

**APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER
OF CERTIFICATE OR FACILITIES**

(Pursuant to Section 367.071, Florida Statutes)

TO: Director, Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

020650-W4

The undersigned hereby makes application for the sale,
assignment or transfer of ^{part} ~~(XXXXXXXXXX)~~ of Water Certificate No.

347W ~~XX~~ or facilities in
MARION County, Florida, and submits

the following information:

PART I APPLICANT INFORMATION

A) The full name (as it appears on the certificate), address
and telephone number of the applicant:

MARION UTILITIES, INC.

Name of utility

(352) 622-1171 (352) 622-6924

Phone No.

Fax No.

710 N.E. 30th AVE

Office street address

OCALA FL 34470

City

State

Zip Code

Mailing address if different from street address

Internet address if applicable

B) The name, address and telephone number of the person to contact concerning this application:

TIM E. THOMPSON (352) 622-1171
Name Phone No.
710 N.E. 30th AVE
Street address
OCALA FL 34470
City State Zip Code

C) The full name ~~(as it will appear on the certificate)~~, address and telephone number of the buyer:

SILVER SPRINGS REGIONAL WATER AND SEWER, INC.
Name of utility
(352) 236-3600 (352) 236-3003
Phone No. Fax No.
5300 E. SILVER SPRINGS BLVD. STE. A
Office street address
SILVER SPRINGS FL. 34488
City State Zip Code

Mailing address if different from street address

SSRWAS3488@MSN.COM
Internet address if applicable

D) Indicate the organizational character of the buyer: (circle one)

Corporation Partnership Sole Proprietorship
Other: NOT FOR PROFIT
(specify)

BYLAWS

of

SILVER SPRINGS REGIONAL WATER & SEWER, 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 Articles of Incorporation of the Corporation.

ARTICLE II

Name and Location

Section 1. The name of this Corporation is the Silver Springs Regional Water & Sewer, Inc.

Section 2. The principal office of this Corporation shall be located in the City of Silver Springs, County of Marion, State of Florida.

ARTICLE III

Seal

Section 1. The seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its organization and 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 for causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

Fiscal Year

The fiscal year of the Corporation shall begin the 1 Day of January in each year.

ARTICLE V

Membership

Section 1. Membership will be limited to those who obtain the organization's services, acquire a tangible interest in its assets in proportion to the business done with the organization and have a voice in its management.

Section 2. Every person (which word as used herein includes and legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest, in a property served by the water system may become a member of the Corporation upon signing such applications and agreements for the purchase of water as may be provided and required by the Corporation and upon the payment of such connection fee as may be imposed by the Board of Directors provided that only one membership at a time may be held for each property served. A single membership may be issued to all persons owning or having a substantial possessory interest in the property. Only one membership may be held with respect to property at one time. The Board of Directors shall cause to be issued appropriate certificates of membership, provided that membership shall not be denied because of the applicant's race, color, creed, or national origin. Membership may be denied if capacity of the Corporation's water system is exhausted by the need of its existing members, or, if the proposed use by the applicant is such that it would interfere with existing uses previously authorized by the Board of Directors.

A. A substantial possessor interest is one where the person or persons have a legal right to control and occupancy of a property but do not have the legal or the equitable ownership of the property. It may be under a lease or similar right to possession.

(1) Before membership is allowed to one or more persons claiming such an interest, the Corporation will endeavor to obtain the application for membership from the owner of such property.

(2) Where membership is granted to one or more persons having a substantial possessory interest, the Corporation as a condition to the membership may require such applicant to post such collateral or bond as the Directors determine necessary to fully protect the Corporation from any additional risk that may be involved to the Corporation by reason of the lack of legal ownership in the applicant.

Section 3. Each member shall have only one membership for each property served, regardless of the number of service connections he may obtain to serve his property. Each

membership certificate shall represent one vote. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the certificate is registered or by such person as the several persons may designate, but in no event shall more than one vote be cast with respect to any property.

Section 4. Membership shall be transferable but the transfer will be effective only when noted on the basis of the Corporation. Such transfer will be made only to a person who obtains a qualifying interest in the property. A member will transfer his membership in the Corporation to his successor in interest as part of the transaction whereby he disposes of his interest to said property. The Secretary, upon request, will make note of such transfer upon the records of the Corporation but need not issue a new certificate to the successor in the interest of the former member.

Section 5. When membership in the Corporation is not transferred, it shall terminate upon the disposition or other termination of the member's interest in the property, regardless of whether or not the certificate is surrendered to the Corporation. Membership also may be terminated by action of the Board of Directors where the use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.

Section 6. Termination of membership will not result in forfeiture of the former member's rights and interest in the organization's assets and he will not be precluded from receiving his proportionate share of any subsequent distribution of such assets by the organization.

Section 7. The termination of the membership of any member shall not disqualify for membership any other person who has or obtains an interest in the property of the terminated member and who otherwise meets the requirements of these Bylaws.

Section 8. In the event a member's property interest is divested other than by voluntary means, such member's membership will pass to the trustee, receiver, executor, or the like who will be entitled either in person or through a designated representative to exercise all of the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor, or the like, may terminate such membership by written notice to such effect, delivered or mailed to the Secretary of the Corporation. Upon the final disposition of such property rights, the owner thereof shall be entitled to membership in like manner as if the membership had been transferred to him by the original member as set forth in Section 4 above.

Section 9. Upon the transfer of a membership, the Corporation will not look to the successor in interest for the payment of any past due amounts. The Corporation will seek collection only from the individual who incurred such charges or assessments or from the property itself if a judgment lien had been duly perfected against such property.

ARTICLE VI

Membership Certificates

Section 1. This Corporation shall not have capital stock. Membership in the Corporation shall be represented by membership certificates. Such certificates shall represent the right to use and enjoy the benefits of the Corporation's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use, provided such use and enjoyment are consistent with the rules regulations, and contracts affecting the same as may from time to time be prescribed by the Board of Directors.

Section 2. A membership certificate shall be issued to each holder of fully paid membership, numbered consecutively in accordance with the order of issue, and bear on its face the following statement:

This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the Articles of Incorporation and Bylaws and amendments to the same of the Silver Springs Regional Water & Sewer, Inc.

ARTICLE VII

Meetings of Members

Section 1. The annual meeting of the members of this Corporation shall be held at the City of Silver Springs, County of Marion, State of Florida, at _____ O'clock _____ p.m., on the 20th of January of each year, if not a Sunday or legal holiday, or if a Sunday or legal holiday on the next business day following. The place, day, and time of the annual meeting may be changed to any other convenient place, day and time in the county by the Board of Directors giving notice thereof to each member not less than ten (10) 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 meetings may be called whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the Secretary 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 thereat except such as is specified in the notice.

Section 3. Notice of meeting OF members of the corporation, both regular and special, shall be given by notice mailed by first-class mail to each member of record, directed to the address shown upon the books of the Corporation, not less than ten (10) or more than forty (40) days prior to such

meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity or notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 4. The presence at a meeting of members entitled to vote in their own right or by proxy 20 percent of the total number of votes shall constitute a quorum. All proxies shall be in writing and filed with the Secretary. Such proxies may be general or restrictive. Proxies shall be revocable and shall not be valid beyond 11 months, nor after termination of the membership by cessation of the member's interest in the property.

Section 5. Directors of this Corporation shall be elected at the annual meeting of the members as provided in Article VIII, Section 1. 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 proof of quorum
2. Proof of notice of meeting
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 Board of Directors of this Corporation shall consist of seven (7) members, all of whom shall be members of the Corporation. The Directors named in the Articles of Incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At the first annual meeting, three (3) Directors shall be elected for a term of one (1) year; two (2) Directors for a term of two (2) years; and two (2) directors for a term of three

(3) years. At each annual meeting thereafter, the members shall elect for a term of three (3) years the number of Directors whose terms of office have expired. Each Director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

Section 2. The Board of Directors shall meet within ten (10) days after the annual election of Directors and shall elect a President and Vice-President from among themselves and a Secretary - Treasurer who need not be a member of the Board of Directors, each of whom shall hold office until the next annual meeting and until the 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 or terms, provided that in the call of such regular meeting a notice of such election shall be given.

Section 4. The majority of the Board of Directors shall constitute a quorum at any meeting of the Board. The affirmative vote of the majority of the Directors at a meeting at which a quorum is present shall be the act of the Board.

Section 5. Officers and Directors shall receive no compensation for their services as such.

Section 6. Officers and Directors may be removed from office 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 will 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 and shall be effective if approved by a vote of a majority of those voting if a quorum is present. The director or officer against who such charges have been presented shall be informed, in writing, of such charges at least twenty days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him 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 the Board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the board of Directors from among their number so constituted after the vacancy in the board has been filled.

ARTICLE IX

Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, the Articles of Incorporation, and these Bylaws, 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 with respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the Board:

- a. To approve membership applications and to cause to be issued appropriate certificates of membership. The Board may make binding commitments to issue membership certificates and to permit the connection of properties to the system in the future in cases involving proposed construction or may issue such certificates prior to the commencement of the proposed construction.
- b. To select and appoint all agents or employees of the corporation, remove such agents or employees of the Corporation, prescribe such duties and designate such powers as may not be inconsistent with these Bylaws, 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 or nonnegotiable instruments evidencing indebtedness of the Corporation; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements and other instruments evidencing a security interest in the assets of the Corporation; 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 its discretion, may be deemed essential 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 adequate penalties for the breach thereof.
- e. To order, at least once each year, an audit of the books and accounts of the Corporation by a competent public auditor or accountant. The report prepared by such auditor or 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 audits and budgets shall be submitted to such parties as may be required by other agreements.

f. To fix and alter the charges to be paid by each member for services rendered by the corporation to the member, including connection fees where such are deemed to be necessary by the Directors, and to fix and alter the method of billing time of payment, manner of connections, and penalties for late or nonpayment of the same. The Board may establish one or more classes of users. All charges shall be uniform and nondiscriminating within each class of users.

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 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 and the person or persons signing such checks and the form thereof at will.

i. To levy assessments against the members of the corporation in such manner and upon such proportionate bases as the Directors deem equitable, and to enforce collection of such assessments by the suspension of water service or other legal methods. The Board of Directors shall have the option to suspend the service of any member who has not paid such assessment within 30 days from the date the assessment was due, provided the Corporation will give the member at least 15 days written notice at the address of the member on the books of the Corporation of its intention to suspend such service if the assessment is not paid. Upon payment of such assessments, any penalties applicable thereto, and a re-connection charge, if one is in effect, service will be promptly restored to such a member.

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 Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership 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 Present; provided, however, that in case of death, resignation, or disability of the President, the Board of Directors may declare the office vacant and elect his successor.

Section 3. Duties of the Secretary-Treasurer. The Secretary-Treasurer 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 attest the President's signature on all membership certificates and other papers pertaining to the Corporation unless otherwise directed by the Board of Directors. He shall serve, mail, or deliver all notices required by law and by these Bylaws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting or at such other time or times as the Board of Directors may require. He shall keep the corporate seal and membership certificate records of the Corporation, complete and attest all certificates issued and affix said corporate seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrender, transfer, termination, 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-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors.

ARTICLE XI

Benefits and Duties of Members

Section 1. The corporation will install, maintain and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to the property line of each member of the corporation, at which pints, designated as delivery points, meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the Corporation to the property line of each member shall be paid by the Corporation. The Corporation also may purchase and install a cutoff valve in each service line from its main distribution line or lines, such cutoff 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 of such cutoff valve. The provisions of this section, however, shall not be construed to require the acquisition or installation of meters or cutoff valves where the Directors determine under the circumstances of the system and the nature of the membership that the use of either or both of such devices is impractical, unnecessary to protect the system and the rights of the membership, and/or economically not feasible.

