

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION
CLERK

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RECEIVED

In re: Application by Morningside)
Utilities, Inc., holder of Certificate)
No. 595-W in Osceola County)
for transfer of facilities to the)
Tohopekaliga Water Authority)
and cancellation of Certificate)
No. 595-W.)

Docket No. 040577-WU

Filed: _____



APPLICATION
FOR TRANSFER OF FACILITIES TO THE
TOHOPEKALIGA WATER AUTHORITY

Applicant, Morningside Utilities, Inc. ("Morningside"), files this its Application for Transfer of Water Facilities to the Tohopekaliga Water Authority ("TWA"), pursuant to Section 367.071(4) Fla. Stat. (2003), and state:

1. Morningside operates in Osceola County pursuant to certificate No. 595W issued by the Florida Public Service Commission (the "Commission").
2. The name and address of Morningside Utilities, Inc., and its authorized representative, for purposes of this application, is:

Gary Turner, President
Morningside Utilities, Inc.
4144 Oakwood Dr.
St. Cloud, FL 34772-8187

3. Tohopekaliga Water Authority is an independent special district established and created pursuant to Chapter 189, Florida Statutes, by special act of Florida Legislature, Chapter 2002-368, Laws of Florida, as a special purpose local governmental body, corporate and politic. The Authority is exempt from regulation by the Commission pursuant to

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Section 367.022(2), Florida Statutes. The Commission has previously made a similar determination in **Docket 030921, Joint application for acknowledgment of sale of land and facilities in Osceola County to Osceola County by Florida Water Services, and for cancellation of Certificates Nos. 66-W and 289-S..**

4. Applicant files with this Commission its Application for Transfer of Facilities to Tohopekaliga Water Authority (the "Application"). A copy of the Utility System Asset Acquisition Agreement of Morningside Utilities, Inc. (the "Agreement") transferring the water facilities of Morningside (the "Morningside System") to TWA is attached hereto as Appendix "A," and is incorporated by reference herein. On **June 30, 2004**, the applicant facilities **will be** transferred to the TWA, pursuant to Utility System Asset Acquisition Agreement of Morningside Utilities, Inc.

5. The TWA has obtained from Morningside the then most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction applicable to the Morningside System, as was required by Section 189.423, Florida Statutes. TWA has fully complied with the requirements of Section 189.423, Florida Statutes, as evidenced by TWA Resolution No. **04-012**, Appendix "B" attached to this Application.

6. Customer deposits and the interest thereon have been credited to TWA as provided in the Agreement, at Section 12.09 thereof.

7. All regulatory assessment fees for Morningside have been paid in full. Regulatory assessment fees from January 1, 2004 through **June 30, 2004** for the Morningside System will be paid when due in accord with Commission regulations.

10. * There are no fines payable by Morningside or refunds owed to Morningside.


WHEREFORE, the Applicant Morningside requests that this Commission:

1) Recognize the Tohopekaliga Water Authority to be exempt from the Commission's jurisdiction;

2) Approve the transfer of water facilities as set forth in this application to the Tohopekaliga Water Authority as a matter of right, pursuant to Section 367.071, Florida Statutes; and

3) Such other relief as is appropriate.

DATED this 17th day of June, 2004.

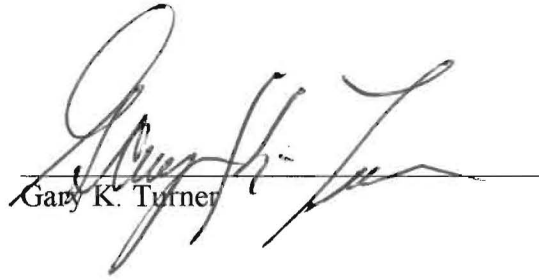


GARY TURNER, President
Morningside Utilities, Inc.
4144 Oakwood Dr.
St. Cloud, FL 34772-8187

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Application for Transfer of Facilities to the Tohopekaliga Water Authority has been furnished this 17th day of June, 2004, by Federal Express over night with signature required delivery to Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee,

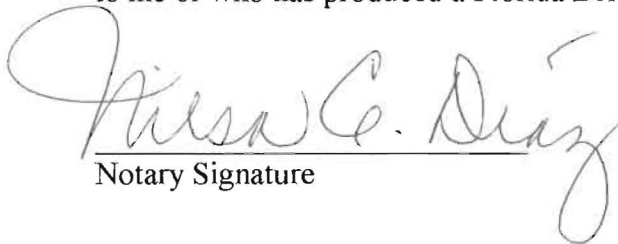
Florida 32399 and Brian L. Wheeler, Executive Director, Tohopekaliga Water Authority,
101 North Church Street, 2nd Floor, Kissimmee, Florida 34741.



Gary K. Turner

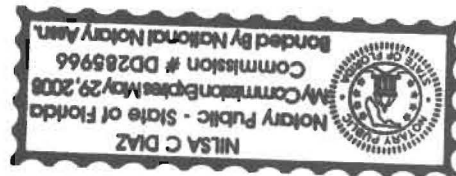
STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 17th day of June, 2004 by
Gary K. Turner who is the owner of Morningside Utilities, Inc., who is personally known
to me or who has produced a Florida Driver's License as identification.



Notary Signature

Stamp



UTILITY SYSTEM ASSET
ACQUISITION
AGREEMENT
OF
MORNINGSIDE
UTILITIES, INC.

JULY, 2004

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**UTILITY SYSTEM ASSET
ACQUISITION AGREEMENT
OF MORNINGSIDE UTILITIES**

This Utility System Asset Acquisition Agreement (hereinafter the "Agreement") is made this ___ day of May, 2004 by and between Morningside Utilities, Inc. (hereinafter the "Seller") and the Tohopekaliga Water Authority ("TWA") (hereinafter "Buyer") an independent special district created pursuant to Chapter 189, Florida Statutes, with offices at 101 N. Church Street, Kissimmee, Florida 34741.

WITNESSETH:

WHEREAS, Seller owns a private utility assets which consist generally of potable water supply, treatment, storage, and distribution systems and wastewater collection, transmission, treatment, disposal and reuse systems to the service areas identified in Appendix "A" to this Agreement; and

WHEREAS, Seller is also owner of certain Certificates of Public Conveniences and Necessity issued by the Florida Public Service Commission under which it holds the exclusive right to provide water and wastewater services within the service areas identified on Appendix "B" to this Agreement; and

WHEREAS, Seller is desirous of selling to TWA its utility assets at Morningside Utilities; and

WHEREAS, TWA is engaged in providing public utilities and is the owner of several water and wastewater system which are operated for the benefit of the residents of the City of Kissimmee and Osceola County, Florida; and

WHEREAS, TWA was created to provide for a regional approach to the delivery of potable and non-potable water and wastewater services and facilities within Osceola County will provide the opportunity for the County and the City of Kissimmee to (1) develop an efficient and environmentally sensitive approach to the comprehensive supply, distribution and treatment of water and the collection, treatment and disposal of wastewater; (2) seek economies of scale resulting from the unified and coordinated provision of regional utility services by local government; (3) ensure that current and future users of water and wastewater facilities and services within Osceola County are provided with cost efficient services at reasonable rates by local government; (4) ensure that the operation and maintenance of potable and non-potable water and wastewater facilities is done in a pro-active, accountable and environmentally responsible manner; (5) stabilize potable and non-potable water and wastewater utility rates over the long term, reduce inefficient expansion and extension of service capabilities and avoid the proliferation of smaller and inefficient treatment facilities and sites; (6) assure the appropriate expansion and interconnection of existing facilities and the construction of future facilities in a coordinated, uniform and non-discriminatory manner which avoids special or disproportionate benefit to individual utility operations or special interests at

the expense of either current or future users; (7) promote the protection and environmentally sensitive utilization of water supplies, surface water and ground water resources in Osceola County and surrounding area; and (8) accomplish a greater public use and increased public benefit which result from the ownership, operation and control of water and wastewater benefit which result from the ownership, operation and control of water and wastewater systems and facilities by local government.

WHEREAS, TWA deems it desirable and in the best interest of the residents of Osceola County that TWA purchase and acquire the Sellers Utility Assets as additions to the TWA system.

NOW THEREFORE, in consideration of the foregoing recitals and the benefit to be derived from mutual promises, covenants, representations and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement do undertake, promise and agree for themselves, their permitted successor and assigns as follows:

ARTICLE I DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the meaning as defined herein unless the context requires otherwise:

Affiliate: means (a) any person that directly or indirectly controls, is directly or indirectly controlled by or is directly or indirectly under common control with Seller; or (b) any person that holds a material interest in, or serves as a director, officer, partner, executor or trustee of Seller.

Agreement: means this Utility System Asset Acquisition Agreement, including any amendments, supplements, and appendices hereto executed and delivered in accordance with the terms hereof.

Appurtenances: means all privileges, rights, easements, hereditaments and appurtenances owned by Seller for the benefit of the Fee Parcels, including all easements appurtenant to and for the benefit of any Fee Parcel (a "Dominant Parcel") for, and as the primary means of access between, the Dominant Parcel and a public way, or for any other use upon which lawful use of the Dominant Parcel for the purposes for which it is presently being used is dependent, and all rights existing in and to any streets, alleys, passages and other right of way included thereon or adjacent thereto (before or after vacation thereof) and vaults beneath any such streets.

Assumed Liabilities: means those obligations assumed by Buyers or Buyers' Contractors at Closing and upon taking ownership of the Purchased Assets as set forth in Section 3.02 of this Agreement.

Best Efforts: means the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible, provided, however, that a Person required to use Best Efforts under this Agreement will not be thereby required to take actions that would result in a material adverse change in the benefits to such Person of this Agreement and the Contemplated Transactions or to dispose of or make any change to its business, expend any material funds or incur any other material burden.

Business Day: means any day other than a Saturday, Sunday or a day on which banking institutions in the State of Florida are authorized or obligated by law to close.

Closing or Closing Date: has the meaning set forth in Section XII of this Agreement. Where the context requires, Closing and Closing Date shall include Early Closing Date(s).

Connection Charges: means the funds collected from new customers of the Utility System at or prior to initial connection as authorized by the Sellers Tariffs to defray the cost of making utility services available. Connection Charges include capacity, main extension, allowance for funds prudently invested, guaranteed revenues or other charges paid for the availability of utility services.

Contemplated Transactions: means all of the transactions contemplated by this Agreement.

Easements: means the easements listed on Appendix "D".

Effective Time: means 12.01 am on the Closing Date.

Encumbrance: means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership.

Excluded Assets: means those Sellers, properties and rights, both tangible and intangible, real and personal, which are not sold, conveyed or transferred to Buyers pursuant to this Agreement. The excluded assets are listed on Appendix "G".

Facilities: means (1) the Fee Parcels, (2) the Easements and Appurtenances and (3) the Personal Property, but excluding the Excluded Assets.

Fiscal Year: means a fiscal year which begins on October 1 and ends on September 30.

Fee Parcels: means those parcels of real property more particularly described in Appendix "E".

Seller: means any contract, promise, or undertaking with respect to the Utility System (a) under which Seller has or may acquire any rights or benefits; (b) under which Seller has or may become subject to any obligation or liability; (c) by which Seller or any of the assets owned or used by Seller is or may become bound or are encumbered.

Seller Tariffs: means all water and wastewater tariffs filed by Seller and approved by the Florida Public Service Commission or by a county regulatory authority and in effect on the Closing Date.

Gain on Sale: means the sharing, allocation or refund of Seller's economic gain on any utility system transfer.

Governing Documents: means the articles or certificate of incorporation and the bylaws of Seller.

Governmental Authorization: means any consent, license, certificate of authorization, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

Governmental Body: means any (a) federal, state, local, municipal, or other government; (b) governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental powers); or (c) body exercising any administrative, executive, judicial, quasi-judicial, legislative, police, regulatory, or taxing authority or power.

Knowledge: means (1) as to Seller, the actual knowledge of Seller's directors and officers, with the requirement of diligent inquiry and subsequent investigation, or (2) as to Buyers, the actual knowledge of Buyers' individual governing board members, administrative heads and contractors, engineers and advisors, with the requirement of diligent inquiry and subsequent investigation.

Legal Requirement: means any federal, state, local, municipal, or other constitution, law, ordinance, principal of common law, code, regulation, or statute.

Order: means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

Ordinary Course of Business: means an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business only if that action is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person.

Person: means an individual, a statutorily authorized customer(s) representative, partnership, corporation, business trust, limited liability company, limited liability

partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

Personal Property: means the personal property assets that are both (1) owned and used by Seller in the operation of the Utility System, and (2) located within the service areas identified in Appendix "H".

Proceeding: means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

PSC: means the Florida Public Service Commission.

Purchased Assets: means the asset being acquired by Buyers as defined in Section 3.02 below.

Purchase Price: means the payment to be made at Closing by Buyers to Seller for the Purchased Assets.

Real Property: means the Fee Parcels.

Signature Date: means the date on which the last of Buyers or Seller signs this Agreement.

Third Party: means a Person that is not a party to this Agreement.

Title Commitment: means one or more title insurance commitments with respect to the Fee Parcels in the aggregate amount not to exceed the Purchase Price, as provided herein, issued by Seller's attorney committing the Title Company to issue and deliver the Title Policies or issued by a Title Company to Buyers upon compliance with the requirements stated in Article IX thereof, subject to the terms and conditions contained therein.

Title Company: means Stewart Title Company

Title Policy or Title Policies: means one or more ALTA owners policies of title insurance (10/17/92) (with Florida modifications) as provided in this Agreement, issued by the Title Company in accordance with the Title Commitment and which meets the requirements of Article IX.

Transaction Costs: means the costs, fees and expenses incurred by the Buyers in connection with this transaction.

Transfer Documents: means the documents necessary to close the transaction.

Utility System: means the Facilities located in the service areas identified on Appendix "A", other than Excluded Assets.

SECTION 1.02. CONSTRUCTION AND INTERPRETATION

(A) Words that indicate a singular number shall include the plural in each case and vice versa, and words that import a person shall include legal entities, firms and corporations.

(B) The terms "herein", "hereunder", "hereby", "hereof", and any similar terms, shall refer to this Agreement; the term "heretofore" shall mean before the Signature Date; and the term "hereafter" shall mean on or after the Signature Date.

(C) Words that reference only one gender shall include all genders.

(D) This Agreement shall be construed as resulting from joint negotiation and authorship. No part of this Agreement shall be construed as the product of any one of the parties hereto.

SECTION 1.03. INCORPORATION. Each party represents that the recitals set forth in this Agreement are true and correct as they pertain to each party and are incorporated herein and made a part of this Agreement. The Appendices hereto and each of the documents referred to therein are incorporated and made part hereof in their entirety.

SECTION 1.04. SECTION HEADINGS. Any headings preceding the texts of the several Articles, Sections or Appendices in this Agreement and any table of contents or marginal notes appended to copies hereto, shall be solely for the convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II REPRESENTATION

SECTION 2.01. REPRESENTATIONS OF TWA TWA hereby represents and warrants to and agrees with Seller, as follows:

(A) **Prerequisites:** TWA has taken and will take all actions and proceedings, including adoption of appropriate resolutions reasonably required to be taken in its execution and performance of this Agreement.

