings and loan association may be so designated unless such deposits are

protected by an agency of the United States of America, such as the Federal Deposit Insurance Corporation or similar agency.

I. To acquire, sell, merge the Corporation, or the utility systems operated by the Corporation, with another utility company or system that has facilities or operations within Charlotte County, Florida.

ARTICLE X

DUTIES OF OFFICERS

SECTION 1: Duties of President: The President shall preside over all meetings of the Corporation and the Board of Directors, call special meetings of the members and of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all memberships certificates and such other papers of the Corporation as he may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the Corporation. The President shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 2: Duties of the Vice-President: In the absence or disability of the President, the Vice-President shall perform the duties of the President, provided however, that in case of death, resignation or disability of the President, the Board of Directors may declare the office of President vacant and elect a successor.

SECTION 3: Duties of the Secretary: The Secretary shall keep a complete record of all meetings of the Corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the Corporation. He shall sign all membership

certificates with the President and such other papers pertaining to the Corporation as he may be authorized or directed to do so by the Board of Directors. He shall serve all notices required by law and by these By-Laws and shall make a full report of all matters and business pertaining to this office to the members at the annual meeting. He shall keep the corporate seal and membership certificates, records of the Corporation, complete and counter sign all certificates issued and affix said corporate seal to all papers requiring seal. He shall keep a proper memberships certificate record, showing the name of each member of the Corporation, address and date of issuance, surrender, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required of him by the Corporation or the Board of Directors. Upon the election of his successor, the Secretary shall turn over to him all books and other property belonging to the Corporation that he may have in his possession.

SECTION 4: Duties of the Treasurer: He shall perform such duties with respect to the finances of the Corporation as may be prescribed by the Board of Directors.

SECTION 5. Nothing herein shall prevent a person from holding more than one office in the Corporation.

ARTICLE XI

BENEFITS AND DUTIES OF MEMBERS

SECTION 1: The Corporation will install, maintain and operate a main distribution pipe line or lines from the source of water supply and service lines from the main distribution pipe line or lines to the property line of each member qualifying for water service from the Corporation for each membership certificate held by such member at which points, (designated as delivery points), meters shall be installed, owned and maintained by the Corporation. The cost of the service line from its main distribution line or lines, shall be paid by the Corporation.

While the member will pay a fee for setting the meter, the Corporation will retain title to the meter. The Corporation will also purchase and install a cut-off valve to be owned and maintained by the Corporation and to be installed on some portion of the service line owned by the Corporation. The Corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

SECTION 2: Each member shall be entitled to purchase from the Corporation, pursuant to such agreements as may from time to time be provided and required by the corporation, such water for domestic, commercial or other purposes as a member may desire, subject, however, to the provisions of the By-Laws, agreements entered into by the Corporation as to system useages, the irrigation rules of the utility and to such rules and regulations as may be prescribed by the Board of Directors. Each member shall be entitled to have delivered to him through a single service line for each memberships certificate only such water as may be necessary to supply the needs of such member, including his family or business requirements. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by a member.

SECTION 3: In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the Corporation may pro-rate the water available among the various members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering the use of water provided, however, that if at any time the total water supply be insufficient to meet all of the needs of all of the members, the Corporation must first satisfy all of the members for domestic purposes before supplying any water for irrigation purposes and must also satisfy all of the needs of all of the members for any water on the basis of no discrimination between non-residential and residential use.

SECTION 4: The Board of Directors shall be authorized to require each member to enter into a Water Users and/or Wastewater Service Agreement which shall embody the principles set forth in the foregoing sections of this article.

SECTION 5: The Corporation may install, buy, maintain, supervise and operate one or more utility plants within the Little Gasparilla Island Utility, Inc. franchise area in a lawful manner. Each member shall be entitled to purchase water service from the Corporation, pursuant to such agreements as may, from time to time, be provided and required by the Corporation; subject, however, to availability, proximity to utility facilities, the provisions of these By-Laws and such Rules and Regulations as may be prescribed by the Board of Directors.

ARTICLE XII

NOT-FOR-PROFIT CORPORATION

SECTION 1: The Corporation shall at all times be operated on a cooperative, not-for-profit, basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members.