Section 2. Each member will be required at his own expense to have excavated a ditch for the connection of the service line or lines from the property line of the member to his dwelling or other portion of his premises, and to purchase and have installed the portion of the service line or lines from his property line to the place of use on his premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at his own expense. The Corporation may, if the Board of Directors so determines, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual members. In addition, each member shall pay such connection charge, if any, as may have been imposed by the Board of Directors before such member will be entitled to receive water from the system.

Section 3. Each member may be permitted to have additional service lines from the corporation's water system at the discretion of the Board of Directors upon proper application therefore and the tender of payment not to exceed the then existing connection charge. The approval by the board of Directors of additional service lines to an existing member may be made conditional upon such provisions as the board of Directors determines necessary to protect the interest of other members and to allow for the orderly expansion and extension of the system to serve other property that may need service along the distribution lines of the system. Each service line shall connect with the Corporation's water system at the closest available point to the place of desired use by the member if the corporation's water system has sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the corporation's water system is inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place designated by the corporation.

Section 4. Each member may be permitted to purchase from the corporation, pursuant to such agreement as may from time to time be provided and required by the Corporation, such water as is needed for domestic, commercial, agricultural, industrial or other purposes as a member may so desire, subject, however, to the provision of these laws 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 his service lines only such water as may be necessary to supply the needs of each member including his family, business, agricultural or industrial requirements. The water delivered through each service line may be metered separately and the charges for such water may be determined separately, irrespective of the number of service lines owned by a member.

Section 5. 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 prorate the water available amount the various members on such basis as is deemed equitable by the board of Directors, and may also prescribe a schedule of hours covering use of water for commercial, agricultural or industrial purposes by particular members and require adherence thereto or prohibit the use of water for commercial, agricultural or industrial purposes; provided, that if at any time the

total water supply shall be insufficient to meet all of the needs of all of the members for domestic, livestock, commercial, agricultural or industrial purposes, the Corporation should first satisfy all of the reasonable needs of the member for domestic purposes before supplying any water for livestock purposes and should satisfy all of the needs of all of the members for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further, that where a member has more than one service line, the Corporation may cut off the flow of water to the non-domestic service lines until such time as they supply of water from the system is sufficient to meet the needs of all of the members for domestic, livestock, and garden purposes. During such periods of shutoff of additional service lines, there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the Corporation.

Section 6. The Board of Directors shall, with the consent of the Farmers Home Administration, so long as it shall either hold any obligations or insure any financing of the system, on an as need basis, evaluate and determine the flat minimum monthly rate to be charged each member for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during the month, the amount of additional charges, if any, for additional water which may be supplied the members, and the amount of penalty for late payments and shall fix the date for the payment of such charges. A member to be entitled to the delivery of water shall pay such charges at the office designated by the corporation at or prior to the dates fixed by the Board of Directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

- a. Nonpayment after the 20th day of the month will be subject to a penalty of eighteen (18) percent of the delinquent account, which percent may be changed at the discretion of the Board of Directors.
- b. Nonpayment by the last day of the month of the due date will result in the water being shut off from the member's property without any notice thereof to such delinquent member. Upon the payment by the delinquent member of past due water charges, penalties thereon, any re-connection charge, such member shall be entitled to resumption of the water supply. During the time of such suspension of water to a member, such member shall have no right to vote in the affairs of the Corporation.

Section 7. The Board of Directors shall be authorized to require each member to enter into a water users agreement which shall embody the principles set forth in the foregoing provisions of these Bylaws.

ARTICLE XII

Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any surplus funds or net income to the Corporation at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance and the funding of the various reserves for depreciation, debt retirement, and other purposes, including those required by the terms of any borrowing transaction. The occurrence in subsequent fiscal years of surplus funds or net income above the requirements of the Corporation as above mentioned, including, if any, a reserve for improvements and extension of the facilities shall be taken into consideration by the Board of Directors in determining the water rates to be charge the members.

Section 2. The organization will provide services substantially at cost. Dividends shall not be paid on the basis of membership or shares of stock in the organization. All funds from whatever sources remaining at the end of the year in excess of those needed to meet current losses and expenses will be distributed to members in proportion to the amount of business done by them during the year subject to concurrence of the Farmers Home Administration or will be retained for such purposes as retiring indebtedness incurred in acquiring assets, expanding the organization's services, or maintaining reserves for necessary purposes. However, the organization will maintain records from which each member's rights and interest in the retained funds and assets acquired with such funds in a proportion to his business with the organization can be determined at any time. Required records for this purpose include financial records that show the organization's savings from all sources for each year, and records such as bills or receipts, showing the amount of each member's business annually with the organization.

Section 3. Upon dissolution, after paying off all debts and obligations, members and former members will be entitled to receive their equitable share of all the proceeds remaining to the extent practicable as reflected by the records.

ARTICLE XIII

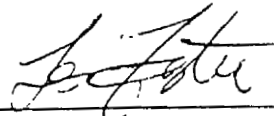
Amendments

These Bylaws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that so long as any indebtedness is held by or guaranteed by the Farmers Home Administration, the members shall not have the power to change the purposes of the Corporation so as to decrease its rights and powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its

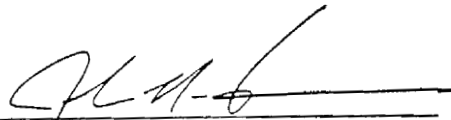
members, or so to amend the Bylaws as to effect a fundamental change in the policies of the Corporation without the prior approval of the Farmers Home Administration in writing.

We certify that the foregoing Bylaws were duly adopted by the members on June 7
_____, 2000, that the same are in full force and effect and have not be amended.

Given under our hands and the seal of the Corporation, this 7th day of June
_____, 2000.



Secretary/Treasurer



President
John H. Fawcett

MEMBERSHIP CERTIFICATE

IN

SILVER SPRINGS REGIONAL WATER & SEWER, INC.

NO. _____

A Non-Profit Corporation
Incorporated Under the Laws
of the State of Florida

This is to certify that _____ whose address is; _____
_____ Is a member of the Silver Springs Regional
Water & Sewer, Inc., and is entitled to its services subject to the provisions of the Charter, Bylaws
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, Bylaws 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 Bylaws of the corporation.

No member of this Corporation shall be entitled to more than one vote at meetings of the
members, regardless of the number of membership certificates held. Every member upon becoming
a member of this Corporation agrees to sign such agreement for the purchase of water from the
Corporation as may from time to time be provided and required by the corporation.

Witness the seal of the corporation and the signature of its duly authorized Officers affixed
this _____ day of _____, 19 _____.

Secretary/Treasurer

President



FLORIDA DEPARTMENT OF STATE

Jim Smith
Secretary of State

October 3, 1989

E. L. FOSTER, JR.
5751 E. SILVER SPRINGS BLVD.
SILVER SPRINGS, FL 32688

Dear MR. FOSTER:

The Articles of Incorporation for SILVER SPRINGS REGIONAL WATER & SEWER, INC. were filed on October 2, 1989, and assigned document number N34475.

Your check for \$97.00 covering the various fees has been received.

Enclosed is a certified copy of the articles.

A corporation annual report will be due this office between January 1 and July 1 of next year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-424-3676 and requesting form SS-4.

Should you have question regarding corporations, please telephone (904)487-6052, the New Filing Section.

AVA T. WATSON
Division of Corporations

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of SILVER SPRINGS REGIONAL WATER & SEWER, INC., a corporation organized under the Laws of the State of Florida, filed on October 2, 1989, as shown by the records of this office

The document number of this corporation is N34475.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
3rd day of October, 1989.



Jim Smith
Secretary of State

ARTICLES OF INCORPORATION

OF

SILVER SPRINGS REGIONAL WATER & SEWER, INC.

FILED
1968 OCT -2 PM 12 53
STATE OF FLORIDA
TALLAHASSEE

ARTICLE I

The name of this Corporation shall be Silver Springs Regional Water & Sewer, Inc. (which must contain the word "Incorporated" or "Inc.") and shall be a non-profit corporation organized under Chapter 617, Florida Statutes, and shall have all powers given to a non-profit corporation by the provisions of said Chapter 617, Florida Statutes.

ARTICLE II

The nature of the business of the Corporation and the objects and purposes for which it is organized are:

A. To construct, maintain, and operate a water system for the supplying of water for domestic, commercial, agricultural, industrial, and other purposes to its members and to engage in any activity related thereto, including but not limited to the acquisition of water by appropriation, drilling, pumping, and/or purchase, and the purchase, laying, installation, operation, maintenance, and repair of wells, pumping equipment, water mains, pipelines, valves, meters, and all other equipment necessary to the construction, maintenance and operation of a water system, and

B. To construct, maintain, and operate a sewage disposal system for the use and benefit of its members.

ARTICLE III

The members of the Corporation shall be the subscribers hereto and all other persons, partnerships, corporations, or other legal entities who become members by obtaining its services, acquiring a tangible interest in its assets in proportion to the business done with the Corporation, and have a reasonable accessibility to the sources of and who desire to have water and other services supplied for domestic, commercial, agricultural, industrial, on 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 IV

This Corporation shall have perpetual existence.

ARTICLE V

The names and residences of the subscribers to these Articles of Incorporation are as follows:

<u>E.L. Foster JR.</u>	<u>5751 E. Silver Springs Blvd. Silver Springs, Fla. 32688</u>
<u>Michael Jacobs</u>	<u>P.O. Box 370 Silver Springs Fl 32688</u>
<u>Barbara Henderson</u>	<u>PO Box 1681 Ocala Fl 32678</u>

ARTICLE VI

The affairs of the Corporation are to be managed by a Board of Directors of seven (7) members. The Directors named in the Articles of Incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At least one-fourth of the members must be elected annually.

ARTICLE VII

The Officers who shall serve until the first election or until their successors are elected shall be as follows:

<u>E.L. Foster, Jr.</u>	, President
<u>Michael Jacobs</u>	, Vice-President
<u>Barbara Henderson</u>	, Treasurer

The term of office of the foregoing Officers shall be for a period of one year or until their successors are elected. The Officers shall be elected by the Board of Directors.

ARTICLE VIII

The first Board of Directors shall consist of three members who shall serve until the first election or until their successors are elected. The names and addresses of the members of the first Board of Directors are as follows:

<u>E.L. Foster, Jr.</u>	<u>5751 E. Silver Springs Blvd. Silver Springs, Fla. 32688</u>
<u>Michael Jacobs</u>	<u>P.O. Box 370 Silver Springs, Fla. 32688</u>
<u>Barbara Henderson</u>	<u>P.O. Box 1681 Ocala, Fla. 32678</u>

The initial Registered Agent shall be E.L. Foster Jr., whose address is 5751 E. Silver Springs, Silver Springs Fl. 32688

ARTICLE IX

The Bylaws of the Corporation shall be made and may be altered or rescinded by a vote of a majority of the membership.

ARTICLE X

Amendments to these Articles of Incorporation may be proposed to the Board of Directors by a majority vote of the members of the Corporation. A majority of the members of the Board of Directors may approve, amend, or reject such proposals and shall have final authority to adopt any amendment.

ARTICLE XI

The assets and income of this non-profit Corporation shall be utilized to promote its purposes. No salaries or fees shall be paid to the Directors or Officers of this Corporation, but nothing herein shall prevent the hiring of employees or engaging of others to perform services for the Corporation or to prevent the reimbursement of any person who makes outlays for the reasonable expenses of the Corporation. In the event of dissolution, either voluntarily or pursuant to order of a court of competent jurisdiction, and after the payment of all outstanding liabilities and the repayment to each member (both past and present) of the amount of membership dues (initial charge or contribution) originally received from each such member by the Corporation, all remaining assets shall be transferred to the members (both past and present) in proportion to the amount of business done by each member with the Corporation.

IN WITNESS WHEREOF, we have made and subscribed these Articles of incorporation, this 3 day of August, 1989.