(B) **Opinion:** On the Closing Date, TWA shall cause to be delivered to Seller the written opinion of its Attorney stating inter alia that all constitutional, statutory and contractual prerequisites to TWA execution, delivery and performance of this Agreement have, in fact, been taken by TWA, and that this Agreement and, from and after the Closing Date, TWA's performance or its obligations hereunder are legal, valid

and binding upon TWA provided that no opinion will be expressed as to any obligation of TWA to indemnify Seller or hold Seller harmless contained in Section 2.02(P).

(C) No Broker: In connection with the purchase and sale transaction contemplated herein, no person has been or will be employed or paid in money or material benefit by or on behalf of TWA to procure this transaction. TWA has not contacted any broker or finder and, to the best of TWA's knowledge, no broker, finder or other person will be entitled to claim any commission, fee, payment or material benefit with respect to the purchase sale hereunder.

(D) Indemnification: To the extent provided by law, TWA hereby agrees to save and hold Seller harmless from and to indemnify Seller against, any and all losses or damages suffered by Seller resulting from:

- (i) Any misrepresentation by TWA of a material fact contained in this Agreement;
- (ii) Any breach of the representations or warranties made by TWA pursuant to this Agreement;
- (iii) Any and all acts of TWA arising after closing (unless Seller specifically assumes such liability under this Agreement).

(E) Compliance with Law: TWA shall comply with Section 367.071(3)(a), Florida Statutes, and supply to Seller the documents needed for Seller to comply with Section 25-30.041(c), Florida Administrative Code.

SECTION 2.02 REPRESENTATIONS OF MORNINGSIDE UTILITIES, INC.: Seller hereby represents and warrants to and agrees with TWA as follows:

(A) Organization and Standing: Seller has been organized under the laws of the State of Florida, validly exists and is in good standing in the State of Florida.

(B) Due Authorization: The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated herein have been duly authorized by all requisite corporate action and such due authorization will remain in full force and effect on the Closing Date and the Transfer Date.

(C) Title: As of the Closing Date and the Transfer Date, Seller will be the lawful owner of Subject Assets and may lawfully sell Subject Assets and convey good and marketable title thereto, excluding the Real Property as listed in Appendix "F" attached, to TWA subject only to the Permitted Exceptions.

(D) Transition: Between the date hereof and the Transfer Date, Seller hereby grants to TWA access to its books, records, files and premises to enable TWA to prepare for ownership and operation of the Systems and to plan and design the transition, improvements and changes necessary to merge the Subject Assets purchased hereunder with TWA's water and sewer system; provided such entry shall be at

reasonable times, after reasonable notice and does not unreasonably interfere with the operation of Seller's business.

(E) No Default: Neither the execution of this Agreement nor consummation of the transaction contemplated herein shall constitute a default under or breach of any other contract to which Seller is a party.

(F) No Other Contracts: There are no other Agreements or obligations which encumber Subject Assets or which would impose any obligation after the Closing Date on TWA other than those disclosed herein. There are no service commitments or reservations or capacity.

(G) Records and Reports: Seller has maintained its records in accordance with all applicable requirements of Florida law. All reports required by law to be filed have been and will be as of the Closing Date timely filed. There are no other records or reports relating to the Systems, permits, service interruptions, accidents, complaints, customer accounts, engineering or environmental matters maintained or required to be maintained other than those which Seller has made or will make available to TWA for inspection. Seller agrees to maintain its files, records and reports not transferred to TWA at closing in accordance with PSC regulations. All files records and reports shall be made available to TWA for inspection and copying upon request, provided such request is reasonable and all costs are paid by TWA. Seller agrees to notify TWA prior to discarding any files, records or reports so that TWA may elect to receive such materials as TWA property.

(H) No Suits or Regulatory Matters: There are no outstanding, pending or threatened suits or claims and no outstanding, pending or threatened regulatory proceedings against, by or affecting Seller in any court or before any governmental agency which might have a materially adverse effect on this transaction or the Subject Assets. All existing suits, claims and regulatory proceedings are listed in Appendix "Q" attached hereto.

(I) Zoning: Seller represents the parcels of real property within which the Systems are located have been zoned by the appropriate authorities under zoning classifications which permit the use of such parcels for the Water System or the Sewer System, as the case may be.

(J) No Broker: In connection with the purchase and sale transaction contemplated herein, no person has been or will be employed or paid in money or material benefit by or on behalf of Seller to procure this transaction. Seller has not listed the Sub-Seller to procure this transaction. Seller has not listed the Subject Assets with any broker or finder, and to the best of Seller's knowledge, no broker, finder or other person will be entitled to claim any commission, fee, payment or material benefit with respect to the purchase and sale hereunder.

(K) No Acceptance of Prepayments: Between the date hereof and the Transfer Date, Seller has not and will not accept any prepayments of CIACs.

(L) No New Long-Term Agreements: Between the date hereof and the Transfer Date, Seller has not and will not enter into any agreement with any third party or parties granting any right to future connections (provided, however, new Developers' Agreements for future connections may be entered into under terms and conditions approved by TWA and with TWA's written approval).

(M) Change of Conditions: If, prior, to the Transfer date, any event shall occur relating to or affecting the Subject Assets or the transaction contemplated by this Agreement which might result in an adverse change of condition of a material nature, Seller will promptly notify TWA in writing of circumstances and details of such event.

(N) Systems Within Easements: Seller owns all the real property, easements and right of ways necessary to operate and maintain the Systems except for parts located in public right of way. The Systems as now constructed are located within said real property, easements and right of ways. As for parts located in public right of ways, Seller has obtained necessary approvals from appropriate governmental agencies. Seller will reimburse TWA for the cost of acquiring any real property, easements or right of way or for the relocation of any part of the Systems if required as a result of failure of this representation and not otherwise compensated by title insurance.

(O) Opinion: On the Closing Date Seller will cause to be delivered to TWA the written opinion of counsel to Seller stating that all statutory, contractual and corporate prerequisites to Seller's execution, delivery and performance of this Agreement have, in fact, been taken by Seller, and that this Agreement, and from and after the Closing Date, Seller's performance of its obligations hereunder are legal, valid and binding upon Seller.

(P) Indemnification: Seller hereby agrees to save and hold TWA harmless from, and to indemnify TWA against, any and all losses or damages (including, but not limited to attorney fees) suffered by TWA resulting from:

- (i) Any misrepresentation by Seller of a material fact contained in this Agreement;
- (ii) Any breach of the representations or warranties made by Seller pursuant to this Agreement;
- (iii) Any and all acts of Seller arising prior to Transfer (unless TWA specifically assumes such liability under this Agreement), including but not limited to claims by developers or customers.

**ARTICLE III
PURCHASE AND SALE OF ASSETS**

SECTION 3.01. PURCHASE AND SALE COVENANT: Seller hereby agrees to sell the subject assets to TWA and TWA hereby agrees to purchase the Subject Assets from Seller, for the purchase price and upon the terms and subjects to the conditions and other provisions hereinafter set forth. The assets to be conveyed hereunder are not all of the tangible or intangible assets owned or used by the Seller in its business.

SECTION 3.02. PURCHASED ASSETS: The Purchased Assets consist of any ownership interest which Seller has on the date hereof or hereafter acquires until the Closing Date in the Utility Systems subject to the Closing, but do not include the Excluded Assets. Purchased Assets include, but are not limited to, any of the following that are part of the Utility System subject to the Closing.

(A) All water and wastewater treatment plants, including reuse and reclaimed water wells, water supplies, wells, collection, transmission, and distribution system piping, pumping, and effluent and disposal facilities of every kind and description whatsoever including without limitation, all trade fixtures, leasehold improvements, licenses, lift stations, pumps, generators, controls, tanks, distribution, collection or transmission pipes or facilities, valves, meter, service connections, and all other physical facilities, appurtenances and property installations used in the operation of the Utility System, together with an assignment of all existing and assignable options to purchase real property and third party warranties that relate to completed or in progress construction, all as described in the Appendices hereto.

(B) The Fee Parcels

(C) The Easements, together with any other easements rights possessed by Seller at Closing, whether identified prior to or after the Closing.

(D) The Governmental Authorizations.

(E) The equipment, parts, tools, chemicals, office buildings, computer hardware and associated SCADA software located at the Fee Parcels (to the extent transferable without cost), office fixtures and other personal property owned by Seller and used exclusively in connection with the operation of the Utility System.

(F) Customer deposits and interest earned thereon received by Seller up to and including the Closing Date.

(G) Utility service fees due and payable on and subsequent to the Closing Date pursuant to lot installment sales contracts payable by third parties for the benefit of Seller.

Seller will provide Buyers copies of current customer records, as-built surveys and water and wastewater plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, studies, non-corporate accounting, and non-corporate business records, in each case, controlled by or in the possession of Seller that relate exclusively to the description and operation of the Utility System.

SECTION 3.03. EXCLUDED ASSETS: Notwithstanding any other provision of this Agreement, Purchased Assets do not include the Excluded Assets on Exhibit "G".

ARTICLE IV PURCHASE PRICE

SECTION 4.01. PURCHASE PRICE: Subject to modifications and proportions provided hereinafter TWA shall pay to the Seller:

- (1) a cash sum of \$270,000.00.

SECTION 4.02. PAYMENT: On the Closing Date, TWA shall pay to Seller and Escrow Agent, by warrant or wire transfer drawn on current and available funds in an Osceola County bank, the entire cash Purchase Price.

ARTICLE V DEVELOPERS AGREEMENT

SECTION 5.01. NO DEVELOPERS AGREEMENT: The Seller warrants that there are no existing Developer Agreements. The Seller also warrants that there are no existing agreements for services or commitments from Seller which are continuing or outstanding.

ARTICLE VI ASSUMED LIABILITIES

SECTION 6.01. ASSUMED LIABILITIES: On the Closing Date, TWA shall assume and agree to discharge only the following liabilities of the Seller related to the Utility System being acquired by TWA as follows:

- (1) None

ARTICLE VII DUE DILIGENCE ISSUES

SECTION 7.01. DISCLOSURE, INSPECTION AND AUDIT: Disclosed information prior to or simultaneously with the execution of this Agreement, Seller shall make available to TWA, at Seller's office in Osceola County, Florida, during regular office hours, for its review and approval the information and documents listed below. Following TWA's

approval, all such acceptable information and documents, whether attached as Exhibit, Appendix or incorporated herein by reference, and to the extent permitted by law, all rights, privileges, immunities, consents, licenses, permits, leaseholds, easement and right of ways evidenced by such documents, shall become Subject Assets. All information and documents disclosed herein or attached as Exhibits shall be updated and delivered to TWA as of the Closing Date.

(A) PSC Certificates: A list and copies of all Certificates of Public Convenience and Necessity issued to Seller by the PSC Pursuant to which it is authorized to provide water treatment and distribution and sewage collection, treatment and disposal services to the public within Seller's service area. Said list is attached hereto as Exhibit "B".

(B) Service Area: A description of the territory or service area which Seller is entitled to serve under its Certificates of Public Convenience and Necessity. Said map is attached hereto as Exhibit "A".

(C) Permits and Approvals: A list and copies of all permits and approvals under which Seller is currently operating the System (other than PSC Certificates) together with effective dates and expiration dates. Said list is attached hereto as Exhibit C.

(D) Real Property; Easements: A list of all Real Property and a list and copies of all easements owned by the Seller or used by it in connection with its operation of the Systems. Copies of said lists are attached hereto as Exhibits D and E. A list of Real Property excluded from the Agreement is attached hereto as Appendix "F".

(E) Easement Maps: A map showing all easements and right of ways owned or used by Seller and not shown on recorded plats. A list of all easements and right of ways owned or used by Seller and shown on recorded plats. A copy of said list is attached hereto as Appendix "D". Each owned easement is specifically identified as such.

(F) Plans and As-Builts: A list and copies of all plans and as-built surveys in Seller's possession relating to the Systems. A copy of said list is attached hereto as Exhibit "I".

(G) Water System Map: A map showing location of the Water System as now constructed. A copy of said map is attached hereto as Exhibit "J".

(H) Sewer System Map: A map showing location of the Sewer System as now constructed. A copy of said map is attached hereto as Exhibit "K".

(I) Officers, Directors, Shareholders: The names, addresses, and offices of all officers, directors, and shareholders of Seller. A list containing such information is attached hereto as Exhibit "L".

(J) Specifications: All specifications in Seller's possession relating to the Systems.

(K) Other Agreement: A list and copies of all other agreements between Seller and other parties which are or may be an encumbrance upon the Subject Assets or a liability or obligation of Seller as of the execution hereof. A copy of said list is attached hereto as Exhibit "M".

(L) Customers: A complete list of the names, account numbers and service addresses of all customers served by the Systems. Said list shall show the security deposit held for each customer.

(M) Connection Chart: A chart showing all Connections for utility users, the names of such users and the location and description of each Connection. A copy of said chart is attached hereto as Exhibit "N".

(N) Rates: A schedule of all rates, charges, fees, and policies under which the Company is currently operating the Systems. A listing of said rates, charges and fees is attached hereto as Exhibit "O".

(O) Financial Statements and Reports: Copies of PSC Annual Financial Reports for the years 2001 through 2003.

(P) Other Documents: All correspondence, engineering reports, and legal documents related to the operation of the Water System and Sewer System.

(Q) Seller shall provide an inventory updated through at least March 31, 2004 of equipment, parts, computer equipment and other personal property used by the Seller in connection with the operation of the Utility System to be conveyed to TWA.

SECTION 7.02. INSPECTION OF DISCLOSED INFORMATION: Upon execution hereof Seller shall make available to TWA all of the lists, documents and information attached as Exhibits or incorporated herein by reference. TWA shall have thirty (30) days from the date of receipt of required documents and information to examine said documents and review said information and advise Seller of its approval and acceptance or any objections thereto. If TWA does not make objections within such thirty (30) day time frame, TWA shall be deemed to have accepted such documents and information. In the event TWA objects to any of the same and Seller is unwilling or unable to overcome such objections prior to the Closing Date, then TWA may elect either (i) to close the purchase hereunder notwithstanding such objections, or (ii) terminate this Agreement by written notice to Seller, in which case this Agreement shall be null and void and neither party shall have any further obligations hereunder.

SECTION 7.03. INSPECTION OF SYSTEMS: TWA and its agents employees and other representatives, shall have the right, with adequate notice, to enter upon the Real Property at all reasonable times prior to the Closing Date for the purpose of inspecting the System and conducting such studies, test and examinations as TWA deems reasonably necessary or appropriate to conclude the purchase contemplated herein; provided, however, that all such activities shall be at the sole cost and expense of TWA,

and TWA shall protect, defend, indemnify and hold harmless Seller, its employees, agents, successors and assigns from any and all liabilities, actions, suits, mechanics' lien claims, judgments, losses, costs, expenses (including, without limitation, reasonable attorney fees, and all costs and fees on appeal), claims and demands whatsoever incurred or suffered by or made against Seller, its employees, agents, successors, and assigns, arising out of, or in connection with any such activities by or on behalf of TWA. After all such tests and investigations are completed; TWA shall promptly restore System to the condition they were in prior to such tests and investigations. Notwithstanding anything herein to the contrary, TWA shall not be entitled to possession of the System prior to Transfer except for the aforementioned investigation purpose.