SECTION 2: In the furnishing of water, and other services, the Corporation's operations shall be so conducted that all members will, through their patronage, furnish capital for the Corporation. In order to induce patronage and to assure that the corporation will operate on a not-for-profit basis, the corporation is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of water, or other services in excess of operating costs and expenses properly chargeable against the furnishing of such services. All such amounts in excess of operating costs and expenses (including reserves) at the moment of receipt by the Corporation are received with the understanding that they are furnished by the members as capital.

The Corporation is obligated to pay by credits to a capital account for each member, all such amounts in excess of operating costs and expenses. The books and records of the

Corporation shall be set up and kept in such a manner that, at the end of each fiscal year, the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Corporation shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his account; provided that individual notices of such amounts furnished by each member shall not be required if the Corporation notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Corporation corresponding amounts for capital. To the extent that no excess amounts exist, there is no obligation to maintain capital accounts.

SECTION 3. All amounts received by the Corporation from its operations on or prior to January 12, 1996, in excess of costs and expenses (including reserves) and not used to offset losses prior years shall be allocated equally to the members as of January 12, 1996, and any amount so allocated shall be credited to the capital accounts of such members.

SECTION 4. All other amounts received by the Corporation from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members, a herein provided.

SECTION 5: In the event of dissolution or liquidation of the Corporation, after all its outstanding indebtedness shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to members' accounts and the accounts of former members may be retired in full or in part. Any

such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Corporation being first retired.

SECTION 6: Capital credited to the account of each member shall be assignable only on the books of the Corporation pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such member's premises served by the Corporation unless the Board acting under policies of general application, shall determine otherwise.

SECTION 7: Notwithstanding any other provision of these By-Laws, the Board of Directors at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of the member's estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

SECTION 8: The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the By-Laws shall be called to the attention of each member of the Corporation by posting in a conspicuous place in the Corporation's office.

ARTICLE XIII
DISTRIBUTION OF SURPLUS FUNDS UPON DISSOLUTION

SECTION 1: Upon the corporation's dissolution, after (a) All debts and liabilities of the Corporation shall have been paid, and (b) All capital furnished through patronage shall have been retired as provided in these By-Laws, the remaining property and assets of the Corporation shall be distributed without priority among the members and former members in the proportion which the patronage of each member or former member from and after January 12, 1996, bears to the total patronage of all members and former members from and after such date, to the date of such dissolution; provided that before making such distribution, if any gain is realized upon dissolution from the sale of any appreciated asset, such gain shall be distributed to all persons who were members during the period the asset was owned by the Corporation in the proportion each such member's patronage bears to the total patronage of all members during such period.

ARTICLE XIV
AMENDMENTS TO BY-LAWS

SECTION 1: These By-Laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the Corporation, at which a quorum is present, or at any special meeting of the Corporation called for that purpose, notice of which was given in advance of such meeting. These By-Laws may also be amended or repealed at any meeting of the Board of Directors by the affirmative vote of not less than a majority of the Directors present at a meeting at which a quorum is present, provided notice of such meeting (unless waived by consent) containing a copy of the proposed amendment shall have been given to the Directors not less than five nor more than ninety days prior thereto; provided, however, that the Board of Directors shall not have the power to alter, amend, or repeal provisions of these By-Laws or adopt new By-Law provisions directly relating to the election of the Board of Directors. Any

By-Law provision adopted by the Board of Directors may be altered, amended or repealed and new provisions adopted by the members in the manner set forth above. The members may prescribe that any By-Law provisions adopted by them shall not be altered, amended or repealed by the Board of Directors.

**WAIVER OF NOTICE OF SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF
LITTLE GASPARILLA UTILITY, INC.**


The undersigned Directors of the Corporation, hereby agree and consent that a meeting of the Board of Directors of the Corporation be held on the date and time and at the place designated hereunder, and do hereby waive all notice whatsoever of such meeting and of any adjournment or adjournments thereof.

We do further agree and consent that any and all lawful business may be transacted at such meeting or at any adjournment or adjournments thereof as may be deemed advisable by the Directors present thereat. Any business transacted at such meeting or at any adjournment or adjournments thereof shall be valid and legal and of the same force and effect as if such meeting or adjournment meeting were held after notice.