Silver Springs Regional Water & Sewer, Inc.
E.L. Foster Jr., President
Michael Jacobs, Vice President
Barbara Henderson, Sec./Treasurer

STATE OF FLORIDA)
COUNTY OF Marion)

Be it remembered, that on this 3 day of August, A.D. 89, personally appeared before me, a Notary Public in and for the State of Florida, E.L. Foster, Jr., Michael Jacobs, Barbara Henderson, known to me personally to be the individuals who executed the foregoing Articles of Incorporation and acknowledged that they executed said Articles of Incorporation as the act and deed of the members, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal the day and year aforesaid.

My Commission Expires:
9/18/90

Robert T. Donahoe
Notary Public


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

pursuant to Florida Statute Section 48.091, the following is submitted:

That SILVER SPRINGS REGIONAL WATER AND SEWER, INC. desiring to incorporate under the laws of Florida, with its principal office, as indicated in the Articles of Incorporation, in Silver Springs, Marion County, Florida, has named E.L. Foster Jr., whose address is 5751 E. Silver Springs Blvd-Slvr Spgs FL., as its agent to accept service of process within this state. 32688

ACKNOWLEDGEMENT:

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 to comply with the provision of the afore-mentioned statute relating to maintenance of said office.

By: 
Registered Agent

FILED
1969 OCT -2 PM 12:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

E) The date and state of incorporation or organization of the buyer:

1989 FLORIDA
OCTOBER 3rd, 1989 INCORPORATED

F) If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheet if necessary).

JOHN FANNON, PRESIDENT 2089 NW 60th AVE. OCALA, FL. 34482
SIDNEY SMITH, V. PRESIDENT 5585 E. SILVER SPG. BLVD. 34488 SILVER SPRINGS,
CLIFF DAVENPORT, TREASURER PO BOX 4333 OCALA, FL. 34470

G) If the buyer is not a corporation, list the names, titles, and addresses of all persons owning an interest in the organization. (Use additional sheet if necessary.)

N.A.
PART II FINANCIAL AND TECHNICAL INFORMATION

N.A. A) Exhibit _____ - A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

N.A.

- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

- C) Exhibit A - A copy of the contract for sale and all auxiliary or supplemental agreements, which shall include, if applicable:

- (1) Purchase price and terms of payment.
- (2) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (a) Customer deposits and interest thereon;
- (b) Any guaranteed revenue contracts;
- (c) Developer agreements;
- (d) Customer advances;
- (e) Debt of the utility; and
- (f) Leases.

- D) Exhibit B - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

- E) Exhibit C - A statement describing the financing the purchase.

- F) Exhibit C - A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

G) Exhibit D - The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. _____ Identify all adjustments made to update this rate base (or net book value) to the date of the proposed transfer.

N.A.

H) Exhibit _____ - A statement setting forth the reasons for the inclusion of an acquisition adjustment, if one is requested. (An acquisition adjustment results when the purchase price of the utility differs from the original cost calculation.)

I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

TIM E THOMPSON (352) 622-1171
Name Phone No.

710 N.E. 30th AVE
Street address

OCALA FL 34470
City State Zip Code

J) Exhibit N/A - If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.

N.A.

K) Exhibit N/A - A statement from the buyer that is has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

L) Exhibit E - A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP).

If the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them.

PART III NOTICE OF ACTUAL APPLICATION

- A) Exhibit F - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:
- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
 - (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
 - (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
 - (4) the regional planning council;
 - (5) the Office of Public Counsel;
 - (6) the Public Service Commission's Director of the Division of the Commission Clerk and Administrative Services;
 - (7) the appropriate regional office of the Department of Environmental Protection; and
 - (8) the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

- B) Exhibit G - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- C) Exhibit H - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

PART IV FILING FEE

Indicate the filing fee enclosed with the application:

\$750.00 (for water) and _____ (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be **\$750.**
- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500.**
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be **\$2,250.**
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be **\$3,000.**

PART V OTHER

A) Exhibit I - Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

N.A. B) Exhibit _____ - The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems. **Sample tariff(s) are attached.**

C) Exhibit SEE NOTE * - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

* OUR CERTIFICATE IS IN THE POSSESSION OF COMMISSION STAFF FOR CHANGES TO OUR TARRIFFS.

PART VI AFFIDAVIT

I TIM E THOMPSON (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

BY: 
Applicant's Signature

TIM E THOMPSON
Applicant's Name (Typed)

PRESIDENT
Applicant's Title *

Subscribed and sworn to before me this 1st day in the month of July in the year of 2002 by Tim Thompson who is personally known to me or produced identification

Type of Identification Produced


Notary Public's Signature



Patricia L. Tingley
MY COMMISSION # DD024034 EXPIRES
June 17, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

Patricia L. Tingley
Print, Type or Stamp Commissioned
Name of Notary Public

* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

**AGREEMENT FOR PURCHASE AND SALE OF
CERTAIN WATER ASSETS**

By and Between

MARION UTILITIES, INC.

Seller

and

SILVER SPRINGS REGIONAL WATER & SEWER, INC.

Purchaser

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**AGREEMENT FOR PURCHASE AND SALE OF
WATER ASSETS SERVING SUGAR HILL QUADRA VILLAS
AND QUAD VILLA ESTATES**

THIS AGREEMENT ("Agreement") is made as of this ____ day of _____, 2002, by and between MARION UTILITIES, INC. a Florida corporation (hereafter "Seller"), whose address is 710 N.E. 30th Avenue, Ocala, Florida 34470, and SILVER SPRINGS REGIONAL WATER & SEWER, Inc., a Florida Not-for-Profit Corporation (hereafter "Purchaser"), whose address is 5300 East Silver Springs Boulevard, Silver Springs, Florida 34488.

WHEREAS, Seller owns and operates a potable water pumping, treatment and distribution system ("Water System"), which is located in Marion County, Florida;

WHEREAS, the Water System operates under Certificates of Public Necessity and Convenience ("Certificates") Nos. 347-W issued by the Florida Public Service Commission ("Commission" or "PSC"), which authorize it to provide water service to certain territories in Marion County, Florida;

WHEREAS, a portion of the Water System Seller owns and operates serves Sugar Hill Quadra Villas, a subdivision as per plat thereof recorded in Plat Book U page 81 and Quad Villa Estates, a subdivision as per plat thereof recorded in Plat Book T page 89 Public Records Marion County Florida, (the SH/QV System).

NOW, THEREFORE, in consideration of the foregoing recitals and benefits to be derived from the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Seller and Purchaser hereby agree to sell and purchase the SH/QV System, upon the following terms and conditions:

1.0 RECITALS. The foregoing recitals are true and correct and are incorporated herein.

2.0 COVENANT TO PURCHASE AND SELL; DESCRIPTION OF PURCHASED ASSETS.

2.1 Purchaser shall buy from Seller, and Seller shall sell to Purchaser, the Purchased Assets (as defined below) upon the terms, and subject to the conditions, set forth in this Agreement.

2.2 "Purchased Assets" shall include the following assets:

2.2.1 The real property and interests in real property owned by Seller, and all buildings and improvements located thereon, as identified in Schedule "A" to this Agreement (the Real Property).

2.2.2 All easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, streets and other areas owned or used by Seller for the construction, operation and maintenance of the SH/QV System, as identified in Schedule "B" to this Agreement.

2.2.3 The water pumping, treatment and distribution facilities of every kind and description whatsoever, including but not limited to pumps, tanks, valves, service connections and all other physical facilities, equipment and property installations owned by Seller and used primarily in connection with the SH/QV System, together with all additions or replacements thereto, as identified in Schedule "C" to this Agreement.

2.2.4 All certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, leaseholds, and all rights to construct, maintain and operate the SH/QV System and its plant and systems for the pumping, treatment and distribution of water and every right of every character whatever in connection therewith, and the obligations thereof; together with all rights granted to Seller under the Certificates, as identified in Schedule "D" to this Agreement; to the extent that Seller's rights to the foregoing are transferable.

2.2.5 All supplier lists, customer records, prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information related to and reasonably required by Purchaser to operate the SH/QV System in Seller's possession.

2.2.6 All sets of record drawings, including as-built drawings, showing all facilities of the SH/QV System, including all original tracings, sepias or other reproducible materials in Seller's possession.

2.2.7 All rights of Seller under any Developer Agreements that may be expressly assumed by Purchaser, as identified in Schedule "E" to this Agreement.

2.3 Upon fulfillment of the condition of closing set forth in Paragraph 7.7 and prior to closing, Seller shall install a six (6) or eight (8) inch waterline, four (4) hydrants and replace all water meters with 5/8 x 3/4 Master Meter with Dialog MJ05-1BA-AAA or equivalent, subject to Buyers approval in accordance with the sketch or drawing detailed in Schedule F. In the event Seller installs the waterline and hydrants and through no fault of Seller this transaction fails to close, Purchaser shall immediately reimburse Seller for the cost of installation of the meters, waterline and hydrants including the time expended on the installation by Sellers employees.

2.4 Purchaser shall connect the SH/QV System to its existing system no later than two (2) years after closing. Seller shall decommission the pumps and related facilities located on the Real Property and remove them for salvage purposes upon the earlier of: 1) notice from Purchaser that Purchaser has connected the SH/QV System to its existing system or 2) two (2) years after closing. If after closing but prior to decommissioning of the pumps and related facilities located on the Real Property, the pumps or related facilities fail, and Purchaser does not repair but replaces the failed item, Seller shall be entitled to immediate possession of the failed item for salvage purposes.

3.0 PURCHASE PRICE.

3.1 Purchaser shall pay to Seller, subject to the adjustments and pro-rations referenced herein, a total purchase price in the amount of \$260,000. Payment shall be made to Seller at Closing by Cashier Check or wire transfer.

3.2 Title to the Purchased Assets shall be delivered by the Seller to the Purchaser at Closing, free and clear of all liens, encumbrances, debts, liabilities, or third party claims whatsoever ("Encumbrances"), other than Permitted Encumbrances (as defined in Section 6 hereof).

4.0 REPRESENTATIONS AND WARRANTIES OF SELLER. As a material inducement to Purchaser to execute this Agreement and perform its obligations there under, Seller represents and warrants to Purchaser as follows:

4.1 Seller is duly organized, validly existing and in good standing under the laws of the State of Florida. Seller has all requisite corporate power and authority to carry on its business as now being conducted, to enter into this Agreement, and to carry out and perform the terms and conditions of this Agreement.

4.2 The Board of Directors and Shareholders of Seller have, or prior to Closing will have, approved this Agreement.

4.3 Seller has not currently been cited or notified, and is unaware, of any material violation of any material governmental rules, regulations, permitting conditions, or other governmental requirements of any type or nature applicable to the ownership, maintenance, construction or operation of the SH/QV System, nor is Seller aware of any conditions, which by reason of the passing of time or the giving of notice, would constitute such a violation.

4.4 The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Seller, the Articles of Incorporation or By-Laws of Seller, nor any indenture, agreement, or other instrument to which Seller is a party, or by which it is bound, except for the requirement of obtaining consents from third parties to the assignment of contracts and leases, to the extent necessary.

4.5 Seller has exclusive possession, control, and, to its actual knowledge, ownership and good and marketable title to the Real Property. To Seller's actual knowledge, the Real Property is subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction except Permitted Encumbrances that will survive closing. At Closing, Seller shall deliver title to such Real Property free and clear of all debts, liens, pledges, charges or encumbrances, whatsoever, other than Permitted Encumbrances.

4.6 Seller has exclusive ownership, possession, control, and good and marketable title to all Purchased Assets other than the Real Property. The Purchased Assets other than the Real Property are subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction except Permitted Encumbrances that will survive closing. At Closing, Seller shall deliver title to the Purchased Assets other than the Real Property free and clear of all debts, liens, pledges, charges or encumbrances, whatsoever, except Permitted Exception.