SECTION 7.04. PSC ANNUAL REPORTS: Upon TWA's execution of this Agreement, Seller shall provide TWA's finance department copies of the Systems' PSC Annual Reports for the three (3) fiscal years ending December 31, 2003. Seller shall also provide a schedule of Gross Revenues for the twelve (12) months ended March 2004.

ARTICLE VIII CONDITION OF ASSETS

The condition of the property, plant and equipment included in the Subject Assets in service on the Closing Date will be operable and reasonably acceptable on the Closing Date and the Transfer Date, except as noted in the report of TWA to be issued as a result the information under disclosed Sections 7.02 and 7.03 above.

Notwithstanding the foregoing, Seller agrees to assign to TWA any and all rights that Seller may have against any engineer or other professional that certified to Seller the construction or operation of the System. Seller agrees to intervene or enforce any such rights in the event it is ever determined that TWA has no standing to enforce the rights assigned under this Article, provided Seller will not have any liability as provided in the Article and provided TWA will be responsible for all expenses, including costs and attorney fees, arising out of Seller's enforcement of such rights at TWA's request. The provisions of this Article shall survive the Closing and Transfer of any termination of this Agreement.

ARTICLE IX EVIDENCE OF TITLE

(A) Seller will furnish to TWA within forty-five (45) days after the execution of this Agreement at Buyer's expense, from a Title Insurance Company (the "Title Insurer"):

- (i) A title commitment or title commitments issued by the Title Insurer to insure title to each parcel listed therein in the aggregate amount of the Purchase Price naming TWA as the proposed insured and having the effective dates as set forth therein, wherein the Title Insurer will have agreed to issue an ALTA from owner's title

- insurance policy with Florida modifications (collectively the "Title Commitment"); and
- (ii) Copies of all recorded documents listed as special Schedule B-2 exceptions thereunder (the "Recorded Documents").

(B) The Title Commitment shall include the Title Insurer's requirements for issuing its title policy, which requirements shall be met by Buyer as provided in Section IX(E) on or before the Closing Date, including those requirements that must be met by releasing or satisfying monetary Encumbrances.

(C) If any of the following shall occur (collectively, a "Title Objection"):

- (i) The Title Commitment or other evidence of title or search of the appropriate real estate records discloses that any party other than the Buyer has title to the insured estate records covered by the Title Commitment;
- (ii) Any title exception is disclosed in Schedule B to any Title Commitment; or
- (iii) Any current survey discloses any matter that TWA reasonably believes could materially and adversely affect TWA's material use and enjoyment of the Fee Parcels described therein; then TWA shall notify Seller in writing ("Buyers' Notice") of such matters within thirty (30) days prior to the Closing Date.

(D) Sellers shall use its Best Efforts to cure each Title Objection and take all steps required by the Title Insurer to eliminate each Title Objection as an exception to the Title Commitment.

(E) Seller shall use its Best Efforts to comply with the requirements of Schedule B Section 1 of the Title Commitment. At the Closing, Florida Water shall identify any Schedule B Section 1 requirements that cannot be satisfied as of the Closing. Seller and TWA shall agree on a post-Closing process to satisfy these requirements (the "Post-Closing Schedule B Requirements"). Seller shall indemnify TWA as to all Post-Closing Schedule B Requirements that are not satisfied in accordance with the agreed upon Post-Closing process. TWA shall cooperate with Seller in satisfying the Post-Closing Schedule B Requirements.

(F) TWA shall have the right, but not the obligation, to do such surveys on the Real Property as TWA desire. Surveys done pursuant to this Section shall be at the sole cost and expense of TWA.

(G) In the event that TWA would like to have any standard survey exceptions deleted or modified in the Title Policy, TWA shall deliver to Seller, not later than thirty (30) days prior to the Closing Date, properly certified and current original surveys of the specified fee parcels which comply with Section 627.7842(1)(a), Florida Statutes. As to each such survey timely delivered by Buyers, Seller shall include in the title policy a "blanket

exception" as to the applicable fee parcel/survey (i.e., As to parcel _____, all matters which appear on the survey by _____, P.L.S. dated _____").

ARTICLE X REPRESENTATIONS AND WARRANTIES

As an inducement to the execution, delivery and performance of this Agreement and the consummation of the sale and purchase transaction contemplated herein, the respective parties hereby make the following representations, warranties and agreements to the best of their respective knowledge and belief.

ARTICLE XI ENVIRONMENTAL PROVISIONS

(A) For purposes of this Section: (1) "Hazardous Materials" shall mean any substance or material regulated by any federal, state or local governmental entity under any Environmental Law as a hazardous material, hazardous substance, hazardous waste, pollutant, contaminant, toxic waste, toxic substance, or words of similar import, including petroleum and petroleum products, by-products or breakdown products, but excluding mold and other biological contaminants, asbestos, asbestos containing materials, lead paint, insulating materials, paints and coating applied to building surfaces and equipment, and other building and construction materials, whether or not toxic (collectively, "Building Substances"); (2) "Environmental Laws" shall mean any statute, law, regulation, ordinance, injunction, judgment, order, or other decree of any governmental authority pertaining to the protection of the environment, including the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Oil Pollution Act of 1990, Toxic Substances Control Act, and any comparable state statute, law, regulation, ordinance, injunction, judgment, order, or other decree, but excluding any statute, law, regulation, ordinance, injunction, judgment, order, or other decree of any governmental authority pertaining to Building Substances.

(B) Seller has no Knowledge of any material non-compliance with any Environmental Law or material liability under any Environmental Law. For purposes of this Section, "material" shall mean any matter reasonably expected to result in the expenditure of over one hundred thousand dollars (\$100,000.00) to correct the non-compliance or satisfy the liability.

(C) Buyers may have performed assessments as they have deemed appropriate, including Phase I Environmental Assessments pursuant to applicable ASTM standard and Phase II Environmental Assessments for recognized environmental concerns identified in the Phase I Environmental Assessments. Buyers shall be responsible for the costs to remediate environmental concerns that are or should have been identified in the Phase I and the Phase II Assessments or terminate this Agreement.

ARTICLE XII CLOSING & TRANSFER

SECTION 12.01. PLACE AND TIME OF CLOSING: The Closing shall take place at City Hall, Kissimmee, Florida, or at such other place as the parties may agree upon, on the date and at the time specified by TWA in a written notice given to Seller not less than ten (10) day prior to the specified Closing Date, but in any event prior to

SECTION 12.02. CONVEYANCES OF TITLE: On the Closing date, Seller shall execute all documents necessary to convey title to the Subject Assets to TWA and furnish said documents to Escrow Agent. Title to all tangible personal property contemplated to be sold and purchased hereunder shall be conveyed by Seller by Bill of Sale (in substantially the same form as that attached as Exhibit "P" hereto), free and clear of all liens and encumbrances. A complete (itemized) inventory of such personal property shall be attached. Title to the Other Assets contemplated to be sold and purchased hereunder shall be conveyed by Seller by unconditional assignment, free and clear of all liens and encumbrances, to the extent, but only to the extent, that the same are assignable. Seller shall also furnish to Escrow Agent at Closing a mechanic's lien affidavit as to personally insuring and indemnifying TWA against any such liens or claims and record searches showing no outstanding financing statements pursuant to the UCC as to personally. Said documents described in this Section shall be held by the Escrow Agent in escrow until the Transfer Date, on which date Escrow Agent shall deliver said documents to TWA, thereby transferring ownership of the Subject Assets to TWA.

SECTION 12.03. CONTINUED OPERATION: Between the Closing Date and the Transfer Date (the "Transition Period"), Seller will remain in possession of and shall operate the Water System and Sewer System in the same manner as presently conducted by Seller. All receipts and income during the Transition Period shall inure to the benefit of Seller and all obligations, debts, and liabilities incurred during the Transition Period shall be the responsibility of and be paid by Seller. During the Transition Period, Seller shall not enter into any agreements or incur any obligations or liabilities except in the normal course of business. Seller shall deliver the Subject Assets and the Systems on the Transfer date in the same manner, condition, and meeting the same warranties as specified in this Agreement and as exist on the Closing Date. All risk of loss to the Systems, and all parts thereof, shall remain with Seller until transferred to TWA on the Transfer Date.

SECTION 12.04. PAYMENT OF PURCHASE PRICE: On the Closing Date, and subject to the expenses and prorations contained herein, Purchaser shall pay to Seller the sum of Two Hundred Seventy Thousand Dollars (\$270,000.00) representing a partial payment of the cash portion of the Purchase Price. The balance of the Purchase Price shall be held in an interest bearing account and paid to Seller, with interest earned thereon, within thirty (30) days following the Transfer Date, subject to remaining prorations and unpaid expenses and the acceptance by TWA of the Systems in the

- insurance policy with Florida modifications (collectively the "Title Commitment"); and
- (ii) Copies of all recorded documents listed as special Schedule B-2 exceptions thereunder (the "Recorded Documents").

(B) The Title Commitment shall include the Title Insurer's requirements for issuing its title policy, which requirements shall be met by Buyer as provided in Section IX(E) on or before the Closing Date, including those requirements that must be met by releasing or satisfying monetary Encumbrances.

(C) If any of the following shall occur (collectively, a "Title Objection"):

- (i) The Title Commitment or other evidence of title or search of the appropriate real estate records discloses that any party other than the Buyer has title to the insured estate records covered by the Title Commitment;
- (ii) Any title exception is disclosed in Schedule B to any Title Commitment; or
- (iii) Any current survey discloses any matter that TWA reasonably believes could materially and adversely affect TWA's material use and enjoyment of the Fee Parcels described therein; then TWA shall notify Seller in writing ("Buyers' Notice") of such matters within thirty (30) days prior to the Closing Date.

(D) Sellers shall use its Best Efforts to cure each Title Objection and take all steps required by the Title Insurer to eliminate each Title Objection as an exception to the Title Commitment.

(E) Seller shall use its Best Efforts to comply with the requirements of Schedule B Section 1 of the Title Commitment. At the Closing, Morningside Utilities, Inc. shall identify any Schedule B Section 1 requirements that cannot be satisfied as of the Closing. Seller and TWA shall agree on a post-Closing process to satisfy these requirements (the "Post-Closing Schedule B Requirements"). Seller shall indemnify TWA as to all Post-Closing Schedule B Requirements that are not satisfied in accordance with the agreed upon Post-Closing process. TWA shall cooperate with Seller in satisfying the Post-Closing Schedule B Requirements.

(F) TWA shall have the right, but not the obligation, to do such surveys on the Real Property as TWA desire. Surveys done pursuant to this Section shall be at the sole cost and expense of TWA.

(G) In the event that TWA would like to have any standard survey exceptions deleted or modified in the Title Policy, TWA shall deliver to Seller, not later than thirty (30) days prior to the Closing Date, properly certified and current original surveys of the specified fee parcels which comply with Section 627.7842(1)(a), Florida Statutes. As to each such survey timely delivered by Buyers, Seller shall include in the title policy a "blanket

condition referred to herein. TWA may deduct from the remaining balance of the Purchase Price any debts, obligations, or liabilities incurred by Seller in violation of this Agreement and the cost of repair to any portion of the Systems not meeting the warranties stated in this Agreement. TWA may, at TWA's option, conduct an audit of Seller's accounts prior to making the final payment of the Purchase Price, with the cost of such audit being paid by TWA.

SECTION 12.05. TRANSFER OF AGREEMENTS: On the Closing Date, Seller shall execute an assignment of the Agreements to TWA and TWA will accept such agreements, all in substantially the same form as attached hereto as Exhibit "R". Notwithstanding anything to the contrary appearing in this Agreement, TWA will not and shall not assume the benefits or burdens of any oral contract. Such Assignment and Assumption will be held by the Escrow Agent in escrow until the Transfer Date, on which date Escrow Agent shall deliver said Assignment to TWA, thereby effecting the assignment of said agreements to TWA and TWA's assumption thereof.

SECTION 12.06. CLOSING COSTS: Seller shall pay, without limitation, the costs of recording any releases, satisfactions, or corrective instruments required to enable it to convey the title to the Subject Assets herein required to be conveyed. The cost of recording the instruments of conveyance shall be paid by TWA.

SECTION 12.07. PRORATIONS: The following shall be prorated:

(A) Ad Valorem and Taxes. Personal property taxes on Subject Assets shall be prorated between the parties at Closing as of the estimated Transfer Date. Said taxes shall be based on the current year's taxes with due allowance made for maximum allowable discount and exemption allowed for said year. If Transfer occurs on a date when the current year's Millage is not fixed, and current year's assessment is available, taxes will be prorated based upon such assessment and the prior year's Millage. If current year's assessment is not available, then taxes will be prorated on the prior year's tax; provided, however, if there are completed improvements on the property by January 1st of the year of Transfer, which improvements were not in existence on January 1st of the prior year, then taxes shall be prorated based upon the prior year's Millage and at an equitable assessment to be agreed upon between the parties, failing which, request will be made to the County Property Appraiser for an informal assessment. However, any tax proration based on an estimate may at request of either TWA or Seller be subsequently readjusted upon receipt of tax bill on condition that a statement to that effect is set forth in closing statement. The Seller shall pay the Public Service Commission Annual Fee.

(B) Utilities. Telephone, electric utility and any other utility service used in operation and maintenance of the Water System shall not be discontinued as of the Transfer Date upon request by TWA; provided, however, all charges for such services shall be prorated between the parties at Closing as of the estimated Transfer Date. Utility deposits shall be the property of Seller. Any such proration based on an estimate may at the request of either TWA or Seller be subsequently readjusted upon receipt of the

bills for such utility service through the Transfer Date, on condition that a statement to that effect is set forth in closing statement.

SECTION 12.08. SPECIAL ASSESSMENT LIENS: Certified, confirmed and ratified special assessment liens as of the Transfer Date are to be paid by Seller. Pending liens as of the Transfer Date shall be assumed by TWA, provided, however, that if the improvement had been substantially completed as of the date hereof, such pending lien shall be considered as certified, confirmed or ratified and Seller shall, at Transfer, be charged an amount equal to the last estimate by the public body of assessment for the improvement.

SECTION 12.09. ACCOUNTS RECEIVABLE AND CUSTOMER DEPOSITS: Seller warrants that there are no customer deposits, except those disclosed to TWA and delivered to TWA by cashiers or certified check at the Closing. On or about the Transfer Date, Seller and TWA jointly shall cause the meter for each customer's water and/or sewer account to be read. Seller shall promptly thereafter bill and collect its charges for water and sewer service up to the joint meter reading date. Seller shall neither bill nor collect any charges for services rendered to customers served by the Systems after the joint meter reading date. In the event any customer of the Systems does not pay his respective final bill for water and/or sewer services within thirty (30) days after such bill is rendered, including all prior delinquent accounts, if any, TWA agrees that, at any time thereafter, if reasonable efforts at collection have been made by Seller and failed, and upon written request from Seller, TWA will interrupt water service to any such delinquent customer until all of said charges have been paid or a period of One Hundred Twenty (120) days has elapsed, whichever may occur first. TWA shall have no liability for such delinquent accounts.