Place of Meeting: Cape Haze, Florida
Date of Meeting: January 12, 1996
Time of Meeting: 12:00 noon
Purpose of Meeting: Adoption of By-Laws
Date: January 12, 1996



Director



Director

Director

**MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS
OF
LITTLE GASPARILLA UTILITY, INC.**

The special meeting of the directors of the above captioned corporation was held on the date, time and at the place set forth in the written waiver of notice signed by all the Directors, fixing such time and place, and prefixed to the minutes of this meeting.

The meeting was called to order by the President who stated that a quorum of Directors was present for the conduct of the business before the meeting. The Secretary thereupon presented and read the Waiver of Notice to the Meeting duly signed by the Directors, which was ordered to be made a part of the minutes of this meeting.

The President then stated that the Board of Directors had the power to adopt By-Laws pursuant to the power vested them in Article VIII of the Articles of Incorporation. A copy of the By-Laws was submitted to be made a part of the minutes.

Upon motion duly made, seconded and carried by the required majority, it was

RESOLVED, that the Board of Directors of the Corporation finds it in the best interest of the Corporation that the by-laws attached hereto as Exhibit "A" and made a part hereof, be adopted for the Corporation.

RESOLVED, that all actions by the Officers of this Corporation in regard to the above by-laws be and they hereby are ratified, approved and confirmed in all respects.

There being no further business, it was on motion duly made, seconded and carried, adjourned.



Director




Director

Director

Certification by Corporate Secretary

I hereby certify that the foregoing is the resolution passed by the Directors on the date shown, and I further certify that said resolution is still in full force and effect and has not been revoked.



DATED: 11/2/96



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

January 11, 1996

CARL A. BERTOCH, P.A.
537 E. PARK AVENUE
TALLAHASSEE, FL 32301

The Articles of Incorporation for LITTLE GASPARILLA UTILITY, INC. were filed on January 11, 1996 and assigned document number N96000000196. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Doris Brown, Document Specialist
New Filings Section

Letter Number: 196A00001450

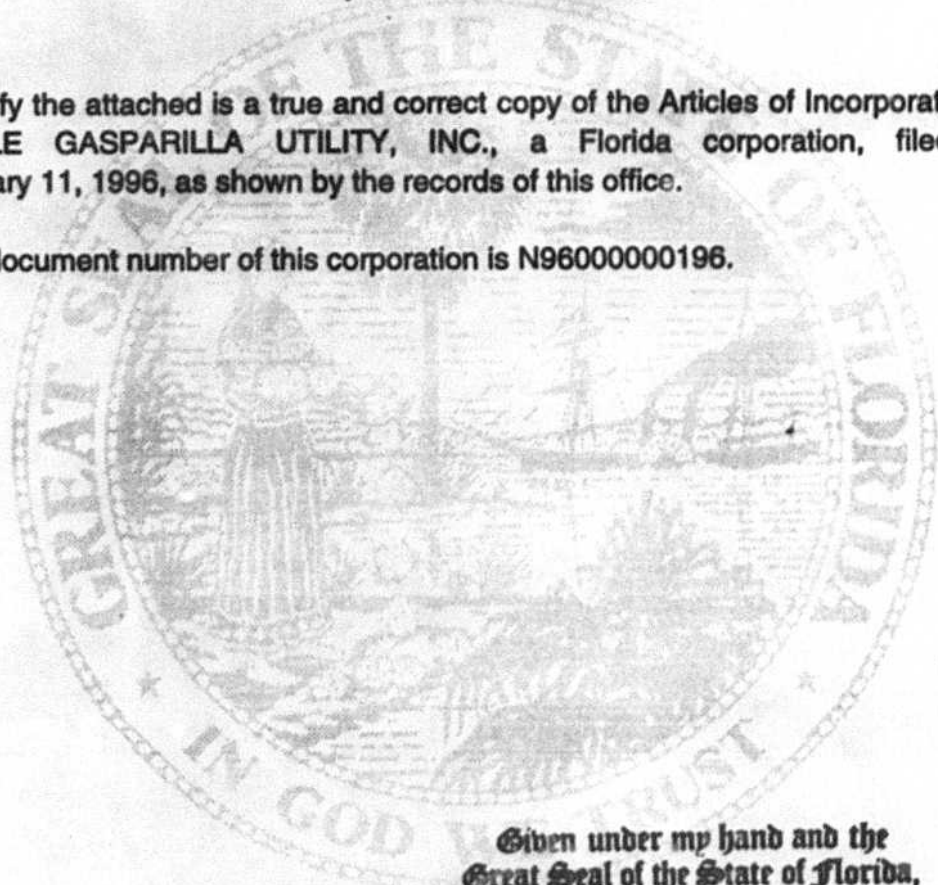
State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of LITTLE GASPARILLA UTILITY, INC., a Florida corporation, filed on January 11, 1996, as shown by the records of this office.