4.7 To Seller's actual knowledge, Seller has not been threatened with any action or proceeding under any building or zoning ordinance, regulation, or law relating to SH/QV System.

4.8 A complete list of Seller's Contracts and Leases being assumed by Purchaser is set forth in Schedule "G" to this Agreement.

4.9 Seller to its actual knowledge is not in default with respect to any order, writ, injunction, or decree of any court or federal, state, municipal or other governmental department regarding the ownership, operation or maintenance of the Purchased Assets or businesses comprising or relating to the SH/QV System. To Seller's actual knowledge, there is no pending or threatened litigation or governmental action that could prohibit or interfere with the performance of this Agreement.

4.10 Environmental Law Compliance.

4.10.1 Definitions.

(a) "Environmental Law" means any federal, state, or local statute, order, regulation, or ordinance, or common law or equitable doctrine relating to the protection of human health or the environment in effect as of the Closing Date and includes, but is not limited to, The Florida Air and Water Pollution Control Act (Chapter 403, Florida Statutes), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), and the Safe Drinking Water Act, (42 U.S.C. § 300f et seq.), as such have been amended or supplement as of the Closing Date, and the regulations promulgated pursuant thereto, and in effect as of the Closing Date.

(b) "Hazardous Material" means petroleum or any substance, material, or waste which is regulated under any Environmental Law in the jurisdictions in which Seller conducts its business including, without limitation, any material or substance that is defined as or considered to be a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "toxic waste," or "toxic substance" under any provision of Environmental Law.

(c) "Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, or dispersal into the environment, at or from any property owned or operated by Seller or related to Hazardous Materials generated by Seller.

(d) "Remedial Action" means all actions required to (1) clean up, remove, or treat any Hazardous Material; (2) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the environment; or (3) perform pre-remedial studies and investigations or post-remedial monitoring and care directly related to or in connection with any such remedial action.

4.10.2 Representations. To Seller's actual knowledge:

(a) Seller, since acquiring the SH/QV System, has not received and is not aware of any pending communication from any governmental authority or other party with respect to (1) the actual or alleged violation of any Environmental Laws; (2) any actual or proposed Remedial Action; or (3) any Release or threatened Release of a Hazardous Material.

(b) No written notification of a Release of a Hazardous Material has been filed by or on behalf of Seller or with respect to the Real Property and the Real Property is not listed or proposed for listing on the National Priority List promulgated pursuant to CERCLA, or CERCLIS, or any similar state list of sites requiring investigation or clean up.

4.10.3 Inspection and Remedies. Purchaser shall engage a qualified professional to perform a Phase I Environmental Survey (and a subsequent Phase II, if necessary) of the Real Property. Copies of each such Environmental Survey shall be promptly provided by Purchaser to Seller. Purchaser shall satisfy itself that the Real Property is in compliance with all applicable Environmental Law and that Purchaser will have no material liability there under, and that there is no reasonable basis for the imposition of such liability in the future, due to the condition of the Real Property. Should contamination be found on the Real Property prior to the Closing Date, Seller shall have the right to perform such clean-up and remediation as is necessary there under. Upon Seller's failure to perform such clean up and remediation, prior to the Closing Date, Purchaser may terminate this Agreement, and neither party shall have any liability to the other or Purchaser may proceed to Closing without abatement of the Purchase Price. The cost of the Environmental Surveys shall be paid one-half by Purchaser and one-half by Seller.

4.11 Seller has dealt with only one broker in connection with

this transaction. That broker is M.I.R.A. International, Inc. and Seller shall pay, at Closing, and only if this transaction closes a commission in the amount equal to 10% of Sellers net proceeds to said broker.

5.0 REPRESENTATIONS AND WARRANTIES OF PURCHASER. As a material inducement to Seller to execute this Agreement and to perform its obligations there under, Purchaser represents and warrants to Seller as follows:

5.1 Purchaser is a Florida Not-for-Profit corporation, and has all requisite power and authority to enter into this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

5.2 Purchaser has been duly incorporated and organized and is validly existing and in good standing under the laws of the State of Florida and has all requisite corporate power and authority to enter into this Agreement, and has, or reasonably expects to acquire, all requisite power and authority to perform its obligations hereunder and to consummate the transactions contemplated hereby.

5.3 The execution, delivery and performance of this Agreement by Purchaser, and the consummation by Purchaser of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Purchaser.

5.4 Purchaser has duly executed and delivered this Agreement. This Agreement constitutes, and all other agreements to be executed by Purchaser will constitute when executed and delivered, valid and binding obligations of Purchaser, enforceable in accordance with their terms.

5.5 The execution, delivery and performance of this Agreement by Purchaser, and the consummation by Purchaser of the transactions contemplated hereby, do not and will not (i) violate any provision of law applicable to Purchaser or the articles of incorporation or bylaws of Purchaser; (ii) require the consent, waiver, approval, license or authorization of, or filing with, any person or entity; or (iii) with or without the giving of notice or the passage of time or both, conflict with or result in a breach or termination of, constitute a default under or result in the creation of any lien, charge or encumbrance upon any of the assets of Purchaser pursuant to, any provision of any mortgage, deed of trust, indenture or other agreement or instrument, or any order, judgment, decree or other restriction of any kind or character, to which Purchaser is a party or by which Purchaser or any of its assets may be bound.

5.6 Purchaser is not subject to or a party to any charter, bylaw, mortgage, lien, lease, license, permit, agreement, contract,

instrument, law, rule, ordinance, regulation, order, judgment or decree, or any other restriction of any kind or character that would prevent consummation of the transactions contemplated by this Agreement.

5.7 No representation or warranty contained in this Agreement, and no statement, certificate, schedule, list or other information furnished or to be furnished by or on behalf of Purchaser to Seller in connection with this Agreement, contains or will contain any untrue statement of a material fact, or omits to state or will omit to state a material fact necessary in order to make the statements herein or therein not misleading.

5.8 Purchaser has not dealt with either a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, other than M.I.R.A. International, Inc. and, in so far as it knows, no broker, salesman or other person other than M.I.R.A. International, Inc. is entitled to any commission or fee with respect to such transaction.

6.0 TITLE INSURANCE AND PERMITTED ENCUMBRANCES.

Seller shall cause to be issued, at its expense, a title commitment for an owner's ALTA Form B Marketability Policy in favor of the Purchaser in the amount of the value of the land as shown on the property appraisers records (\$2400.00). The Seller shall convey a marketable title subject only to the title exceptions set forth below (the "Permitted Exceptions"):

(a) Ad valorem real estate taxes and assessments for the year 2002 and subsequent years;

(b) Restrictions set out in the recorded plats of subdivisions in which the Real Property is located;

(c) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats of subdivisions shall prevent, hinder or restrict the present use of the Real Property;

(d) Restrictions of record (except liens, encumbrances, or mortgages) that do not impair, restrict, or inhibit the present use of or improvement to the property as permitted by applicable zoning and land use regulations presently in effect and that are not coupled with a forfeiture or reversionary provision; and

(e) All local, state and federal laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the present use of the Real Property.

The Purchaser shall have fourteen (14) days from receipt of the Title Commitment within which to examine same. If the Purchaser finds title, as shown on the Commitment, to be defective (i.e., matters which render title unmarketable in accordance with the title standards adopted by the Florida Bar and are not Permitted Exceptions), the Seller shall have ninety (90) days from receipt of the Title Commitment within which to cure. If the Seller cannot cure the defect(s) within 90 days, the Buyer is released from the contract with no recourse by Seller of any nature, or Buyer has the option to close with title as provided. Seller shall have no obligation to initiate a civil suit to clear title.

7.0 CONDITIONS PRECEDENT TO CLOSING. The obligations of each party to close the transaction contemplated by this Agreement are subject to the conditions that, at or before the Closing Date:

7.1 Neither Party shall be prohibited by decree or law from consummating the transaction.

7.2 There shall not be pending on the Closing Date any legal action or proceeding that prohibits the acquisition or sale of the Purchased Assets or prohibits Purchaser or Seller from closing the transaction or Purchaser from paying the purchase price, or that inhibits or restricts in any material manner Purchaser's use, title, or enjoyment of the Purchased Assets.

7.3 The Board of Directors and Shareholders (if required) of Seller shall have ratified and approved the execution of this Agreement and authorized the sale of the Purchased Assets and certified copies of the resolutions evidencing such ratification and approval have been delivered to Purchaser.

7.4 Each party shall have performed all of the undertakings required to be performed by it under the terms of this Agreement prior to or at Closing.

7.5 As of the Closing Date, there shall have been no material adverse change in the applicable law, or in the condition or value of the Purchased Assets.

7.6 All warranties and representations of the other party shall be true in all material respects as of the Closing Date,

except to the extent they specifically refer to another date.

7.7 Purchasers obligation to close on this transaction is subject to its receipt of satisfactory funding on or before December 31, 2002.

8.0 PRE-CLOSING CONDUCT; COVENANTS. Prior to the Closing Date, the parties covenant to each other, and shall conduct themselves, as follows:

8.1 Within five (5) days after the execution of this Agreement, Seller shall either furnish to Purchaser, or provide Purchaser with ready access to the following, to the extent they are in the possession of Seller, its employees, representatives, or agents:

8.1.1 Copies of all plans and specifications showing the SH/QV System as now constructed (as-built).

8.1.2 Copies of the Certificate of Authorization issued by the Florida Public Service Commission with respect to the Utility System.

8.1.3 A schedule and copies of all developer agreements entered into between Seller and owners or developers of property with respect to water service, including a schedule of the number of connections reserved by each Developer Agreement for which there has been no connection as of the Closing Date.

8.1.4 A schedule and copies of all other agreements entered into between Seller and other parties in connection with Seller's operation of the SH/QV System, including but not limited to, leasehold agreements, operator and vendor contracts, and construction contracts. Such schedule shall also reflect the terms of any oral agreements, if any.

8.1.5 A schedule and copies of documents reflecting the rates, fees, charges and tariffs of Seller for the SH/QV System.

8.1.6 Copies of permits, applications, or other documents, together with effective dates and expiration dates (if any), demonstrating approval of the facilities of the SH/QV System by all applicable governmental authorities, including, but not limited to: (a) the Florida Department of Environmental Protection, (b) the United States Environmental Protection Agency, (c) the PSC, and (d) the St. Johns River Water Management District.

8.1.7 A list of customer deposits or advance facility charges and accounts receivable by name and account number, setting forth the amount of each individual deposit or receivable and the their aggregate totals relating to the SH/QV System.

8.1.8 Copies of all recorded and unrecorded easements, licenses, prescriptive rights and rights-of-way owned and used by Seller for the construction, operation and maintenance of the SH/QV System.

8.2 During the period between the date of this Agreement and the Closing Date, Seller shall:

8.2.1 Operate and maintain the SH/QV System and Purchased Assets in a normal and usual manner to ensure that the condition of the Purchased Assets shall not be materially diminished or depleted, normal wear and tear excepted;

8.2.2 Promptly notify Purchaser of any notification received by Seller from any person, business, or agency of any existing, or potential, Environmental Law violation regarding the SH/QV System;

8.3 During the period of time between the date of this Agreement and the Closing Date, Seller shall maintain its existing levels of insurance.

8.4 From the date of execution of this Agreement, Seller shall not, without the prior written consent of Purchaser, enter into any new developer agreements other than in the ordinary course of business or modify any existing developer agreements other than in the ordinary course of business regarding the SH/QV System. Copies of any such developer agreements shall be promptly delivered to Purchaser.

8.5 Neither Purchaser nor Seller shall transfer or assign this Agreement or the duties or obligations created herein.

9.0 TERMINATION OF AGREEMENT.

9.1 This Agreement may be terminated (i) by mutual written consent of the parties, (ii) by either party if the transactions contemplated hereby have not closed by December 31, 2002, or (iii) as provided in paragraphs 9.2 and 9.3 below.