SECTION 12.10. RISK OF LOSS: If the Subject Assets, or any parts thereof, are damaged by fire or other casualty prior to the Transfer Date, Seller, at its expense, shall replace, repair, and/or restore the same. If such replacement, repairs and/or restoration have not been completed on or prior to the Transfer Date specified in accordance with the provisions of Section 8.01 hereof, then the Transfer Date shall be extended to the date five (5) days after the date such repairs or restoration are completed. If Seller fails to complete such replacement, repairs, and/or restoration prior to that time, then TWA shall have the right to complete the same and receive a credit against the Purchase Price for all reasonable costs incurred by TWA in completing such replacement, repairs, and/or restoration. Without limiting the foregoing, it is understood and agreed that Seller shall replace or repair any tangible personal property included in the Subject Assets if such property becomes lost, stolen, or damaged before Transfer.

SECTION 12.11. TIME: Time is of the essence of this Agreement and of the Closing Date hereunder. Any time period provided for herein which shall end on a Saturday, Sunday or state or federal holiday shall be extended to 5:00 pm of the next full business day.

ARTICLE XIII
CONDITIONS PRECEDENT TO CLOSING

SECTION 13.01. CONDITIONS PRECEDENT TO TWA'S PERFORMANCE: All obligations of TWA under this Agreement are subject to fulfillment of the following conditions prior to or on the Closing Date, which conditions shall remain fulfilled as of the Transfer Date:

(A) Disclosures True: To the best of its knowledge and belief, all disclosed information, representations and warranties of Seller contained in this Agreement shall be complete, true and correct on the Closing Date the same as though made on and as of such date.

(B) Performance: Seller shall have performed all obligations on its part required to be performed on or prior to the Closing Date, except such obligations required to be performed on or prior to the Transfer Date as expressly provided in this Agreement.

(C) Title: Seller shall have good and marketable title to the Subject Assets on the Closing Date free and clear of all liens and encumbrances whatsoever except for the Permitted Exceptions and liens and encumbrances which will be paid in full by Seller at Closing.

(D) Condition of Assets: The Subject Assets shall, on the Closing Date, be in substantially the same condition as reflected in the report of the TWA's water resources to be issued as a result of the information under disclosed due diligence issues, ordinary wear and tear excepted. The Systems shall be operable and operating without any interruptions of service on the Closing Date.

(E) Compliance: Seller has complied with and will at the Closing Date be in compliance in all respects with this Agreement, all permits, licenses and franchises, and all provisions of applicable law.

(F) Opinion: Seller shall have delivered to TWA on the Closing Date the opinion of counsel required under Section 2.02 hereof.

(G) Permits and Certifications: Seller shall have renewed any and all PSC Certificates permits and approvals listed in Exhibits 9 and 11 as they become subject to renewal, including any which would expire within ninety (90) days after Transfer.

(H) Transfer of Permits: Seller has obtained and will do all things necessary and required by law to transfer all permits to TWA.

(I) No Material Change: There shall have been no material adverse change in applicable law or in the business of Seller or the Subject Assets.

(J) Subject Assets: Seller shall have tendered conveyance of the Subject Assets on or before the Closing Date.

SECTION 13.02. CONDITIONS PRECEDENT TO SELLER'S PERFORMANCE

(A) Representations True: To the best of its knowledge and belief, all representations and warranties of TWA contained in this Agreement shall be complete, true and correct on the Closing Date the same as though made on and as of such date.

(B) Performance: TWA shall have performed all obligations on its part required to be performed on or prior to the Closing Date, except such obligations required to be performed on or prior to the Transfer Date as expressly provided in this Agreement.

(C) Opinion: TWA shall have delivered to Seller on the Closing Date the opinion of counsel required under Section 2.01 hereof.

(D) Purchase Price: TWA shall have tendered Purchase Price to the Escrow Agent on or before the Closing Date.

ARTICLE XIV INTERIM OPERATION AND RESERVATION POLICY

SECTION 14.01. OPERATION: In the interim between the execution of this Agreement and the Transfer hereunder, Seller will maintain and operate the Systems in a normal, proper and reasonable manner in accordance with all applicable law and regulations to the end that the value of the Subject Assets shall not be diminished other than by normal wear and tear. Seller represents that the Systems are presently and shall be at the time of Closing and at the time of Transfer operational and functional to TWA as contemplated by this Agreement. Seller shall not, without the written consent of TWA, dispose of or encumber any of the assets or property to be sold hereunder except in ordinary course of business.

SECTION 14.02. RESERVATION POLICY: From the date hereof until Transfer, TWA and Seller shall jointly make provisions for service to any new customer or additional requirements of existing customers. Availability of such additional service shall be conditional on availability of service after Transfer. All reservation contracts entered into shall be administered by TWA in the name of TWA and comply with TWA's reservation policy. All reservation fees collected shall be placed in an escrow account to be disbursed to TWA upon Transfer. If Transfer shall not occur, the funds in said escrow account shall be returned to the prospective customer.

ARTICLE XV DEFAULT AND REMEDIES

In the event the purchase and sale hereunder is not closed by reason of TWA's breach or default of its obligations under this Agreement, Seller shall have the option to cancel this Agreement, but such cancellation shall not preclude Seller from the exercise of any remedy allowed by law or equity, including damages or specific performance.

In the event the purchase and sale hereunder is not closed by reason of Seller's breach or default of its obligations under this Agreement, TWA shall have the option to cancel this Agreement, but such cancellation shall not preclude TWA from (i) a suit for specific performance in the case of Seller's default, or (ii) a suit for damages in the case of a misrepresentation by Seller of any material fact contained in this Agreement or any breach of the representations or warranties made by Seller pursuant to this Agreement. Notwithstanding the foregoing, in the event that as of the Closing Date any of the conditions to TWA's obligations set forth in Section 13.01 are not fulfilled or satisfied, then TWA shall either waive the same or, as its sole remedy, terminate this Agreement by written notice to Seller.

In the event that litigation occurs between the parties hereto with respect to the interpretation or enforcement of this Agreement, either before or subsequent to the Closing Date, the prevailing party or parties in such litigation, including any and all appeals therefrom, shall be entitled to recover from the losing party all reasonable attorney fees and costs incurred by the prevailing party or parties in the course of such litigation.

ARTICLE XVI MISCELLANEOUS PROVISIONS

SECTION 15.01. SURVIVAL OF AGREEMENT AFTER CLOSING AND FURTHER DEEDS. Unless otherwise limited herein, all representations, warranties, covenants, and agreements made herein by either party shall survive the Closing Date and continue in full force and effect. After Closing, each party agrees to execute such further instruments and take such further actions as the other party may reasonably request in order to effect the complete consummation of the transactions contemplated herein.

SECTION 15.02. NO OTHER AGREEMENT: This Agreement and the Memorandum of Understanding between the parties of even date herewith supersedes all prior discussions and agreements between Seller and TWA and contains the sole and entire Agreement between the parties hereto with respect to the sale and purchase transaction contemplated herein, except as expressly provided herein.

SECTION 15.03. MODIFICATION: No modification or change in this Agreement shall be valid or binding upon the parties unless in writing, executed by the party to be bound thereby.

SECTION 15.04. NOT ASSIGNABLE: This Agreement shall not be assignable by Seller or TWA without the prior written consent of the other party.

SECTION 15.05. GOVERNING LAW: The law of the State of Florida shall govern the construction and enforcement of this Agreement. Venue of law actions shall be in Osceola County, Florida. Each party waives the right to a Jury Trial.

SECTION 15.06. COUNTERPARTS AND HEADINGS: This Agreement may be executed simultaneously and in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The headings herein set out are for convenience and reference only and shall not be deemed a part of this Agreement.

SECTION 15.07. NOTICE: Any notice or other document to be given hereunder by either party to the other shall be in writing and shall be delivered personally or sent by certified United States Mail with return receipt requested, postage prepaid.

Seller:

Morningside Utilities
4144 Oakwood Drive
St. Cloud, FL 34772

Purchaser:

Tohopekaliga Water Authority
City of Kissimmee
101 N. Church Street, 2nd Floor
Kissimmee, FL 34741

The date of any such notice and service thereof shall be the date when delivered or, in the absence of proof of delivery, shall be deemed to be three calendar days from the day of dispatch by mail provided that a copy is sent by an established national overnight courier for next business day delivery on the day of dispatch by mail. Either party may change its address for the purpose of notice by giving notice in accordance with the provisions of this Section.

SECTION 15.08. BINDING EFFECT: This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and, after the Closing Date, their respective successors and assigns.

SECTION 15.09. SEVERABILITY: If, for any reason, any provision in this Agreement is declared unlawful or invalid by a court of competent jurisdiction but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, such provision shall be deemed separate, distinct and

severable from the other provision of this Agreement and shall in no way affect the validity of the remaining provisions. In the event that either party reasonably deems such a judgment destroys the basis of the bargain between the parties, the parties shall attempt to renegotiate a reformation of the Agreement and, failing that, either party may bring an action to reform the Agreement according to the intent and purposes of the Agreement.

SECTION 15.10. THIRD PARTY BENEFICIARIES: This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof to or for the benefit of any third party not a formal party hereto.

SECTION 15.11. INTERESTS TRANSFERRED: The personal property and property interests to be conveyed and transferred hereunder are all of the assets owned by Seller and used or useful in the provision of water and sewer services, except as otherwise specifically provided in this Agreement.

SECTION 15.12. APPROVAL BY PARTIES: This Agreement shall not be binding upon the parties hereto until it has been approved by TWA Commission of the City of Kissimmee.

SECTION 15.13. RADON: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from any county public health unit.

SECTION 15.14. TIME IS OF THE ESSENCE: Time is of the essence in this Agreement. Time periods specified in this Agreement shall expire at midnight on the date stated unless the parties agree in writing to a different date or time. Any time period provided for herein which ends on Saturday, Sunday or a legal holiday shall extend to 5:00 p.m. on the next business day.

11/11/2011 10:11:11 AM

IN WITNESS WHEREOF, the parties have executed this agreement at Kissimmee, Florida on this 14th day of January 2004.

Tohopekaliga Water Authority

Approved as to Form and Legality

[Handwritten Signature]

[Handwritten Signature]
Donald T. Smallwood, Esq.

ATTEST:

Witnesses:

[Handwritten Signature]

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 14th day of January, 2004 by Bruce R. Van Meter who is the Chairman, of Toho Water Authority who is personally known to me or who has produced _____ ad identification.

Notary Name: Nilsa C. Diaz

Stamp:

NILSA C. DIAZ
Notary Public, State of Florida
My comm. exp. **May 29, 2004**
Comm. No. **CC940545**

IN WITNESS WHEREOF, the parties have executed this agreement at Kissimmee, Florida on this 15th day of June, 2004.

Approved as to Form and Legality

Gary K. Turner
Gary K. Turner

ATTEST:

Nilsa C. Diaz

Witnesses:

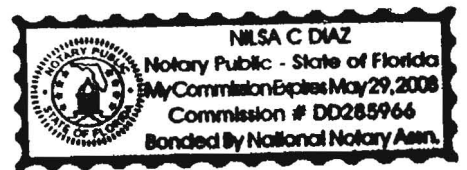
Barbara J. Grant

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 15th day of June, 2004 by Gary K. Turner, who is the owner/president of Morningside Utilities, Inc, who is personally known to me or who has produced his license ad identification.

Notary Name: *Nilsa C. Diaz*

Stamp:



APPENDIX A

SERVICE AREA LEGAL DESCRIPTION

Name of Company Morningside Utilities, Inc.

APPENDIX A

Water Tariff

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED
OSCEOLA COUNTY

ORDERS NOS. PSC-97-1211-FOF-WU & PSC-99-1753-FOF-WU

Township 25 South, Range 30 East
Section 3

Beginning at the NE corner of Section 3, Township 25 South, Range 30 East, Osceola County, Florida, also being the NE corner of Lot 124, Morningside Village, Unit Four, as filed and recorded in Plat Book 5, Page 185 of the Public Records of Osceola County, Florida, run N 88° 57' 45" W along the north line of said Section 3, a distance of 1,991.94 feet to the NW corner of Lot 163, Morningside Village, Unit Five, as filed and recorded in Plat Book 6, Page 1 of the Public Records of Osceola County, Florida; run thence S 00° 58' 04" W along the west line of aforesaid Morningside Village, Unit Five, a distance of 655.51 feet to the SW corner of Lot 159 of aforesaid Morningside Village, Unit Five; run thence S 88° 46' 09" E, along the south line of said Morningside Village, Unit Five, a distance of 662.73 feet to the NW corner of Lot 10, Morningside Village, Unit One, as filed and recorded in Plat Book 4, Page 84 of the Public Records of Osceola County, Florida; run thence S 00° 58' 29" W along the west line of aforesaid Morningside Village, Unit One, a distance of 1,337.02 feet to the SW corner of Lot 1 of aforesaid Morningside Village, Unit One; run thence along the south line of said Morningside Village, Unit One, the following: S 89° 01' 31" E, a distance of 175.00 feet; N 25° 05' 45" E, a distance of 73.41 feet to a point on a 50.00 foot radius curve, concave northwesterly; run thence northeasterly along said 50.00 foot radius curve, through a central angle of 98° 02' 52", an arc distance of 85.56 feet (Chord bearing N 41° 57' 03" E, Chord = 75.50 feet) to the SW corner of Lot 19 of said Morningside Village, Unit One; run thence S 89° 01' 31" E, along the south line of said Lot 19, a distance of 155.49 feet to the SE corner of said Morningside Village, Unit One, said point being a point on the west line of Morningside Village, Unit Two, as filed and recorded in Plat Book 4, Page 85 of the Public Records of Osceola County, Florida; run thence S 00° 58' 29" W along said west line of Morningside Village, Unit Two, a distance of 37.00 feet to the SW corner of said Morningside Village, Unit Two; run thence S 89° 01' 31" E along the south line of said Morningside Village, Unit Two, a distance of 126.01 feet to a

(Continued to Sheet No. 3.2)

Gary Turner
President

Name of Company Morningside Utilities, Inc.

Water Tariff

TERRITORY SERVED

CERTIFICATE NO. - 595-W

COUNTY - Osceola

Commission Orders Approving territory Served -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-97-1211-FOF-WU	10/07/97	970636-WU	Original
PSC-99-1196-FOF-WU	06/11/99	990248-WU	Name Change
PSC-99-1753-FOF-WU	09/07/99	990248-WU	Transfer
PSC-99-1810-FOF-WU	09/20/99	990247-WU	Amendment

(Continued to Sheet No. 3.1)

Gary Turner
President

Name of Company Morningside Utilities, Inc.