The document number of this corporation is N96000000196.



Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Eleventh day of January, 1996



CR2EO22 (1-95)

Sandra B. Morham

Sandra B. Morham
Secretary of State

ARTICLES OF INCORPORATION
OF
LITTLE GASPARILLA UTILITY, INC.
A Not-for-Profit Corporation

FILED
96 JAN 11 AM 9:27
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned Incorporator, desiring to form a corporation not for profit under Chapter 617, Florida Statutes (1993), hereby adopts the following Articles of Incorporation:

ARTICLE I
NAME

The name of the corporation shall be **LITTLE GASPARILLA UTILITY, INC.**, which shall be hereinafter referred to as "the Corporation".

ARTICLE II
DURATION

The Corporation shall have perpetual existence unless sooner dissolved by law.

ARTICLE III
PURPOSE

The purpose of this corporation is to engage in any activity or business permitted under the laws of the United States and Florida, particularly Chapter 617, Florida Statutes (1993).

ARTICLE IV
MEMBERSHIP

The members of the Corporation shall be the subscribers of the utility hereto and all other persons, partnerships, corporations, or other legal entities having a reasonable accessibility to the sources of and who desire to have water and other services supplied for domestic, commercial, agricultural, industrial, or other uses from the systems constructed, maintained, and operated by the Corporation. The Corporation shall not be required to admit additional members if the capacity of its water system is exhausted by the needs of its existing members and such other persons to whom it has been supplying water.

ARTICLE V
BOARD OF DIRECTORS

5.1 Management by Directors. The business and affairs of the Corporation shall be managed and conducted by its Board of Directors and shall be elected pursuant to Article III of the Bylaws of the Corporation. Except for the initial Board of Directors described in Article 5.2 below, the Board shall consist of five members.

5.2 Original Board of Directors. The names and addresses of the initial Board of Directors of the Corporation, who shall hold office until the first annual meeting of Members and thereafter until qualified successors are duly elected and have taken office, shall be as follows:

Mr. Jack Boyer
7092 Placida Road
Cape Haze, FL 33946

Robert L. Underwood, III
537 East Park Avenue
Tallahassee, FL 32301

Bruce A. Woithe
P. O: Box 14
Placida, FL 33946

ARTICLE VI
OFFICERS

6.1 Officers Provided For. The Corporation shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

6.2 Election and Appointment of Officers. The officers of the Corporation shall be elected by the Board of Directors in the manner set forth in Article V of the Bylaws of the Corporation.

6.3 First Officers. The names and addresses of the first officers of the Corporation who shall hold office until the first annual meeting of directors and thereafter until successors are duly elected and have taken office, shall be as follows:

President: Mr. Jack Boyer
7092 Placida Road
Cape Haze, FL 33946

Secretary: Robert L. Underwood, III
537 East Park Avenue
Tallahassee, FL 32301

ARTICLE VII
MEMBERS

7.1 The members of the Corporation shall consist of all of the record subscribers to utility services of the Corporation from time to time, and after any termination of the Corporation, shall also consist of those who were members at the time of such termination, and their successors and assigns.

7.2 Unless approved by the Board of Directors in advance, the share of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner.

7.3 On all matters upon which the membership shall be entitled to vote, there shall be only one (1) vote for each member, which vote shall be exercised or cast in the manner provided by the Bylaws.

7.4 The Bylaws shall provide for an annual meeting of members, and may make provisions for regular and special meetings of members other than the annual meeting.

ARTICLE VIII
BYLAWS

The Board of Directors shall adopt Bylaws consistent with these Articles of Incorporation. Such Bylaws may be altered, amended or repealed by the membership in the manner set forth in the Bylaws.

ARTICLE IX
AMENDMENTS

8.1 Amendments to these Articles of Incorporation may be proposed by a majority of the Board of Directors of the Corporation and approved in the manner provided in Chapter 617, Florida Statutes (1993).