9.2 Purchaser may terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:

9.2.1 Within 30 days from the date of this Agreement, Purchaser shall conduct such due diligence of Seller as, in its sole discretion, it deems appropriate including but not limited to, upon reasonable notice to Seller, entering upon the Real Property to inspect the Purchased Assets and SH/QV System, to familiarize itself with day-to-day operations, and to review the practices of Seller with respect to the terms and conditions of this Agreement, and to determine Seller's compliance with any and all federal, state, and local regulatory requirements. Purchaser may also review any and all records of Seller relating to the SH/QV System, as it deems appropriate. Seller shall cooperate with Purchaser as to Purchaser's exercise of due diligence. After conducting its due diligence, Purchaser shall have the right to terminate this Agreement, in its sole discretion, upon delivery of written notice to that effect to Seller within 10 days of the expiration of the inspection period.

9.2.2 Any material breach of this Agreement by Seller, including, but not limited to, a material breach of any representation or warranty, if Seller has not cured such breach within 30 days after notice from Purchaser, provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Purchaser.

9.2.3 Any other basis for termination on behalf of Purchaser otherwise set forth in this Agreement.

9.3 Seller may terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:

9.3.1 The failure of Purchaser to satisfy, in any material respect, its conditions precedent to closing set forth in Section 7.7 hereof.

9.3.2 Any material breach of this Agreement by Purchaser, including, but not limited to, a material breach of any representation or warranty, if Purchaser has not cured such breach within 30 days after notice from Seller, provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Seller.

9.3.3 Any other basis for termination on behalf of Seller otherwise set forth in this Agreement.

9.4 Upon the occurrence of any of the bases for termination of this Agreement, the party seeking to terminate this Agreement shall provide written notice of its termination of this Agreement to the other by delivering the same as provided in Section 14.2.

9.5 Upon the termination of this Agreement, the following shall occur:

9.5.1 Each party shall return all documents, including copies, in its possession, or in the possession of its agents and consultants to the other, as the case may be. Each party, its agents and consultants, shall treat any information previously received as confidential, and shall not disclose or use such information.

9.5.2 Except as otherwise set forth in this Agreement; each party shall be responsible for payment of its own attorney and other professional fees and other costs of any nature whatsoever incurred prior to the termination of this Agreement.

9.6 In the event of termination of this Agreement, this Agreement shall forthwith become void and (except for the willful breach of this Agreement by any party hereto) there shall be no liability on the part of Purchaser or Seller, or their respective officers or directors, other than as provided for herein, including, but not limited to, the terms of Paragraph 2.3.

10.0 CLOSING DATE AND CLOSING.

10.1 This transaction shall be closed on or before December 31, 2002 ("Closing Date"), unless advanced or extended by mutual agreement of the parties, at a location mutually acceptable to both parties.

10.2 At Closing:

10.2.1 Title to the Purchased Assets shall be conveyed to the Purchaser by Special Warranty Deed or Bill of Sale as the case may be, free of all claims, liens, or encumbrances, whatsoever, other than Permitted Encumbrances.

10.2.2 All documentary stamps, if required, on the deeds of conveyance of the Real Property included in the Purchased Assets shall be paid by the Seller. The value of the Real Property is \$2400. Purchaser shall be responsible for payment of any sales tax liability created by this Agreement.

10.2.3 Real property and personal property taxes on the Purchased Assets, and any other applicable taxes, shall be prorated as of the Closing Date and Seller shall be required to pay its share at or prior to Closing. All other taxes and assessments accrued or owed by Seller as of the date of Closing, with respect to the Purchased Assets, shall be and remain the obligation of Seller. All other taxes and assessments imposed or attempted to be imposed from and after the date of Closing, with respect to the Purchased Assets, shall be the obligation of Purchaser.

10.3 The parties recognize that the Closing may be established during the normal billing cycle of Seller in which case the parties shall pro rate revenues based upon the prior month's billing. The gross revenues from water services rendered, but not yet billed ("Unbilled Revenue") as of the date of Closing, shall be paid to Seller within ten (10) days of Purchaser's collection thereof. Purchaser shall utilize the same methods of collecting the Unbilled Revenue as it would if such Unbilled Revenue was its own. Except as set forth above, Purchaser shall be entitled to all SH/QV System revenue earned from the Closing Date forward.

10.4 Connection Charges (defined as connection, plant capacity, main extension, capital or other charges paid for the availability of utility services) received by Seller prior to the date of execution of this Agreement shall be retained by Seller. Further, all Connection Charges received by Seller after the date of execution of this Agreement, but prior to Closing, for which Seller has existing capacity shall be retained by Seller. Connection Charges paid after the Closing Date, and those paid before Closing Date for which capacity does not exist shall be the property of Purchaser.

10.5 Except as is necessary to consummate this transaction, from the date of this Agreement through the Closing Date, Seller shall not disclose to developers the existence of this Agreement or the proposed sale unless Seller is required to do so by law, court order or contract, or the sale becomes public knowledge. In addition, Seller shall not accept payment for Connection Charges at a rate lower than the applicable tariffs require in order to receive early payment of those Connection Charges. If Seller violates this covenant, the Purchase Price shall be reduced accordingly by the amount of any such Connection Charges that are paid in advance as the result of offering a discount. Furthermore, Seller shall not enter into any new developer agreements from the date of this Agreement through December 31, 2002, except in the

ordinary course of business.

10.6 Each of the parties shall pay the fees of its own attorneys, bankers, engineers, accountants, and other professional advisers or consultants in connection with the negotiation, preparation and execution of this Agreement, and any documents associated with the Closing.

10.7 All bills for services, materials and supplies rendered in connection with the operation of the SH/QV System prior to Closing, including but not limited to electricity for a period up to and including the Closing Date, shall be paid by Seller.

10.8 All pro-rations required shall be made.

10.9 All customer deposits, plus interest and credit shall be transferred and delivered to Purchaser at closing and Purchaser shall assume all liability for the foregoing.

10.10 Purchaser shall assume Seller's liability to provide service under all developer agreements assumed by Purchaser. However, Purchaser, to the extent permitted by law, shall have the right to impose its own rates, charges and fees.

10.11 Each party shall deliver to the other party a certificate stating that:

10.11.1 The party is not prohibited by decree or law from consummating the transaction contemplated hereby.

10.11.2 There is not pending on the Closing Date any legal action or proceeding that prohibits the ability of either party to close the transaction.

10.11.3 All warranties and representations of such party contained in this Agreement are true and correct as of the Closing Date.

10.12 Seller shall deliver to Purchaser, in a form reasonably acceptable to Purchaser, an opinion of Seller's counsel substantially to the effect that:

10.12.1 Seller is validly organized, existing and in good standing under the laws of the State of Florida.

10.12.2 This Agreement has been duly and validly executed and approved by Seller and is a valid and binding agreement upon Seller.

10.12.3 The execution, delivery and performance of this Agreement will not violate any agreement of or binding on, or any law applicable to, Seller.

10.13 Purchaser shall deliver to Seller in a form acceptable to Seller, an opinion of Purchaser's counsel substantially to the effect that:

10.13.1 Purchaser is validly organized, existing and in good standing under the laws of the State of Florida.

10.13.2 This Agreement has been duly and validly executed and approved by Purchaser and is a valid and binding agreement upon Purchaser.

10.13.3 The execution, delivery and performance of this Agreement will not violate any agreement of, or binding on, or any law applicable to, Purchaser.

11.0 INDEMNIFICATION.

11.1 Seller shall save and hold Purchaser and its directors, officers, shareholders, employees, and agents (hereafter "Purchaser Indemnified Parties"), harmless from, and indemnify the Purchaser Indemnified Parties against, any and all losses or damages, claims, demands, deficiencies, liabilities, obligations, costs and/or expenses (including, but not limited to reasonable administrative, trial, and appellate attorney fees and costs incurred in connection with investigating, preparing to defend, or defending any action, suit or proceeding commenced, or threatened, or any claim whatsoever) suffered by any of the Purchaser Indemnified Parties, whether accrued, absolute, contingent or otherwise, and which result from:

11.1.1 Any material misrepresentation by Seller of a material fact contained in this Agreement, or a material breach of a representation or warranty, with respect to which Purchaser notifies Seller in writing within the applicable survival period as set forth in paragraph 11.4 below, specifying the breach in detail; or

11.1.2 Any material breach by Seller of its covenants or obligations;

11.1.3 Any and all material claims by developers known to Seller that are not disclosed to Purchaser, for acts or promises other than as set out in the developer agreements;

11.1.4 Any material promise made by Seller that was not disclosed by Seller and that Seller or Purchaser is forced, by action of law or otherwise, to honor; or

11.1.5 The operation or activities of Seller prior to the Closing Date.

11.2 Seller shall indemnify Purchaser and hold it harmless against any claim, cost, expense, liability or loss (including reasonable trial and appellate attorneys fees and costs) incurred or suffered as a result of any broker's or salesman's commission or finders fee alleged to be payable because of any statements, act or omissions of the indemnifying party. Similarly, Purchaser shall indemnify Seller and hold it harmless against any claim, cost, expense, liability or loss (including reasonable trial and appellate attorneys fees and costs) incurred or suffered as a result of any broker's or salesman's commission or finders fee alleged to be payable because of any statements, act or omissions of the indemnifying party.

11.3 Purchaser shall save and hold Seller and its directors, officers, shareholders, employees, and agents (hereinafter "Seller Indemnified Parties"), harmless from, and indemnify the Seller Indemnified Parties against, any and all losses or damages, claims, demands, deficiencies, liabilities, obligations, costs and/or expenses (including but not limited to reasonable administrative, trial, and appellate attorneys' fees and court costs incurred in connection with investigating, preparing to defend, or defending any action, suit or proceeding commenced, or threatened, or any claim whatsoever) suffered by any of the Seller Indemnified Parties, whether accrued, absolute, contingent or otherwise, and which result from:

11.3.1 Any material misrepresentation by Purchaser of a material fact contained in this Agreement, or a material breach of a representation or warranty, with respect to which Seller notifies Purchaser in writing within the applicable survival period as set forth in paragraph 11.4 below, specifying the breach in detail;

11.3.2 Any material breach by Purchaser of its covenants or obligations herein; or

11.3.3 The operation or activities of Purchaser on or after the Closing Date.

11.4 The respective representations and warranties of the parties contained in this Agreement shall survive the consummation of the transactions contemplated hereby for a period of two (2) years.

11.5 The amount for which an indemnified party shall receive indemnification hereunder shall be reduced by any insurance proceeds or other payments received by the indemnified party in respect of the indemnified matter.

11.6 Each party hereto shall give the indemnifying party prompt written notice of any claim, assertion, event or proceeding by or in respect of a third party of which it has knowledge concerning any liability or damage as to which it may request indemnification hereunder. The party providing indemnification shall have the right at all times to control the defense or settlement of any such claim or proceeding through counsel of its own choosing, and to settle any and all such claims made.

11.7 Any party claiming indemnification hereunder with respect to the falsity of any representations or warranties herein must give notice to the other party of its claim for indemnification within the time period herein for the survival of the applicable representation or warranty.

12.0 POST CLOSING COOPERATION.

12.1 Seller and Purchaser shall, at any time and from time to time after the Closing Date, upon reasonable request of the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, assignments, transfers, powers of attorney and assurances as may be reasonably required in order to implement and perform any of the obligations, covenants and agreements of the parties.