Water Tariff

(Continued from Sheet No. 3.1)

point on a 50.00 foot radius, concave northwesterly; run thence southeasterly along said 50.00 foot radius, through a central angle of $101^{\circ} 32' 13''$, an arc distance of 88.61 feet (Chord bearing $S 38^{\circ} 15' 24'' E$) to a point on the west line of Lot 44 of said Morningside Village, Unit Two; run thence $S 00^{\circ} 58' 29'' W$, a distance of 35.00 feet; continue thence along aforesaid south line of Morningside Village, Unit Two, the following: $S 89^{\circ} 01' 31'' E$, a distance of 145.00 feet; $S 00^{\circ} 58' 29'' W$, a distance of 100.00 feet; $S 89^{\circ} 01' 13'' E$, a distance of 290.00 feet to the SW corner of Lot 73, Morningside Village, Unit Three, as filed and recorded in Plat Book 5, Page 84 of the Public Records of Osceola County, Florida; run thence along the south line of said Morningside Village, Unit Three, the following: $S 89^{\circ} 01' 31'' W$, a distance of 63.00 feet; $S 00^{\circ} 58' 29'' W$, a distance of 133.00 feet; $S 89^{\circ} 01' 31'' E$, a distance of 237.83 feet to the SE corner of said Morningside Village, Unit Three, said corner being on the east line of aforesaid Section 3; run thence $N 01^{\circ} 11' 59'' E$ along said East line, a distance of 2,234.32 feet to the Point of Beginning.

ORDER NO. PSC-99-1810-FOF-WU

Township 25 South, Range 30 East
Section 2

Beginning at the NW corner of Section 2, Township 25 South, Range 30 East, Osceola County, Florida, also the Point of Beginning, run $S 88^{\circ} 42' 52'' E$ along the north line of said Section 2, a distance of 384.76 feet; run thence $S 01^{\circ} 13' 08'' W$, a distance of 134.10 feet; run thence $N 88^{\circ} 42' 51'' W$, a distance of 22.24 feet, run thence $S 01^{\circ} 13' 08'' W$, a distance of 1,865.87 feet to the south line of Tract A of Morningside Village East, Unit One, as filed and recorded in Plat Book 9, Pages 25 thru 27 of the Public Records of Osceola County, Florida; run thence along the south line of Tract A the following courses: $N 89^{\circ} 17' 24'' W$, a distance of 78.25 feet; $N 48^{\circ} 31' 25'' W$, a distance of 49.29 feet; $S 45^{\circ} 01' 42'' W$, a distance of 27.65 feet; $S 23^{\circ} 57' 10'' W$, a distance of 43.79 feet; $S 17^{\circ} 19' 28'' W$, a distance of 23.82 feet; $S 13^{\circ} 33' 25'' E$, a distance of 32.04 feet; $S 19^{\circ} 59' 05'' W$, a distance of 36.60 feet; $S 18^{\circ} 50' 35'' W$, a distance of 33.93 feet; $S 15^{\circ} 34' 20'' W$, a distance of 70.52 feet; $S 19^{\circ} 29' 45'' W$, a distance of 94.80 feet; $S 77^{\circ} 12' 36'' W$, a distance of 147.27 feet to a point on the west line of said Section 2, said point being $N 01^{\circ} 13' 08'' E$, a distance of 291.47 feet from the SW corner of the NW 1/4 of said Section 2; run thence $N 01^{\circ} 13' 08'' E$ along said west line, a distance of 2,344.42 feet to the Point of Beginning.

Contain 18.07 acres more or less

Gary Turner
President

Name of Company Morningside Utilities, Inc.

Water Tariff

(Continued from Sheet No. 3.2)

DESCRIPTION OF TERRITORY SERVED

ORDER NO. PSC-99-1810-FOF-WU

Township 25 South, Range 30 East
In Section 2.

Beginning at the Northwest corner of Section 2, Township 25 South, Range 30 East, Osceola County, Florida, also the Point of Beginning, Run South 88°42'52" East along the North line of said Section 2, 384.76 feet; run thence South 01°13'08" West, 134.10 feet; run thence North 88°42'51" West, 22.24 feet, run thence South 01°13'08" West, 1,865.87 feet to the South line of Tract A of Morningside Village East, Unit One, as filed and recorded in Plat Book 9, Pages 25 thru 27 of the Public Records of Osceola County, Florida; run thence along the South line of tract A the following courses: North 89°17'24" West 78.25 feet; North 48°31'25" West, 49.29 feet; South 45°01'42" West, 27.65 feet; South 23°57'10" West, 43.79 feet; South 17°19'28" West, 23.82 feet; South 13°33'25" East, 32.04 feet; South 19°59'05" West, 36.60 feet; South 18°50'35" West, 33.93 feet; South 15°34'20" West, 70.52 feet; South 19°29'45" West, 94.80 feet; South 77°12'36" West, 147.27 feet; to a point on the West line of said Section 2, said point being North 01°13'08" East, 291.47 feet from the Southwest Corner of the NW 1/4 of said Section 2; run thence North 01°13'08" East, along said West line 2344.42 feet to the Point of Beginning.

Contains 18.07 acres more or less.

Gary Turner
President

Application Number: 021121-18
MORNINGSIDE UTILITIES INC
March 26, 2003
Page 3

Should you object to the Limiting Conditions, please refer to the attached Notice of Rights which addresses the procedures to be followed if you desire a public hearing or other review of the proposed agency action. Please contact this office if you have questions concerning this matter. If we do not hear from you prior to the time frame specified in the Notice of Rights, we will assume that you concur with the District's recommendations.

Certificate Of Service

I HEREBY CERTIFY that a Notice of Rights has been mailed to the addressee not later than 5:00 p.m. this 26th day of March, 2003, in accordance with Section 120.60(3), Florida Statutes.

Sincerely,



Keith R. Smith, P.G.

Sr Supv Hydrogeologist

Water Use Regulation Division

KS /go

Certified Mail No.: 7002 2410 0005 5448 4886

Enclosure

c: Div of Recreation and Park - District 6
Florida Fish & Wildlife Conservation Commission
Osceola County Health Department
St. John's River WMD

Limiting Conditions

1. This permit shall expire on March 26, 2023.
2. Application for a permit modification may be made at any time.
3. Water use classification:

Public water supply
4. Source classification:

Ground Water from:
Floridan Aquifer System
5. Annual allocation shall not exceed 17.6295 MG.

Maximum daily allocation shall not exceed 0.0874 MG.
6. In the event of a declared water shortage, water withdrawal reductions will be ordered by the District in accordance with the Water Shortage Plan, Chapter 40E-21, F.A.C. The Permittee is advised that during a water shortage, pumpage reports shall be submitted as required by Chapter 40E-21, F.A.C.
7. Withdrawal Facilities:

Ground Water - Existing:

 - 1 - 6" X 422' X 150 GPM Well Cased To 297 Feet
 - 1 - 8" X 450' X 150 GPM Well Cased To 150 Feet
8. Permittee shall mitigate any adverse impacts to existing legal uses as a result of withdrawals permitted herein. When adverse impacts occur, or is imminent, the District reserves the right to curtail withdrawal rates. Adverse impacts are:
 - A) reduction in well water levels that impairs the ability of an adjacent well, including a domestic well, lawn irrigation well, or public water supply well, to produce water by 10% or greater,
 - B) significant reduction in levels in an adjacent water body, such as a lake, pond, or a canal system, that impairs the ability to produce water by 10% or greater,
 - C) saline water intrusion or induced movement of pollutants into the water supply of an adjacent water use, resulting in a significant reduction in water quality, and
 - D) change in water quality caused by the permittee that results in significant impairment or loss of use of a well or water body.
9. Permittee shall mitigate any adverse impact to existing off-site land use as a result of withdrawals permitted herein. If increased withdrawals cause an adverse impact on existing land use, the District reserves the right to curtail future withdrawal rates. Adverse impacts are:
 - A) significant reduction in water levels in an adjacent surface water body, including impoundments, to the extent that the designed function of the water body is impaired,
 - B) land collapse or subsidence caused by reduction in water levels; and
 - C) damage to crops and other types of vegetation.

Limiting Conditions

10. If adverse impacts occur to natural resources as a result of the Permittee's water withdrawals, the Permittee shall mitigate for such impacts. When adverse impacts occur, or are imminent, District reserves the right to curtail withdrawal rates. Examples of adverse impacts are:
 - A) reduction in ground water levels that results in significant lateral movement of the fresh water/salt water interface,
 - B) reduction in water levels that adversely impact the hydroperiod of protected wetland environments,
 - C) significant reduction in water levels or hydroperiod in a naturally occurring water body such as a lake or pond,
 - D) induced movement or induction of pollutants into the water supply resulting in a significant reduction in water quality,
 - and
 - E) significant damage to the natural system including damage to habitat for rare or endangered species.
11. If any condition of the permit is violated, the permit shall be subject to review and possible modification, enforcement action, or revocation.
12. Authorized representatives of the District shall be permitted to enter, inspect, and observe the permitted system to determine compliance with special conditions.
13. The Permittee is advised that this permit does not relieve any person from the requirement to obtain all necessary federal, state, local and special district authorizations.
14. The permit does not convey any property right to the Permittee, nor any rights and privileges other than those specified in the Permit and Chapter 40E-2, Florida Administrative Code.
15. Permittee shall submit all data as required by the implementation schedule for each of the limiting conditions to: S.F.W.M.D., Supervising Hydrogeologist - Post-Permit Compliance, Water Use Regulation Dept. (4320), P.O. Box 24680, West Palm Beach, FL 33416-4680.
16. This Permit supersedes and/or cancels the following Water Use Permits:
83-00035-W.

Application Number: 021121-18
MORNINGSIDE UTILITIES INC
March 26, 2003
Page 6

bc:George M. Ogden, Jr. P.G.
ANNE MARIE SUPERCHI - 4320
Permit File - 4240

ADDRESSES

Div of Recreation and Park - District 6
Attn: FDEP
1800 Wekiwa Circle
Apopka, FL 32712

Florida Fish & Wildlife Conservation Commission
Attn: Office of Environmental Services
Bureau of Protected Species Management
620 South Meridian Street, OES-BPS
Tallahassee, FL 32399-6000

Osceola County Health Department
Attn: Well Construction Permitting
1875 Boggy Creek Road
Kissimmee, FL 34774

St. John's River WMD
Attn: Supervising Hydrologist
975 Keller Road
Altamonte Springs, FL 32714-1618

NOTICE OF RIGHTS

Section 120.569(1), Fla. Stat. (1997), requires that "each notice shall inform the recipient of any administrative hearing or judicial review that is available under this section, s. 120.57, or s. 120.68; shall indicate the procedure which must be followed to obtain the hearing or judicial review, and shall state the time limits which apply." Please note that this Notice of Rights is not intended to provide legal advice. Not all the legal proceedings detailed below may be an applicable or appropriate remedy. You may wish to consult an attorney regarding your legal rights.

PETITION FOR ADMINISTRATIVE PROCEEDINGS

1. A person whose substantial interests are affected by the South Florida Water Management District's (SFWMD) action has the right to request an administrative hearing on that action. The affected person may request either a formal or an informal hearing, as set forth below. A point of entry into administrative proceedings is governed by Rules 28-106.111 and 40E-1.511, Fla. Admin. Code, (also published as an exception to the Uniform Rules of Procedure as Rule 40E-0.109), as set forth below. Petitions are deemed filed upon receipt of the original documents by the SFWMD Clerk.

a. Formal Administrative Hearing:

If a genuine issue(s) of material fact is in dispute, the affected person seeking a formal hearing on a SFWMD decision which does or may determine their substantial interests shall file a petition for hearing pursuant to Sections 120.569 and 120.57(1), Fla. Stat. or for mediation pursuant to Section 120.573, Fla. Stat. within 21 days, except as provided in subsections c. and d. below, of either written notice through mail or posting or publication of notice that the SFWMD has or intends to take final agency action. Petitions must substantially comply with the requirements of Rule 28-106.201(2), Fla. Admin. Code, a copy of the which is attached to this Notice of Rights.

b. Informal Administrative Hearing:

If there are no issues of material fact in dispute, the affected person seeking an informal hearing on a SFWMD decision which does or may determine their substantial interests shall file a petition for hearing pursuant to Sections 120.569 and 120.57(2), Fla. Stat. or for mediation pursuant to Section 120.573, Fla. Stat. within 21 days, except as provided in subsections c. and d. below, of either written notice through mail or posting or publication of notice that the SFWMD has or intends to take final agency action. Petitions must substantially comply with the requirements of Rule 28-106.301(2), Fla. Admin. Code, a copy of the which is attached to this Notice of Rights.

c. Administrative Complaint and Order:

If a Respondent(s) objects to a SFWMD Administrative Complaint and Order, pursuant to Section 373.119, Fla. Stat. (1997), the person named in the Administrative Complaint and Order may file a petition for a hearing no later than 14 days after the date such order is served. Petitions must substantially comply with the requirements of either subsection a. or b. above.

d. State Lands Environmental Resource Permit:

Pursuant to Section 373.427, Fla. Stat., and Rule 40E-1.511(3), Fla. Admin. Code (also published as an exception to the Uniform Rules of Procedure as Rule 40E-0.109(2)(c)), a petition objecting to the SFWMD's agency action regarding consolidated applications for Environmental Resource Permits and Use of Sovereign Submerged Lands (SLERPs), must be filed within 14 days of the notice of consolidated intent to grant or deny the SLERP. Petitions must substantially comply with the requirements of either subsection a. or b. above.

e. Emergency Authorization and Order:

A person whose substantial interests are affected by a SFWMD Emergency Authorization and Order, has a right to file a petition under Sections 120.569, 120.57(1), and 120.57(2), Fla. Stat., as provided in subsections a. and b. above. However, the person, or the agent of the person responsible for causing or contributing to the emergency conditions shall take whatever action necessary to cause immediate compliance with the terms of the Emergency Authorization and Order.

f. Order for Emergency Action:

A person whose substantial interests are affected by a SFWMD Order for Emergency Action has a right to file a petition pursuant to Rules 28-107.005 and 40E-1.611, Fla. Admin. Code, copies of which are attached to this Notice of Rights, and Section 373.119(3), Fla. Stat., for a hearing on the Order. Any subsequent agency action or proposed agency action to initiate a formal revocation proceeding shall be separately noticed pursuant to section g. below.

g. Permit Suspension, Revocation, Annulment, and Withdrawal:

If the SFWMD issues an administrative complaint to suspend, revoke, annul, or withdraw a permit, the permittee may request a hearing to be conducted in accordance with Sections 120.569 and 120.57, Fla. Stat., within 21 days of either written notice through mail or posting or publication of notice that the SFWMD has or intends to take final agency action. Petitions must substantially comply with the requirements of Rule 28-107.004(3), Fla. Admin. Code, a copy of the which is attached to this Notice of Rights.

2. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the SFWMD's final action may be different from the position taken by it previously. Persons whose substantial interests may be affected by any such final decision of the SFWMD shall have, pursuant to Rule 40E-1.511(2), Fla. Admin. Code (also published as an exception to the Uniform Rules of Procedure as Rule 40E-0.109(2)(c)), an additional 21 days from the date of receipt of notice of said decision to request an administrative hearing. However, the scope of the administrative hearing shall be limited to the substantial deviation.