8.2 Notice of a proposed amendment shall be included in the notice of the meeting at which such amendment is to be considered and shall otherwise be given in the time and manner provided in Chapter 617, Florida Statutes (1993).

8.3 In case of any conflict between these Articles of Incorporation and the Bylaws, these Articles shall control.

**ARTICLE X
INCORPORATOR**

The name and address of the person signing these Articles of Incorporation is:

Robert L. Underwood, III
537 East Park Avenue
Tallahassee, Florida 32301

**ARTICLE XI
INDEMNIFICATION**

10.1 The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, employee, officer or agent of the Corporation, against expenses (including attorney fees and appellate attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding unless (a) it is determined by a court of competent jurisdiction, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be not in, or opposed to, the best interest of the Corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he believed to be not in or opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

10.2 To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney fees and appellate attorney fees) actually incurred by him in connection therewith.

10.3 Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding through all available appeals upon receipt of an undertaking by or on behalf of the directors, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

10.4 The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

10.5 The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of

the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

10.6 The provisions of this Article XI shall not be amended.

ARTICLE XII SPECIAL BOARD OF DIRECTOR POWER

The Corporation, by majority vote of the Directors, shall have the absolute authority, without vote of the members, to acquire, sell, merge the Corporation, or the utility systems operated by the Corporation, with another utility company or system that has facilities or operations within Charlotte County, Florida.

ARTICLE XIII TAX STATUS

The Corporation shall be organized and operated in a manner so that the Corporation qualifies as an organization described in Section 501(12) of the Internal Revenue Code, Title 26, United States Code.

ARTICLE XIV DISOLUTION EVENTS

In the event of dissolution or liquidation, either voluntarily or pursuant to order of a court of competent jurisdiction, and after the payment of all outstanding liabilities, each member shall be repaid capital credits without priority on a pro rata basis to the extent assets are available to make such payments. To the extent that assets remain following payment of all outstanding liabilities and capital credits, distribution shall be made without priority to the members and former members in the proportion which the patronage of each member or former member from the date of incorporation bears to the total patronage of all members from and after such date, to the date of such dissolution. A plan of distribution of excess capital prior to dissolution shall be set forth in the corporation's By-Laws.

ARTICLE XV
INITIAL REGISTERED OFFICE AND AGENT

The street address and mailing address of the principal office of the Corporation is Little Gasparilla Island, Charlotte County, Florida. The initial registered agent of this corporation is Robert L. Underwood, III, whose mailing address is Carl A. Bertoch, P.A., 537 East Park Avenue, Tallahassee, Florida 32301.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation on the 6th day of January, 1996



Robert L. Underwood, III

This Instrument Prepared by:
Robert L. Underwood, III
Carl A. Bertoch, P.A.
537 East Park Avenue
Tallahassee, Florida 32301

STATE OF FLORIDA)
) : ss
COUNTY OF CHARLOTTE)

The foregoing instrument was acknowledged before me this 6th day of January 1996 by Robert L. Underwood, Incorporator and Registered Agent, Little Gasparilla Utility, Inc., who is personally known to me and executed the foregoing instrument on behalf of the corporation.



(NOTARY SEAL)
Commission Expires:

EPA Lucille Fountain
Signature
EPA Lucille Fountain
Type or Print Name

NOTARY PUBLIC, STATE OF Florida
Commission Number CC 179103

FILED
96 JAN 11 11:09 27
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN FLORIDA, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

IN COMPLIANCE WITH SECTION 617.0501, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED:

That **LITTLE GASPARILLA UTILITY, INC.**, desiring to organize or qualify under the laws of the State of Florida, with its principal place of business at Little Gasparilla Island, Charlotte County, Florida, has named as its agent **ROBERT L. UNDERWOOD**, located at 537 East Park Avenue, Tallahassee, FL 32301, to accept service of process within Florida.

Having been named to accept service of process for the above-stated corporation, at the place designated in this Certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all Statutes relative to the proper and complete performance of my duties.

DATED this 6th day of January, 1996



Robert L. Underwood, III
Registered Agent

This Instrument Prepared by:
Robert L. Underwood, III
Carl A. Bertoch, P.A.
537 East Park Avenue
Tallahassee, Florida 32301