12.2 Each of the parties hereto shall provide the other with such assistance as reasonably may be requested in connection with the preparation of any tax return, audit or other examination by any taxing authority or any judicial or administrative proceedings relating to liability for taxes relating to the transactions contemplated by this Agreement. Subject to the provisions of paragraph 12.5 hereof, each party shall retain and provide the other with any records or information that may be relevant to such return, audit or examination, proceedings or determination. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant tax returns and supporting work schedules.

The party requesting assistance hereunder shall reimburse the other for reasonable out-of-pocket expenses incurred in providing such assistance.

12.3 In the event that, after the Closing Date, any of the parties hereto shall require the participation of the other or of officers and employees employed by the other to aid in the defense or prosecution of litigation or claims, and so long as there exists no conflict of interest between the parties, each party shall use its best efforts to be available or to make such officers and employees reasonably available to participate in such defense or prosecution, provided that the party requiring the participation of such officers or employees shall pay all reasonable out-of-pocket costs, charges and expenses arising from such participation.

12.4 Where there is a legitimate purpose not injurious to the other party and not related to prospective competition by such party with another party hereto, or if there is an audit by the IRS, other governmental inquiry, or litigation or prospective litigation to which Purchaser or Seller is or may become a party, making necessary any access to the records of or relating to Seller held by Purchaser or making necessary Purchaser's access to records of or relating to the operations of the SH/QV System by Seller held by any entity other than Seller, each of them shall allow representatives of the other party reasonable access to such records during regular business hours at such party's place of business for the sole purpose of obtaining information for use as aforesaid.

12.5 Any party at any time, upon not less than 90 days' prior written notice to the other parties hereto, may dispose of the records in its possession relating to the Purchased Assets and the business related thereto, in accordance with its respective record retention policies; provided, however, that no obligation or duty to any governmental or administrative authority exists that requires retention of the records and provided further that a party may, at its own cost and expense, retain, or make arrangements for the retention of, records in the possession of another party to which it would have a right of access under paragraph 12.4, if it notifies, in writing, such party that it desires to retain such records.

13.0 FLORIDA PUBLIC SERVICE COMMISSION MATTERS. Within fifteen (15) days after the Closing Date, the Seller shall petition the Florida Public Service Commission for cancellation of that portion of the Certificate previously issued to Seller relating to SH/QV System. Seller shall file any reports, if required, and satisfy its outstanding Florida gross receipts tax obligations through the Closing Date. All costs and expenses relative to terminating its relationship with the Florida Public Service Commission shall be borne by Seller. Copies of the Order(s) of the Commission acknowledging sale of the Utility System to Purchaser

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed the day and year aforesaid in counterparts, each counterpart to be considered an original.

ATTEST:

Linda P. Thompson
Linda P. Thompson
Secretary

(SEAL)

MARION UTILITIES, INC.

Timothy E. Thompson

By: Timothy E. Thompson
President

SILVER SPRINGS REGIONAL WATER &
SEWER, INC.

Attest:

Cliff Davenport
Cliff Davenport,
Secretary

(SEAL)

John Fannon

By: John Fannon
President

STATE OF FLORIDA
COUNTY OF MARION

The foregoing instrument was acknowledged before me this 31st day of MAY, 2002, by Timothy E. Thompson, as President of Marion Utilities, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Charles deMenzes
Notary Public
My Commission Expires:

STATE OF FLORIDA
COUNTY OF MARION



Charles deMenzes
MY COMMISSION # CC829019 EXPIRES
June 18, 2003
BONDED THRU TROY FAIN INSURANCE, INC

5th The foregoing instrument was acknowledged before me this JUNE day of JUNE, 2002, by John Fannon, as President of Silver Springs Water & Sewer, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Charles deMenzes
Notary Public
My Commission Expires:



Charles deMenzes
MY COMMISSION # CC829019 EXPIRES
June 18, 2003
BONDED THRU TROY FAIN INSURANCE, INC

Schedule "A"

Legal Description

Lot 1, Block A, QUADVILLA ESTATES, as per plat thereof recorded in Plat Book T, page 90, public records of Marion County, Florida.

Schedule ``B``

Engineering Drawings

Schedule "C"

Inventory

2-6" wells
2-7½ HP pumps and starters - check valves-3" drop pipe
and various fittings
1-3,000 gallon storage tank and saddles with valves
fittings and piping
1-4" flow meter
1-Winco generator
1-chlorination unit
various electric panels and wiring
various sizes and lengths of water mains, service lines,
meters and boxes
building housing electric panels
6' chain link fence

Schedule ``D''

Florida Public Service Commission Certificate

ATTACHED



FLORIDA

Public Service Commission

CERTIFICATE NUMBER

347-W

Upon consideration of the record it is hereby ORDERED
that authority be and is hereby granted to

Marion Utilities, Inc.

Whose principal address is

710 Northeast 30th Avenue

Ocala, Florida 32670 (Marion County)

to provide Water service in accordance with
the provisions of Chapter 367, Florida Statutes, the Rules,
Regulations and Orders of this Commission in the territory de-
scribed by the Orders of this Commission.

This Certificate shall remain in force and effect until sus-
pended, cancelled or revoked by Orders of this Commis-
sion.

ORDER <u>10566</u>	DOCKET <u>820018-W</u>
ORDER <u>11104</u>	DOCKET <u>820107-W</u>
ORDER <u>11650</u>	DOCKET <u>820527-W</u>
ORDER <u>12653</u>	DOCKET <u>830168-W</u>

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Schedule ``F``

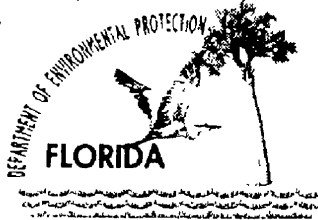
Master Meter Specifications

MASTER METER

5/8 X 3/4 MM3 USG BB W/DIALOG
MJ 05 - 1BA - AAA

All regulatory assesment fees will be remitted with our total company payment which will be due April 1st, 2003.

EXHIBIT B



Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

May 6, 2002

Mr. John Fannon, President
Silver Springs Regional Water and Sewer, Inc.
5300 E Silver Springs Boulevard
Silver Springs, Florida 34488

MAY 08 2002

Re: DWFP4216 – Silver Springs Regional Water and Sewer, Inc.
Distribution

Dear Mr. Fannon:

This letter is to provide you with documentation of the acceptance, effective May 6, 2002, for the following documents:

1. Water Facilities Plan for Silver Springs Regional Water and Sewer, Inc., December 1, 2001.
2. Public Hearing and Dedicated Revenue Hearing Documentation.
3. Adopting Resolution 2002-03-06.

These documents are in conformance with the requirements set forth in Chapter 62-552, Florida Administrative Code.

The project involves the installation of approximately 2,000 linear feet of waterlines to upgrade the existing water distribution system at the Sugar Hill Quadravillas and the connection of the upgraded system to the existing Silver Springs Regional Water and Sewer, Inc. water system.

One copy of each of the accepted documents is being returned to you for your permanent records. These documents bear the "acceptance stamp" of the Bureau and should be kept in your possession for future reference.

If you have any questions or need further information, please call Jun Tabanguil, the Bureau's Project Manager, at 850/488-8163.

Sincerely,


Don W. Berryhill, P.E., Chief
Bureau of Water Facilities Funding

DWB/jut

Enclosures

cc. Hal Barrineau – H W. Barrineau & Associates, Inc./Ocala
Charles deMenzes – M.I.R.A. International, Inc./Ocala
Kim Spring - DEP/Orlando

EXHIBIT C

Acceptance of Water Facilities

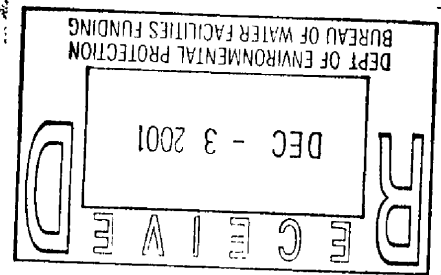
Printed on recycled paper

WATER FACILITIES

PLAN

for

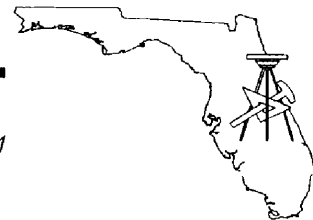
Silver Springs Regional Water & Sewer, Inc.



Prepared by

H. W. Barrineau and Associates, Inc.

*Civil & Environmental Engineers & Planners
1321 S E 25th Loop, Suite 102 Ocala, Florida 34471
(352) 840-9774 FAX (352) 840-0332*



December 1, 2001

[Handwritten signature]
49447
11/20/01

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Appendices

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Appendix 3	Existing Water Tariff Rates
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Figure 3a	Sugarhill Quadravillas Existing Water System
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1.0 SUMMARY OF FINDINGS AND RECOMMENDATIONS

This water facilities plan was prepared by H.W. Barrineau and Associates, Inc. for Silver Springs Regional Water & Sewer, Inc. (SSRW&S) to meet the requirements of the State Revolving Fund (SRF) loan funding of drinking water systems. The area considered in preparing this plan is Sugarhill Quadravillas located in Ocala, Marion County, Florida, as shown in Figure 2. This facilities plan addresses the need of the planning area in the year 2006. The recommendations resulting from this study are not inconsistent with Marion County's Comprehensive Plan.

The project cost of the proposed facilities is estimated at \$364,200. The annual revenue requirements (including 15% coverage) to repay the DWSRF loan with a 3.5%* interest rate is \$29,925.

SSRW&S operates a Water & Sewer Utility in Silver Springs, Florida. The pledged revenues for debt payments are the water and sewer charges. The DWSRF loan will be repaid in 40 semi-annual installments.

* This interest rate will be determined at the time the loan agreement is executed.

Book Asset Detail 1/01/02 - 12/31/02



Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Deprec	Book Current Depreciation	Book End Depreciation	Book Net Book Value	Book Method	Book Period
Group: 110 Source of sup - Wells											
1127 *	Wells & springs Quad Villas	12/01/81	3,590.00	0.00	0.00	2,056.80	69.81	2,126.61	1,463.39	S/L	30.0
1154 *	Quadvillas - Wells	3/27/86	70.00	0.00	0.00	32.50	1.36	33.86	36.14	S/L	30.0
1160 *	Wells - Quadvillas	12/15/87	202.50	0.00	0.00	85.21	3.94	89.15	113.35	S/L	30.0
	110 Source of sup - Wells		3,862.50	0.00c	0.00	2,174.51	75.11	2,249.62	1,612.88		
	*Less: Dispositions		3,862.50	0.00	0.00	2,174.51	0.00	2,249.62	1,612.88		
	Net 110 Source of sup - Wells		0.00	0.00c	0.00	0.00	75.11	0.00	0.00		
Group: 210 Pumping plant - Land											
2112 *	Land - Quad Villas	12/01/81	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	Memo	0.0
	210 Pumping plant - Land		10,000.00	0.00c	0.00	0.00	0.00	0.00	10,000.00		
	*Less: Dispositions		10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00		
	Net 210 Pumping plant - Land		0.00	0.00c	0.00	0.00	0.00	0.00	0.00		
Group: 220 Pump Structures/impr.											
2227 *	Structures & improvements Quad V	12/01/81	2,001.92	0.00	0.00	1,095.30	35.39	1,130.69	871.23	S/L	33.0
2327 *	Structures & improvements - Quadr	12/10/97	392.25	0.00	0.00	48.55	6.93	55.48	336.77	S/L	33.0
	220 Pump Structures/impr.		2,394.17	0.00c	0.00	1,143.85	42.32	1,186.17	1,208.00		
	*Less: Dispositions		2,394.17	0.00	0.00	1,143.85	0.00	1,186.17	1,208.00		
	Net 220 Pump Structures/impr.		0.00	0.00c	0.00	0.00	42.32	0.00	0.00		
Group: 250 Electric pump equip											
2523 *	Electric pumping equipment Quad V	12/01/81	5,323.85	0.00	0.00	3,804.31	155.28	3,959.59	1,364.26	S/L	20.0
2568 *	Electric pumping equipment Quadv	12/01/85	8,396.00	0.00	0.00	5,160.04	244.88	5,404.92	2,991.08	S/L	20.0
2593 *	Electric pump equip - Quadra Villa:	4/09/86	52.03	0.00	0.00	31.53	1.52	33.05	18.98	S/L	20.0
2640 *	Electric pump equip - Quadra Villa:	6/09/97	1,381.24	0.00	0.00	316.53	40.29	356.82	1,024.42	S/L	20.0
2645 *	Electric pump equip - Quadra Villa:	4/23/98	222.39	0.00	0.00	40.77	6.49	47.26	175.13	S/L	20.0
	250 Electric pump equip		15,375.51	0.00c	0.00	9,353.18	448.46	9,801.64	5,573.87		
	*Less: Dispositions		15,375.51	0.00	0.00	9,353.18	0.00	9,801.64	5,573.87		
	Net 250 Electric pump equip		0.00	0.00c	0.00	0.00	448.46	0.00	0.00		
Group: 300 Water treatment plant											
3012 *	Chlorinator - Quad Villas	12/01/81	135.00	0.00	0.00	91.29	3.58	94.87	40.13	S/L	22.0
3035 *	Water treatment - Quadra	9/01/85	35.00	0.00	0.00	20.36	0.93	21.29	13.71	S/L	22.0
3071 *	Water treatment - Quad Villas	10/10/96	697.50	0.00	0.00	166.43	18.49	184.92	512.58	S/L	22.0
3078 *	Water treatment - Quadra Villas	2/10/98	2,110.40	0.00	0.00	375.72	55.96	431.68	1,678.72	S/L	22.0
	300 Water treatment plant		2,977.90	0.00c	0.00	653.80	78.96	732.76	2,245.14		
	*Less: Dispositions		2,977.90	0.00	0.00	653.80	0.00	732.76	2,245.14		
	Net 300 Water treatment plant		0.00	0.00c	0.00	0.00	78.96	0.00	0.00		