3. Pursuant to Rule 40E-1.511(4), Fla. Admin. Code, substantially affected persons entitled to a hearing pursuant to Section 120.57(1), Fla. Stat., may waive their right to such a hearing and request an informal hearing before the Governing Board pursuant to Section 120.57(2), Fla. Stat., which may be granted at the option of the Governing Board.

4. Pursuant to Rule 28-106.111(3), Fla. Admin. Code, persons may file with the SFWMD a request for extension of time for filing a petition. The SFWMD, for good cause shown, may grant the extension. The request for extension must contain a certificate that the petitioner has consulted with all other parties, if any, concerning the extension and that the SFWMD and all other parties agree to the extension.

CIRCUIT COURT

5. Pursuant to Section 373.617, Fla. Stat., any substantially affected person who claims that final agency action of the SFWMD relating to permit decisions constitutes an unconstitutional taking of property without just compensation may seek judicial review of the action in circuit court by filing a civil action in the circuit court in the judicial circuit in which the affected property is located within 90 days of the rendering of the SFWMD's final agency action.

6. Pursuant to Section 403.412, Fla. Stat., any citizen of Florida may bring an action for injunctive relief against the SFWMD to compel the SFWMD to enforce the laws of Chapter 373, Fla. Stat., and Title 40E, Fla. Admin. Code. The complaining party must file with the SFWMD Clerk a verified complaint setting forth the facts upon which the complaint is based and the manner in which the complaining party is affected. If the SFWMD does not take appropriate action on the complaint within 30 days of receipt, the complaining party may then file a civil suit for injunctive relief in the 15th Judicial Circuit in and for Palm Beach County or circuit court in the county where the cause of action allegedly occurred.

7. Pursuant to Section 373.433, Fla. Stat., a private citizen of Florida may file suit in circuit court to require the abatement of any stormwater management system, dam, impoundment, reservoir, appurtenant work or works that violate the provisions of Chapter 373, Fla. Stat.

DISTRICT COURT OF APPEAL

8. Pursuant to Section 120.68, Fla. Stat., a party who is adversely affected by final SFWMD action may seek judicial review of the SFWMD's final decision by filing a notice of appeal pursuant to Florida Rule of Appellate Procedure 9.110 in the Fourth District Court of Appeal or in the appellate district where a party resides and filing a second copy of the notice with the SFWMD Clerk within 30 days of rendering of the final SFWMD action.

LAND AND WATER ADJUDICATORY COMMISSION

9. A party to a "proceeding below" may seek review by the Land and Water Adjudicatory Commission (LAWAC) of SFWMD's final agency action to determine if such action is consistent with the provisions and purposes of Chapter 373, Fla. Stat. Pursuant to Section 373.114, Fla. Stat., and Rules 42-2.013 and 42-2.0132, Fla. Admin. Code, a request for review of (a) an order or rule of the SFWMD must be filed with LAWAC within 20 days after rendition of the order or adoption of the rule sought to be reviewed; (b) an order of the Department of Environmental Protection (DEP) requiring amendment or repeal of a SFWMD rule must be filed with LAWAC within 30 days of rendition of the DEP's order, and (c) a SFWMD order entered pursuant to a formal administrative hearing under Section 120.57(1), Fla. Stat., must be filed no later than 20 days after rendition of the SFWMD's final order. Simultaneous with filing, a copy of the request for review must be served on the DEP Secretary, any person named in the SFWMD or DEP final order, and all parties to the proceeding below. A copy of Rule 42-2.013, Fla. Admin. Code is attached to this Notice of Rights.

PRIVATE PROPERTY RIGHTS PROTECTION ACT

10. A property owner who alleges a specific action of the SFWMD has inordinately burdened an existing use of the real property, or a vested right to a specific use of the real property, may file a claim in the circuit court where the real property is located within 1 year of the SFWMD action pursuant to the procedures set forth in Subsection 70.001(4)(a), Fla. Stat.

LAND USE AND ENVIRONMENTAL DISPUTE RESOLUTION

11. A property owner who alleges that a SFWMD development order (as that term is defined in Section 70.51(2)(a), Fla. Stat. to include permits) or SFWMD enforcement action is unreasonable, or unfairly burdens the use of the real property, may file a request for relief with the SFWMD within 30 days of receipt of the SFWMD's order or notice of agency action pursuant to the procedures set forth in Subsections 70.51(4) and (6), Fla. Stat.

MEDIATION

12. A person whose substantial interests are, or may be, affected by the SFWMD's action may choose mediation as an alternative remedy under Section 120.573, Fla. Stat. Pursuant to Rule 28-106.111(2), Fla. Admin. Code, the petition for mediation shall be filed within 21 days of either written notice through mail or posting or publication of notice that the SFWMD has or intends to take final agency action. Choosing mediation will not adversely affect the right to an administrative hearing if mediation does not result in settlement.

Pursuant to Rule 28-106.402, Fla. Admin. Code, the contents of the petition for mediation shall contain the following information:

- (1) the name, address, and telephone number of the person requesting mediation and that person's representative, if any;
- (2) a statement of the preliminary agency action;
- (3) an explanation of how the person's substantial interests will be affected by the agency determination; and
- (4) a statement of relief sought.

As provided in Section 120.573, Fla. Stat. (1997), the timely agreement of all the parties to mediate will toll the time limitations imposed by Sections 120.569 and 120.57, Fla. Stat., for requesting and holding an administrative hearing. Unless otherwise agreed by the parties, the mediation must be concluded within 60 days of the execution of the agreement. If mediation results in settlement of the dispute, the SFWMD must enter a final order incorporating the agreement of the parties. Persons whose substantial interest will be affected by such a modified agency decision have a right to petition for hearing within 21 days of receipt of the final order in accordance with the requirements of Sections 120.569 and 120.57, Fla. Stat., and SFWMD Rule 28-106.201(2), Fla. Admin. Code. If mediation terminates without settlement of the dispute, the SFWMD shall notify all parties in writing that the administrative hearing process under Sections 120.569 and 120.57, Fla. Stat., remain available for disposition of the dispute, and the notice will specify the deadlines that then will apply for challenging the agency action.

VARIANCES AND WAIVERS

13. A person who is subject to regulation pursuant to a SFWMD rule and believes the application of that rule will create a substantial hardship or will violate principles of fairness (as those terms are defined in Subsection 120.542(2), Fla. Stat.) and can demonstrate that the purpose of the underlying statute will be or has been achieved by other means, may file a petition with the SFWMD Clerk requesting a variance from or waiver of the SFWMD rule. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have concerning the SFWMD's action. Pursuant to Rule 28-104.002(2), Fla. Admin. Code, the petition must include the following information:

- (a) the caption shall read:
Petition for (Variance from) or (Waiver of) Rule (Citation)
- (b) The name, address, telephone number and any facsimile number of the petitioner;
- (c) The name, address, telephone number and any facsimile number of the attorney or qualified representative of the petitioner;
- (d) the applicable rule or portion of the rule;
- (e) the citation to the statute the rule is implementing;
- (f) the type of action requested;
- (g) the specific facts that demonstrate a substantial hardship or violation of principals of fairness that would justify a waiver or variance for the petitioner;
- (h) the reason why the variance or the waiver requested would serve the purposes of the underlying statute; and
- (i) a statement of whether the variance or waiver is permanent or temporary. If the variance or waiver is temporary, the petition shall include the dates indicating the duration of the requested variance or waiver.

A person requesting an emergency variance from or waiver of a SFWMD rule must clearly so state in the caption of the petition. In addition to the requirements of Section 120.542(5), Fla. Stat. pursuant to Rule 28-104.004(2), Fla. Admin. Code, the petition must also include:

- a) the specific facts that make the situation an emergency; and
- b) the specific facts to show that the petitioner will suffer immediate adverse effect unless the variance or waiver is issued by the SFWMD more expeditiously than the applicable timeframes set forth in Section 120.542, Fla. Stat.

WAIVER OF RIGHTS

14. Failure to observe the relevant time frames prescribed above will constitute a waiver of such right.

28-106.201

INITIATION OF PROCEEDINGS (INVOLVING DISPUTED ISSUES OF MATERIAL FACT)

(2) All petitions filed under these rules shall contain:

- (a) The name and address of each agency affected and each agency's file or identification number, if known;

- (b) The name, address, and telephone number of the petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding, and an explanation of how the petitioner's substantial interests will be affected by the agency determination;
- (c) A statement of when and how the petitioner received notice of the agency decision;
- (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- (e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to relief; and
- (f) A demand for relief.

28-106.301.1 INITIATION OF PROCEEDINGS (NOT INVOLVING DISPUTED ISSUES OF MATERIAL FACT)

- (2) All petitions filed under these rules shall contain:
 - (a) The name and address of each agency affected and each agency's file or identification number, if known;
 - (b) The name, address, and telephone number of the petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding, and an explanation of how the petitioner's substantial interests will be affected by the agency determination;
 - (c) A statement of when and how the petitioner received notice of the agency decision;
 - (d) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to relief; and
 - (e) A demand for relief.

28-107.004 SUSPENSION, REVOCATION, ANNULMENT, OR WITHDRAWAL

- (3) Requests for hearing filed in accordance with this rule shall include:
 - (a) The name and address of the party making the request, for purposes of service;
 - (b) A statement that the party is requesting a hearing involving disputed issues of material fact, or a hearing not involving disputed issues of material fact; and
 - (c) A reference to the notice, order to show cause, administrative complaint, or other communication that the party has received from the agency.

42-2.013 REQUEST FOR REVIEW PURSUANT TO SECTION 373.114 OR 373.217

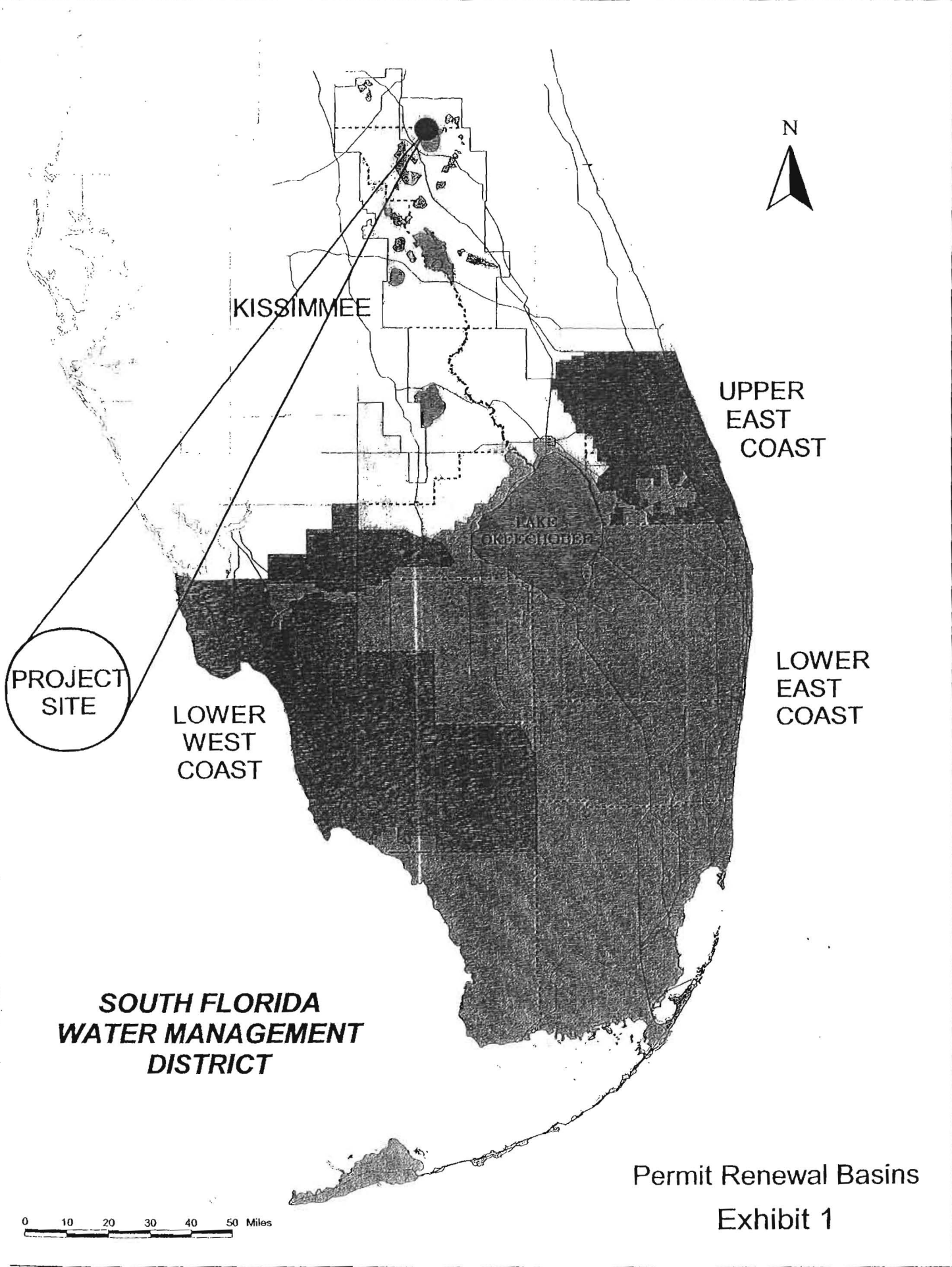
- (1) In any proceeding arising under Chapter 373, F.S., review by the Florida Land and Water Adjudicatory Commission may be initiated by the Department or a party by filing a request for such review with the Secretary of the Commission and serving a copy on any person named in the rule or order, and on all parties to the proceeding which resulted in the order sought to be reviewed. A certificate of service showing completion of service as required by this subsection shall be a requirement for a determination of sufficiency under Rule 42-2.0132. Failure to file the request with the Commission within the time period provided in Rule 42-2.0132 shall result in dismissal of the request for review.
- (2) The request for review shall identify the rule or order requested to be reviewed, the proceeding in which the rule or order was entered and the nature of the rule or order. A copy of the rule or order sought to be reviewed shall be attached. The request for review shall state with particularity:
 - (a) How the order or rule conflicts with the requirements, provisions and purposes of Chapter 373, F.S., or rules duly adopted thereunder;
 - (b) How the rule or order sought to be reviewed affects the interests of the party seeking review;
 - (c) The oral or written statement, sworn or unsworn, which was submitted to the agency concerning the matter to be reviewed and the date and location of the statement, if the individual or entity requesting the review has not participated in a proceeding previously instituted pursuant to Chapter 120, F.S., on the order for which review is sought;
 - (d) If review of an order is being sought, whether and how the activity authorized by the order would substantially affect natural resources of statewide or regional significance, or whether the order raises issues of policy, statutory interpretation, or rule interpretation that have regional or statewide significance from a standpoint of agency precedent, and all the factual bases in the record which the petitioner claims support such determination(s); and
 - (e) The action requested to be taken by the Commission as a result of the review, whether to rescind or modify the order, or remand the proceeding to the water management district for further action, or to require the water management district to initiate rulemaking to adopt, amend or repeal a rule.