P.2

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Crippen Crippen Trice

Jun 26 02 09:47a

EXHIBIT D

Book Asset Detail 1/01/02 - 12/31/02

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Deprec	Book Current Depreciation	Book End Depreciation	Book Net Book Value	Book Method	Book Period
Group: 350 Trans & dist-Tanks											
3514 *	Tanks - Quad Villas	12/01/81	3,400.00	0.00	0.00	1,765.65	53.60	1,819.25	1,580.75	S/L	37.0
3570 *	Tanks - Quadra Villas	4/23/98	681.20	0.00	0.00	67.50	10.74	78.24	602.96	S/L	37.0
350 Trans & dist-Tanks			4,081.20	0.00c	0.00	1,833.15	64.34	1,897.49	2,183.71		
*Less: Dispositions			4,081.20	0.00	0.00	1,833.15	0.00	1,897.49	2,183.71		
Net 350 Trans & dist-Tanks			0.00	0.00c	0.00	0.00	64.34	0.00	0.00		
Group: 400 Trans & dist-Mains											
4031 *	Mains - Quad Villas	12/01/81	3,861.00	0.00	0.00	2,527.83	52.38	2,580.21	1,280.79	S/L	43.0
4032 *	Mains - Quad Villas/Sugar Hills	12/31/81	12,041.45	0.00	0.00	5,842.17	163.35	6,005.52	6,035.93	S/L	43.0
4033 *	Mains - Quad Villas/Sugar Hills acc	12/31/81	3,271.98	0.00	0.00	1,587.42	44.39	1,631.81	1,640.17	S/L	43.0
4052 *	Mains - Quad Villas	3/08/82	23.10	0.00	0.00	11.11	0.31	11.42	11.68	S/L	43.0
4053 *	Mains - Quad Villas	3/08/82	109.34	0.00	0.00	52.54	1.48	54.02	55.32	S/L	43.0
4054 *	Mains - Quad Villas	3/31/82	118.17	0.00	0.00	56.57	1.60	58.17	60.00	S/L	43.0
4061 *	Mains - Quadvilla	2/16/83	175.55	0.00	0.00	79.99	2.38	82.37	93.18	S/L	43.0
400 Trans & dist-Mains			19,600.59	0.00c	0.00	10,157.63	265.89	10,423.52	9,177.07		
*Less: Dispositions			19,600.59	0.00	0.00	10,157.63	0.00	10,423.52	9,177.07		
Net 400 Trans & dist-Mains			0.00	0.00c	0.00	0.00	265.89	0.00	0.00		
Group: 550 Trans & dist-Services											
5515 *	Services - Quadvilla	1/21/82	120.42	0.00	0.00	59.96	1.76	61.72	58.70	S/L	40.0
5516 *	Services - Quadvilla	11/23/82	659.39	0.00	0.00	314.49	9.62	324.11	335.28	S/L	40.0
550 Trans & dist-Services			779.81	0.00c	0.00	374.45	11.38	385.83	393.98		
*Less: Dispositions			779.81	0.00	0.00	374.45	0.00	385.83	393.98		
Net 550 Trans & dist-Services			0.00	0.00c	0.00	0.00	11.38	0.00	0.00		
Group: 600 Meters											
6009 *	Meters - Quad Villas	12/01/81	733.75	0.00	0.00	541.13	21.40	562.53	171.22	S/L	20.0
6019 *	16 meters - Quadvilla	2/28/82	578.08	0.00	0.00	409.42	16.86	426.28	151.80	S/L	20.0
6024 *	14 meters - Quadvilla	4/30/82	505.82	0.00	0.00	356.17	14.75	370.92	134.90	S/L	20.0
6029 *	17 meters - Quad Villa	5/31/82	614.21	0.00	0.00	431.23	17.91	449.14	165.07	S/L	20.0
6031 *	9 meters - Quadvilla	6/30/82	325.17	0.00	0.00	227.58	9.48	237.06	88.11	S/L	20.0
6033 *	9 meters - Quad Villa	7/31/82	325.17	0.00	0.00	226.91	9.48	236.39	88.78	S/L	20.0
6040 *	12 meters Quadvilla	8/01/82	433.56	0.00	0.00	302.57	12.65	315.22	118.34	S/L	20.0
6041 *	36 meters Quadvilla	11/01/82	1,300.68	0.00	0.00	899.59	37.94	937.53	363.15	S/L	20.0
6048 *	Meters - 37 Quadvilla	1/01/83	1,336.81	0.00	0.00	919.05	38.99	958.04	378.77	S/L	20.0
6056 *	Meters - 16 Quadvilla	3/01/83	578.08	0.00	0.00	394.97	16.86	411.83	166.25	S/L	20.0
6059 *	Meters - 17 Quadvilla	4/01/83	614.21	0.00	0.00	418.43	17.91	436.34	177.87	S/L	20.0
6068 *	Meters - 4 Quadvilla	6/01/83	144.52	0.00	0.00	97.86	4.22	102.08	42.44	S/L	20.0
6077 *	Meters - 6 Quadvilla	8/01/83	216.78	0.00	0.00	145.84	6.32	152.16	64.62	S/L	20.0
6082 *	Meters - 2 Quadvillas	9/01/83	72.26	0.00	0.00	48.43	2.11	50.54	21.72	S/L	20.0
6089 *	Meters - 2 Quadvilla	11/01/83	72.26	0.00	0.00	48.13	2.11	50.24	22.02	S/L	20.0
6110 *	Meters - Quadvilla	1/01/84	433.56	0.00	0.00	287.21	12.65	299.86	133.70	S/L	20.0

00670 MARION UTILITIES, INC.

59-2046604

FYE: 12/31/2002

Book Asset Detail 1/01/02 - 12/31/02

06/26/2002 9:10 AM

Page 3

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Deprec	Book Current Depreciation	Book End Depreciation	Book Net Book Value	Book Method	Book Period
Group: 600 Meters (continued)											
6111 *	Meters - Quadvilla	3/01/84	325.17	0.00	0.00	214.03	9.48	223.51	101.66	S/L	20.0
	600 Meters		8,610.09	0.00c	0.00	5,968.55	251.12	6,219.67	2,390.42		
	*Less: Dispositions		8,610.09	0.00	0.00	5,968.55	0.00	6,219.67	2,390.42		
	Net 600 Meters		<u>0.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>251.12</u>	<u>0.00</u>	<u>0.00</u>		
Group: 800 Other tax basis only											
8012 *	Quadvilla Water system acquired 2/	1/01/82	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.0
	800 Other tax basis only		<u>0.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		
	Grand Total		67,681.77	0.00c	0.00	31,659.12	1,237.58	32,896.70	34,785.07		
	Less: Dispositions		67,681.77	0.00	0.00	31,659.12	0.00	32,896.70	34,785.07		
	Net Grand Total		<u>0.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>1,237.58</u>	<u>0.00</u>	<u>0.00</u>		

P. 4

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CRIPPEN CRIPPEN PRICE

JUN 20 02 03:10A

TREATMENT HISTORY

The treatment levels has historically been obtained for all parameters.

CONSUMER CONFIDENCE REPORT

As of October 19, 1999, Marion Utilities, Inc. is required to complete and submit a Consumer Confidence Report, in accordance with CH 62-550.824, F.A.C., to each customer annually due by July 1 of the year after. (For example, the 2000 Consumer Confidence Report is due to the customer by July 1, 2001).

COMPLIANCE HISTORY

Based upon review of a Water Treatment Plant Compliance Inspection Report completed on November 7, 2000 and a Sanitary Survey Report completed on November 4, 1999, Quadvilla Estates water supply and treatment facility is compliance with FDEP rules and regulations.

OVERALL

The water quality and treatment levels, for these monitored parameters, has historically been good.

EXHIBIT E



Marion Utilities, Inc.

710 NE 30TH AVE. OCALA, FLORIDA 34470
(352) 622-1171

LEGAL NOTICE

6/28/2002

Notice is hereby given on 6/28/2002, pursuant to Section 367,071, Florida Statutes, of the application for a transfer of a portion of Water Certificate No. 347W held by Marion Utilities, Inc. from Marion Utilities, Inc. to Silver Springs Regional Water and Sewer, Inc. providing service to the following described territory in Marion County, Florida.

Legal Description

Section 1 Township 15 South Range 22 East

Quadvilla Estates:

The East ½ of the Northeast 1/4 of the Northwest 1/4 of the Northwest 1/4.

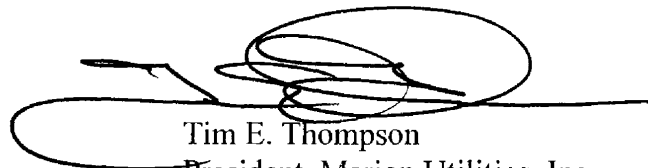
Sugar Hills Quadvillas:

The Northwest 1/4 of the Northwest 1/4 of Section 1, except the East ½ of the Northeast 1/4 of the Northwest 1/4 of the Northwest 1/4 of said Section 1.

Any objection to the said application must be made in writing and filed with the Director, Division of the Commission Clerk & Administrative Services, Florida Public Service Commission, 2540 Shumard Oaks Boulevard, Tallahassee, FL 32399-0850, within thirty (30) days from the date of this notice. At the same time a copy of said objection should be mailed to the applicant whose address is set forth below. The objection must state the grounds for the objection with particularity.

Marion Utilities, Inc. 710 NE 30th Avenue, Ocala, FL 34470.

I certify that the above legal notice was sent by mail as required by Florida Statutes 367.045 (1) (a) and rule 23 - 30.030 FAC. See attached copies.



Tim E. Thompson
President, Marion Utilities, Inc.