28-107.005 EMERGENCY ACTION

- (1) If the agency finds that immediate serious danger to the public health, safety, or welfare requires emergency action, the agency shall summarily suspend, limit, or restrict a license.
- (2) The 14-day notice requirement of Section 120.569(2)(b), F. S., does not apply and shall not be construed to prevent a hearing at the earliest time practicable upon request of an aggrieved party.
- (3) Unless otherwise provided by law, within 20 days after emergency action taken pursuant to paragraph (1) of this rule, the agency shall initiate a formal suspension or revocation proceeding in compliance with Sections 120.569, 120.57, and 120.60, F.S.

40E-1.611 EMERGENCY ACTION

- (1) An emergency exists when immediate action is necessary to protect public health, safety or welfare; the health of animals, fish or aquatic life; the works of the District; a public water supply, or recreational, commercial, industrial, agricultural or other reasonable uses of land and water resources.
- (2) The Executive Director may employ the resources of the District to take whatever remedial action necessary to alleviate the emergency condition without the issuance of an emergency order, or in the event an emergency order has been issued, after the expiration of the requisite time for compliance with that order.



KISSIMMEE



UPPER
EAST
COAST

PROJECT
SITE

LOWER
WEST
COAST

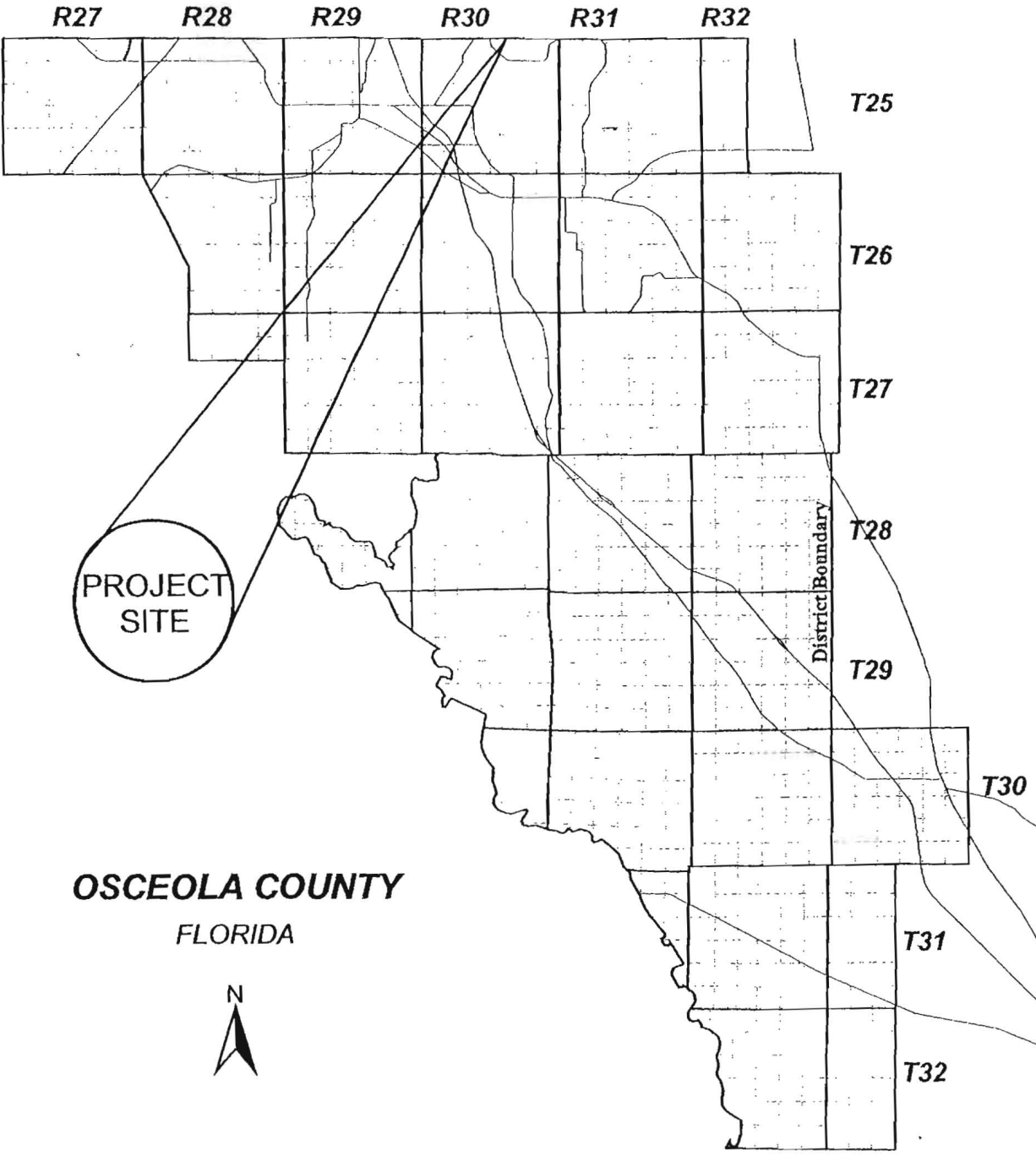
LAKE
OKCHOBEE

LOWER
EAST
COAST

**SOUTH FLORIDA
WATER MANAGEMENT
DISTRICT**

0 10 20 30 40 50 Miles

Permit Renewal Basins
Exhibit 1



OSCEOLA COUNTY
FLORIDA

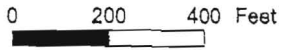
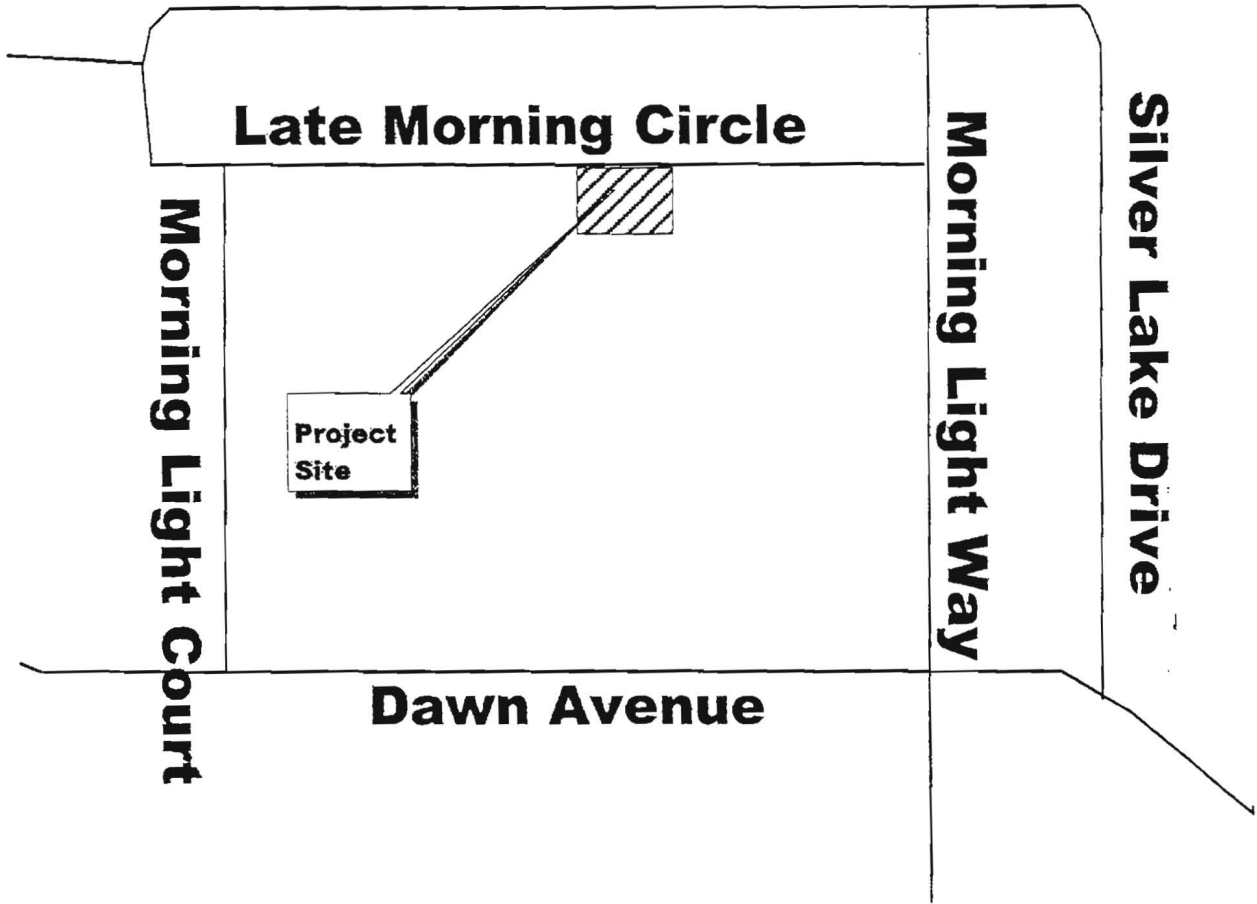


App # 021121-18
Permit # 49-01261-W
Project: MORNINGSIDE UTILITIES INC



**OSCEOLA
COUNTY**

FLORIDA



App # 021121-18

Permit # 49-01261-W

Project: MORNINGSIDE UTILITIES INC

TABLE - A
Description Of Wells.

Application Number: 021121-18

Well ID	129171	129172
Name	Well No. 1	Well No. 2
Map Designator		
FLUWID Number		
Well Field		
Existing/Proposed	E	E
Well Diameter(Inches)	8	6
Total Depth(feet)	450	422
Cased Depth(feet)	150	297
Facility Elev. (ft. NGVD)		
Screened Interval		
From		
To		
Pumped Or Flowing	P	P
Pump Type	submersible	submersible
Pump Int. Elev.		
Feet (NGVD)		
Feet (BLS)		
Pump Capacity(GPM)	150	150
Year Drilled	1983	1996
Planar Location		
Source	DIGITIZED	DIGITIZED
Feet East	561142	561101
Feet North	1458795	1458802
Accounting Method	flow meter	flow meter
Use Status	Primary	Primary
Water Use Type	Public Water Supply	Public Water Supply
Aquifer	Floridan Aquifer System	Floridan Aquifer System

Exhibit No: 4

APPENDIX B
PSC CERTIFICATE

4

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

595 - W

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

MORNINGSIDE UTILITIES, INC.

Whose principal address is:

4144 Oakwood Drive
St. Cloud, FL 34772-8187 (Osceola County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER PSC-97-1211-FOF-WU	DOCKET 970636-WU
ORDER PSC-99-1196-FOF-WU	DOCKET 990248-WU
ORDER PSC-99-1753-FOF-WU	DOCKET 990248-WU
ORDER PSC-99-1810-FOF-WU	DOCKET 990247-WU
ORDER	DOCKET
ORDER	DOCKET
ORDER	DOCKET

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION



Harvey S. Davis

Director
Division of Records and Reporting

APPENDIX C

PERMIT AND APPROVAL



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

ORLANDO SERVICE CENTER 1707 Orlando Central Parkway, Suite 200, Orlando, FL 32809
 (407) 858-6100 • FL WATS 1-800-250-4250 • Suncom 358-6100 • Fax (407) 858-6121 •
www.sfwmd.gov/org/exo/orlsc/index.html

CON 24-06

Application No.: 021121-18

General Permit No.: 49-01261-W (MODIFICATION)

March 26, 2003

MORNINGSIDE UTILITIES INC
 4144 OAKWOOD DRIVE
 ST CLOUD, FL 34772

Dear Permittee:

SUBJECT: General Water Use Permit No.: 49-01261-W (MODIFICATION)

Project: MORNINGSIDE UTILITIES INC

Location: OSCEOLA COUNTY, S3/T25S/R30E

Permittee: MORNINGSIDE UTILITIES INC

This is to notify you of the District's agency action concerning modification of above referenced General Water Use Permit 49-01261-W. This action is taken pursuant to Chapter 40E-20, Florida Administrative Code (F.A.C.). Based on the Information Provided, District rules have been adhered to and a General Water Use Permit is in effect for this project subject to:

1. Not receiving a filed request for Chapter 120, Florida Statutes, administrative hearing and
2. The attached Limiting Conditions.

The purpose of this application is to renew Water Use Permit No. 83-00035-W, a public water supply permit for the Morningside Utilities service area. This service area is projected to serve 805 persons in the year 2023, with an average per capita use rate of 60 gallons per day and a maximum daily to average daily pumping ratio 1.81. Withdrawals are from the Floridan Aquifer System via two existing withdrawal facilities. The project is located in Osceola County, as shown on Exhibits 1 through 3.

This permit supercedes and replaces Water Use Permit 83-00035-W.

GOVERNING BOARD

Trudi K. Williams, P.E., *Chair*
 Lennart E. Lindahl, P.E., *Vice-Chair*
 Pamela Brooks-Thomas

Michael Collins
 Hugh M. English
 Gerardo B. Fernández

Patrick J. Gleason, Ph.D., P.G.
 Nicolás J. Gutiérrez, Jr., Esq.
 Harkley R. Thornton

EXECUTIVE OFFICE

Henry Dean, *Executive Director*

DISTRICT HEADQUARTERS: 3301 Gun Club Road, P.O. Box 24680, West Palm Beach, FL 33416-4680 • (561) 686-8800 • FL WATS 1-800-432-2045

Application Number: 021121-18
MORNINGSIDE UTILITIES INC
March 26, 2003
Page 2

Date Of Issuance: March 26, 2003

Expiration Date: March 26, 2023

Water Use Classification: Public Water Supply

Water Use Permit Status: Modification/Renewal

Environmental Resource Permit Status: Permitted (No. 49-00532-S).

Right Of Way Permit Status: Not Applicable.

Ground Water From: Floridan Aquifer System

Permitted Allocation(s):

Annual Allocation:	17,629,500 Gallons
Maximum Daily Allocation:	87,400 Gallons

Existing Withdrawal Facilities - Ground Water

Source: Floridan Aquifer System

1 - 6" X 422' X 150 GPM Well Cased To 297 Feet

1 - 8" X 450' X 150 GPM Well Cased To 150 Feet

Rated Capacity

Source(s)	Status Code	GPM	MGD	MGM	MGY
Floridan Aquifer System	E	300	0.43	13.1	158
Totals:		300	0.43	13.1	158

APPENDIX D

EASEMENT

NOT APPLICABLE

APPENDIX E
FEE PARCELS

This Mortgage Deed

Executed the 27th day of February A. D. 1999 by
Morningside Utilities, Inc.

a corporation existing under the laws of Florida, and having its principal place of
business at 4144 Oakwood Dr., St. Cloud, Florida 34772
hereinafter called the mortgagor, to George DeVillers

whose postoffice address is 1106 Monroe Ave., St. Cloud, Florida 34769
hereinafter called the mortgagee:

(Wherever used herein the terms "mortgagor" and "mortgagee" include all the parties to this instrument and the heirs,
legal representatives and assigns of individuals, and the successors and assigns of corporations; and the term "note"
includes all the notes herein described if more than one.)