EXHIBIT F

LIST OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
06/17/2002-08/15/2002

UTILITY NAME

MANAGER

MARION COUNTY

A. P UTILITIES, INC. (WU592) 3925 S.E 45TH COURT, SUITE E OCALA, FL 34480-7431	PHILIP D. WOODS (352) 694-7474
BFF CORP. (SU595) P O. BOX 5220 OCALA, FL 34478-5220	CHARLES DE MENZES (352) 622-4949
C.F A.T. H2O. INC. (WS719) P. O. BOX 5220 OCALA, FL 34478-5220	CHARLES DE MENZES (352) 622-4949
COUNTYWIDE UTILITY COMPANY (WU008) P. O. BOX 1476 OCALA, FL 34478-1476	DIRK J. LEEWARD (352) 245-7007
EAGLE SPRINGS UTILITIES, INC. (WU470) P. O BOX 1975 SILVER SPRINGS, FL 34489-1975	LEONARD (LEN) B. TABOR (352) 351-8800
EAST MARION SANITARY SYSTEMS, INC. (SU535) 4225-G MILLER ROAD, #190 FLINT, MI 48507-1227	HERBERT HEIN (810) 733-6342
EAST MARION SANITARY SYSTEMS, INC. (WU536) 4225-G MILLER ROAD, #190 FLINT, MI 48507-1227	HERBERT HEIN (810) 733-6342
FLORIDA WATER SERVICES CORPORATION (WS487) P. O. BOX 609520 ORLANDO, FL 32860-9520	FREDERICK W. LEONHARDT (407) 598-4152
LINADALE WATER COMPANY (WU148) 24901 SOUTH EAST COUNTY HIGHWAY 42 UMATILLA, FL 32784-9144	FANNIE J SHIELDS (352) 669-3589
LITTLE SUMTER UTILITY COMPANY (WS762) 1100 MAIN STREET THE VILLAGES, FL 32159-7719	H. GARY MORSE
LOCH HARBOUR UTILITIES, INC. (WS151) P. O BOX 2100 OCALA, FL 34478-2100	JOSEPH C MCCOUN (352) 732-2100

LIST OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
06/17/2002-08/15/2002

UTILITY NAME

MANAGER

MARION COUNTY (continued)

MARION UTILITIES, INC (WS160)
710 N.E. 30TH AVENUE
OCALA, FL 34470-6460

TIM E. THOMPSON
(352) 622-1171

OCALA OAKS UTILITIES, INC (WU174)
% AQUASOURCE, INC
411 SEVENTH AVENUE, MD. 14-3
PITTSBURGH, PA 15219-1919

WILLIAM V PFROMMER
(412) 393-3623

OCALA SPRINGS UTILITIES INC. (WS808)
4837 SWIFT ROAD, SUITE 100
SARASOTA, FL 34231-5157

MICHAEL ACOSTA
(941) 925-3088

PALM CAY UTILITIES, INC. (WU803)
10641 S.W. 80TH AVENUE
OCALA, FL 34481-9146

JON M. KURTZ
(352) 854-0408

QUAIL MEADOW UTILITIES, INC. (WU532)
P. O. BOX 771268
OCALA, FL 34477-1268

JAMES T AHERRON
(352) 237-3604

RAINBOW SPRINGS UTILITIES, L.C. (WS199)
P. O BOX 1850
DUNNELLON, FL 34430-1850

LEE NOVY
(352) 489-9153

RESIDENTIAL WATER SYSTEMS, INC (WU370)
P. O BOX 5220
OCALA, FL 34478-5220

CHARLES DEMENZES
(352) 622-4949

S & L UTILITIES, INC (SU327)
P. O BOX 4186
OCALA, FL 34478-4186

CHARLES FLETCHER, JR
(352) 694-2166

SILVER CITY UTILITIES (WU362)
355 PRINCES STREET
KINCARDINE, ONTARIO
CANADA N2Z 2T7,

DAVID SMALL
(519) 396-2658

SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP (WS746)
ATTN: SADDLE OAK CLUB
31700 MIDDLEBELT ROAD, SUITE 145
FARMINGTON HILLS, MI 48334-2321

LORI RUMER
(941) 466-7062

LIST OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
06/17/2002-08/15/2002

UTILITY NAME

MANAGER

MARION COUNTY (continued)

SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC (WU239) 10230 E. HIGHWAY 25 BELLEVIEW, FL 34420-5531	JAMES H. HODGES (352) 347-8228
TRADEWINDS UTILITIES, INC. (WS350) P. O. BOX 5220 OCALA, FL 34478-5220	CHARLES DE MENZES (352) 622-4949
UTILITIES, INC OF FLORIDA (SU661) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4099	DONALD RASMUSSEN (407) 869-1919
UTILITIES, INC. OF FLORIDA (WU443) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4099	DONALD RASMUSSEN (407) 869-1919
VENTURE ASSOCIATES UTILITIES CORP (WU512) 2661 N.W. 60TH AVENUE OCALA, FL 34482-3933	ARTHUR F. TAIT (352) 732-8662
WINDSTREAM UTILITIES COMPANY (WU385) P. O. BOX 4201 OCALA, FL 34478-4201	SHARON (SHARI) DLOUHY (352) 620-8290

LIST OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
06/17/2002-08/15/2002

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CLERK, BOARD OF COUNTY COMMISSIONERS, MARION COUNTY
P. O. BOX 1030
OCALA, FL 32678-1030

DEP CENTRAL DISTRICT
3319 MAGUIRE BLVD , SUITE 232
ORLANDO, FL 32803-3767

DEP SOUTHWEST DISTRICT
3804 COCONUT PALM DRIVE
TAMPA, FL 33618-8318

MAYOR, CITY OF BELLEVIEW
5343 S.E. ABSHIER BLVD.
BELLEVIEW, FL 34420-3904

MAYOR, CITY OF DUNNELLON
20750 RIVER DRIVE
DUNNELLON, FL 34431-6744

MAYOR, CITY OF OCALA
P. O. BOX 1270
OCALA, FL 32678-1270

MAYOR, TOWN OF REDDICK
P. O. BOX 203
REDDICK, FL 32686-0203

ROBERT TITTERINGTON, MARION COUNTY
601 S.E. 25TH AVENUE
OCALA, FL 34471

S.W. FLORIDA WATER MANAGEMENT DISTRICT
2379 BROAD STREET
BROOKSVILLE, FL 34609-6899

LIST OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
06/17/2002-08/15/2002

UTILITY NAME

MANAGER

ST. JOHNS RIVER WTR MANAGEMENT DISTRICT
P. O. BOX 1429
PALATKA, FL 32178-1429

TOWN CLERK/MANAGER, TOWN OF MCINTOSH
P. O. BOX 165
MCINTOSH, FL 32664-0165

WITHLACOCHEE REG PLANNING COUNCIL
1241 S.W. 10TH STREET
OCALA, FL 34474-2798

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

PROOF OF PUBLICATION

STAR-BANNER

Published - Daily

OCALA, MARION COUNTY, FLORIDA

STATE OF FLORIDA,
COUNTY OF MARION

Before the undersigned authority personally appeared Peri Cushman,
who on oath says that he is an authorized employee of the Star-Banner, a daily
newspaper published at Ocala, in Marion County, Florida; that the attached copy
of advertisement, being a notice in the matter of _____

439361 - LEGAL NOTICE

_____ in the _____ Court,
was published in said newspaper in the issues of _____

JUNE 28, 2002

Affiant further says that the said STAR-BANNER is a daily newspaper
published at Ocala, in said Marion County, Florida, and that the said newspaper
has heretofore been continuously published in said Marion County, Florida,
daily, and has been entered as second class mail matter at the post office in
Ocala, in said Marion County, Florida, for a period of one year next preceding the
first publication of the attached copy of advertisement; and affiant further says
that he has neither paid nor promised any person, firm or corporation any
discount, rebate, commission or refund for the purpose of securing this
advertisement for publication in the said newspaper.

Peri Cushman

Sworn to and subscribed before me this 28th day

JUNE, A.D., 2002.

Gloria Thomas
Notary Public

GLORIA THOMAS
(Print, Type or Stamp Name of Notary Public)

EXHIBIT H

LEGAL NOTICE

6/28/2002

Notice is hereby given on
6/28/2002, pursuant to Section
367.071, Florida Statutes,
of the application for a

transfer of a portion of Water
Certificate No. 347W held by
Marion Utilities, Inc. from
Marion Utilities, Inc. to Silver
Springs Regional Water and
Sewer, Inc. providing service
to the following described
territory in Marion County,
Florida.

Legal Description
Section 1 Township 15 South
Range 22 East

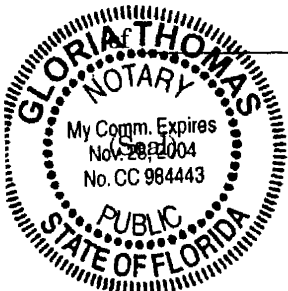
Quadrilla Estates:
The East 1/2 of the Northeast
1/4 of the Northwest 1/4 of
the Northwest 1/4.

Sugar Hills Quadrillas: The
Northwest 1/4 of the North-
west 1/4 of Section 1, except
the East 1/2 of the Northeast
1/4 of the Northwest 1/4 of
the Northwest 1/4 of said
Section 1.

Any objection to the said ap-
plication must be made in
writing and filed with the Di-
rector, Division of the Com-
mission Clerk & Administra-
tive Services, Florida Public
Service Commission, 2540
Shumard Oaks Boulevard,
Tallahassee, FL 32399-0850,
within thirty (30) days from
the date of this notice. At the
same time a copy of said ob-
jection should be mailed to
the applicant whose address
is set forth below. The objec-
tion must state the grounds
for the objection with partic-
ularity.

Marion Utilities, Inc. 710 NE
30th Avenue, Ocala, FL
34470.

No. 439361 - June 28, 2002.



St. 90
H. 40
P.C.

12

This Instrument Prepared By:
Merritt C. Fore, Jr.
Post Office Box 1358
Ocala, Florida 32678

executive file 81-051205

This Indenture,

O.R. BOOK 1090 PAGE 1559

(The terms "grantor" and "grantee" herein shall be construed to include all genders and singular or plural as the context indicates.)

Made this 4th day of December 19 81. Between

H. KEITH TRUMM, individually and as Trustee

of the County of Marion, State of Florida, grantor, and

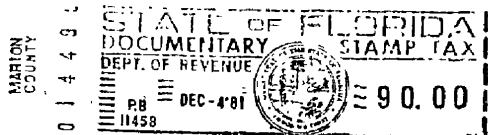
MARION UTILITIES, INC., a Florida corporation,

whose post-office address is Suite B - 1627 E. Silver Springs Boulevard, Ocala, Florida, grantee,
of the County of Marion, State of Florida

Witnesseth: That said grantor, for and in consideration of the sum of Ten and no/100---- Dollars, and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs, successors and assigns forever, the following described land, situate, lying and being in Marion County, Florida, to-wit:

Lot 1, Block A, QUADVILLA ESTATES, as per plat thereof recorded in Plat Book T, page 90, public records of Marion County, Florida.

Grantor, by execution of this deed, warrants the above described property is not his homestead nor is it contiguous to his homestead.



RECORDED AND RETURNED TO GRANTEE
DEC 4 3 46 PM '81
CLERK OF CIRCUIT COURT
MARION COUNTY, FLA.

and said grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

In Witness Whereof, Grantor has hereunto set grantor's hand and seal the day and year first above written. Signed, sealed and delivered in our presence:

[Signature] (Seal)
H. KEITH TRUMM, individually and as Trustee (Seal)

(Seal)

STATE OF FLORIDA
COUNTY OF MARION

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared

H. KEITH TRUMM, individually and as Trustee

to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged before me the execution of same.

WITNESS my hand and official seal in the County and State last aforesaid this 4th day of December, 1981

EXHIBIT I

[Signature]
Notary Public
My commission expires: 12/12/81