Witnesseth, that for good and valuable considerations, and also in consideration of the aggregate sum named in the promissory note of even date herewith, hereinafter described, the mortgagor hereby grants, bargains, sells, alien, remises, conveys and confirms unto the mortgagee all the certain land of which the mortgagor is now seized and in possession situate in Osceola County, Florida, viz:

Tract A, Morningside Village, Unit II as
per the Official Plat thereof as filed
and recorded in Plat Book 4, Page 85 of
the Public Records of Osceola County,
Florida.

LARRY WHALEY 3P
CLERK OF CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA

CL 99026858 OR 1582/2719
SKS Rec. Date 03/01/99 Time 08:40

DOC STAMPS: 525.00
INTANGIBLE: 300.00

Property Appraisers Parcel Identification
Number(s): 03-25-30-4208-0001-SUBD

Return to: George DeVillers, 1106 Monroe Ave.
St. Cloud, FL 34769

To Have and to Hold the same, together with the tenements, hereditaments and appurtenances thereto belonging, and the rents, issues and profits thereof, unto the mortgagee, in fee simple.

And the mortgagor covenants with the mortgagee that the mortgagor is indefeasibly seized of said land in fee simple; that the mortgagor has good right and lawful authority to convey said land as aforesaid; that the mortgagor will make such further assurances to perfect the fee simple title to said land in the mortgagee as may reasonably be required; that the mortgagor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free and clear of all encumbrances other than the 1999 taxes.

PROMISSORY NOTE

\$150,000.00 Kissimmee, Florida February 27, 1999

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of George DeVillers of 1106 Monroe Avenue, St. Cloud, Florida 34769 or at such place as the holder(s) of this note may designate in writing the principal sum of One hundred fifty thousand and no cents DOLLARS (\$150,000.00) together with interest thereon from February 15, 1999 at the rate of 10% per annum on the unpaid balance until paid.

Monthly payments shall commence on February 15, 1999 and on the 15th day of each successive month thereafter of \$1,611.91 for 180 consecutive payments and the final, payment of \$1,611.91 shall be paid on or before January 15, 2014. There shall be no prepayment penalty for early payment of any portion of the principal.

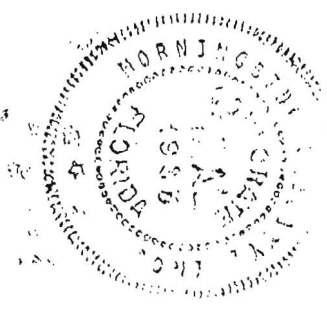
If default be made in the payment of any installment under this note, and if such default is not made good within 10 days of the 15th of each month, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder(s) of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time for the same default or for any subsequent default. In the event of defaults in the payment of this note, and if the same is placed in the hands of an attorney at law for collection, the undersigned hereby agree(s) to pay all cost of collection including a reasonable attorney's fee. Presentment, protest and notice are hereby waived.

Morningside Utilities, Inc.
By: *Gary K. Turner* (SEAL)
Gary K. Turner, as President

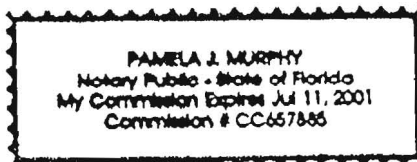
_____ (SEAL)

_____ (SEAL)

_____ (SEAL)



STATE OF FLORIDA
COUNTY OF OSCEOLA



I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements appeared GARY K. TURNER

NOTARY *Pamela J. Murphy*

and shall perform, comply with and abide by each and every the agreements, stipulations, conditions and covenants thereof, and of this mortgage, then this mortgage and the estate hereby created, shall cease, determine and be null and void.

And the mortgagor hereby further covenants and agrees to pay promptly when due the principal and interest and other sums of money provided for in said note and this mortgage, or either; to pay all and singular the taxes, assessments, levies, liabilities, obligations, and encumbrances of every nature on said property; to permit, commit or suffer no waste, impairment or deterioration of said land or the improvements thereon at any time; to keep the buildings now or hereafter on said land fully insured in a sum of not less than the full insurable value. In a company or companies acceptable to the mortgagee, the policy or policies to be held by, and payable to, said mortgagee, and in the event any sum of money becomes payable by virtue of such insurance the mortgagee shall have the right to receive and apply the same to the indebtedness hereby secured, accounting to the mortgagor for any surplus; to pay all costs, charges, and expenses, including lawyer's fees and title searches, reasonably incurred or paid by the mortgagee because of the failure of the mortgagor to promptly and fully comply with the agreements, stipulations, conditions and covenants of said note and this mortgage, or either; to perform, comply with and abide by each and every the agreements, stipulations, conditions and covenants set forth in said note and this mortgage or either. In the event the mortgagor fails to pay when due any tax, assessment, insurance premium or other sum of money payable by virtue of said note and this mortgage, or either, the mortgagee may pay the same, without waiving or affecting the option to foreclose or any other right hereunder, and all such payments shall bear interest from date thereof at the highest lawful rate then allowed by the laws of the State of Florida.

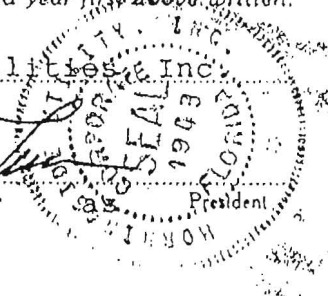
If any sum of money herein referred to be not promptly paid within five (5) days next after the same becomes due, or if each and every the agreements, stipulations, conditions and covenants of said note and this mortgage, or either, are not fully performed, complied with and abided by, then the entire sum mentioned in said note, and this mortgage, or the entire balance unpaid thereon, shall forthwith or thereafter, at the option of the mortgagee, become and be due and payable, anything in said note or herein to the contrary notwithstanding. Failure by the mortgagee to exercise any of the rights or options herein provided shall not constitute a waiver of any rights or options under said note or this mortgage accrued or thereafter accruing.

In Witness Whereof the mortgagor has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.



Signed, sealed and delivered in the presence of:
[Signature] Secretary
[Signature]
[Signature]
[Signature]

Morningside Utilities, Inc.
By *[Signature]*
Gary K. Turner
President

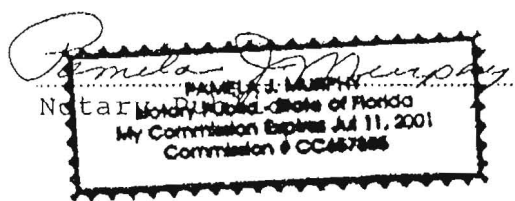


State of Florida
County of Osceola

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Gary K. Turner

well known to me to be the President and Secretary respectively of the corporation named as mortgagor in the foregoing instrument, and that they severally acknowledged executing the same, in the presence of two subscribing witnesses, freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

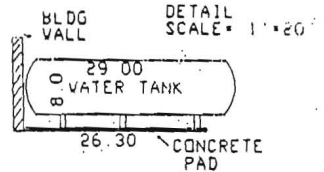
WITNESS my hand and official seal in the County and State last aforesaid this 27th day of February A. D. 1999



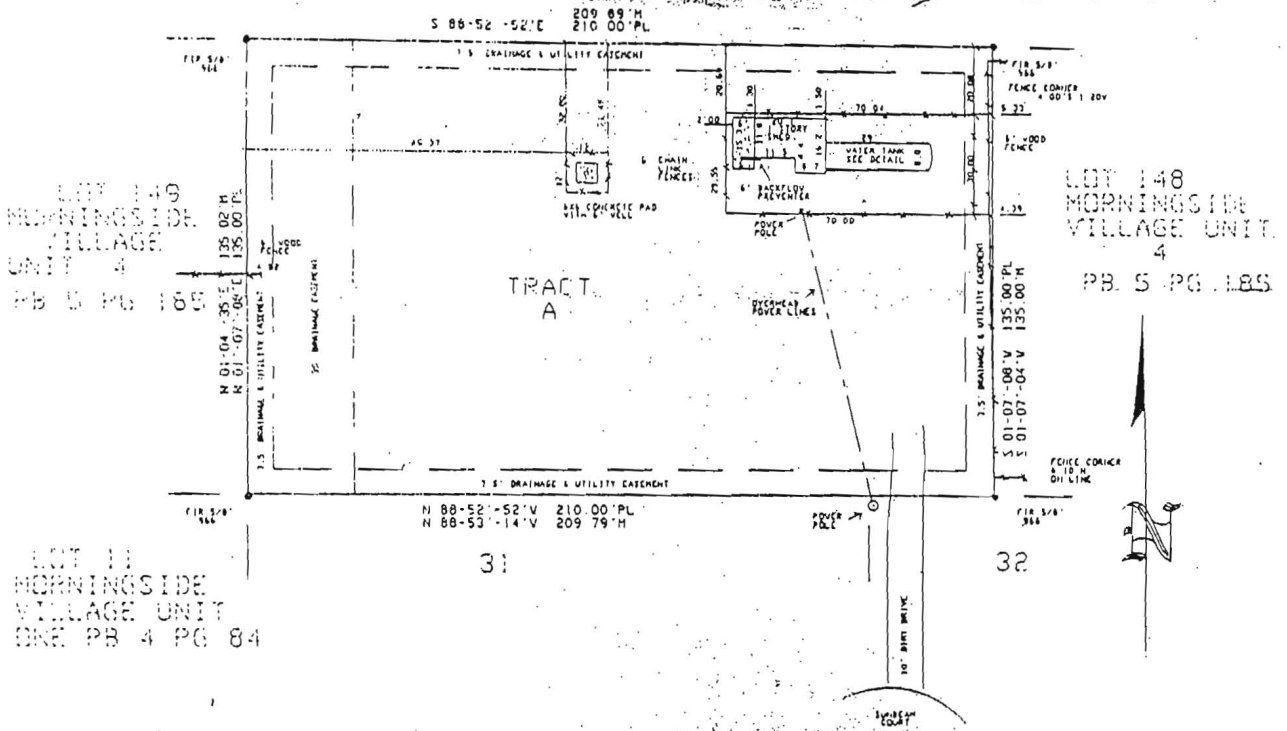
MAP SHOWING SURVEY OF

TRACT "A", MORNINGSIDE VILLAGE, UNIT TWO, AS RECORDED IN PLAT BOOK 4, PAGE 85, PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

CERTIFIED TO: George DeVillers



C/L SOUTH LATE MORNING CIRCLE 60' R/W



LEGEND	
FIP - FOUND IRON PIPE	° - DEGREE
FIR - FOUND IRON ROD	' - FEET
SI - SET IRON ROD	'' - MINUTES
FCM - FOUND CONCRETE MONUMENT	''' - SECONDS
SCM - SET CONCRETE MONUMENT	C - CHORD DISTANCE
D - DEED	B - CHORD BEARING
PL - PLAT	BLK - BLOCK
M - MEASURED	EL - ELEVATION
CONC - CONCRETE	FL - FINISH FLOOR
P O C - POINT OF COMMENCEMENT	N T 3 - NOT TO SCALE
P O B - POINT OF BEGINNING	AC - AIR CONDITIONER
P I - POINT OF INTERSECTION	R/W - RIGHT OF WAY
P T - POINT OF TANGENCY	C/L - CENTER LINE
P C - POINT OF CURVE	P R M - PERMANENT REFERENCE MONUMENT

SEC	REVISIONS
TWP	
RGE	

NOTES: BEARS OF BEARING ~~S 88-52-52'E~~ OF S. Late Morning Circle as shown hereon are only those above ground visible objects observed by the surveyor. ENCROACHMENTS AS SHOWN HEREON ARE ONLY THOSE ABOVE GROUND VISIBLE OBJECTS OBSERVED BY THE SURVEYOR. NO UNDERGROUND STRUCTURES, UTILITIES OR FOUNDATION FEET LOCATED OR DETERMINED BY THIS SURVEYOR. THIS SURVEY NOT VALID WITHOUT THE ORIGINAL RAISED SEAL AND SIGNATURE OF A FLORIDA LICENSED SURVEYOR. THIS SURVEY MADE WITHOUT BENEFIT OF AN ABSTRACT OF TITLE. NO RIGHT OF WAY OR EASEMENT OF RECORD WERE FURNISHED TO THIS FIRM, EXCEPT AS SHOWN. ALL DISTANCES, BEARINGS OR ANGLES ARE AS FIELD MEASURED, DEED OR PLATTED MEASUREMENTS ARE NOTED. THE CERTIFICATIONS AS PROVIDED IN THIS SURVEY IS A STATEMENT OF PROFESSIONAL OPINION BASED ON THE FIELD AND DOCUMENTARY EVIDENCE AVAILABLE AT THE TIME OF THIS SURVEY. OWNERSHIP OF FENCES UNKNOWN TO THIS SURVEYOR.

FLOOD STATEMENT: THE ABOVE PARCEL OF LAND APPEARS TO LIE WITHIN FEDERAL FLOOD ZONE A. MAP NO 120189 0035B DATED 2/3/82 FOR Osceola COUNTY FLORIDA

ADDRESS	FIELD DATE	FB
SCALE = 1" = 40'	2/16/97	LL
BOUNDARY		
SITE PLAN		
FOUNDATION		
FINAL		

PREPARED BY
SULLIVAN SURVEYING INC.
 1318 W. OAK STREET SUITE 4
 KISSIMMEE, FL 34741
 PHONE (407) 935-0884
 FAX (407) 935-0888

I HEREBY CERTIFY THAT THE SURVEY SHOWN HEREON MEETS MINIMUM TECHNICAL STANDARDS AS SET FORTH IN CHAPTER 61G17-6 FLORIDA ADMINISTRATIVE CODE PURSUANT TO SECTION 472.027 FLORIDA STATUTES

SIGNATURE DATE 2-18-97
Richard C Sullivan
 RICHARD C SULLIVAN
 REG # 5282 L# 6590

APPENDIX F

EXCLUDED REAL PROPERTY

NOT APPLICABLE



APPENDIX G

EXCLUDED ASSETS

NOT APPLICABLE

6

APPENDIX H

PERSONAL PROPERTY



1

10/10/10

10/10/10

ASSET LIST

101.000 - Utility Plant in Service (ORIGINAL COST OF UTILITY PLAN)	192,641.07
101.303 - LAND	38,000.00
Total 101.303 - LAND	38,000.00
101.304 - STRUCTURES	6,539.00
Total 101.304 - STRUCTURES	6,539.00
101.307 - WELLS	19,593.00
Total 101.307 - WELLS	19,593.00
101.309 - SUPPLY LINES	0.00
Total 101.309 - SUPPLY LINES	0.00
101.310 - GENERATOR EQUIPMENT	32,935.00
Total 101.310 - GENERATOR EQUIPMENT	32,935.00

12:02 PM

04/10/04

Accrual Basis

MORNINGSIDE UTILITIES, INC.
General Ledger
As of April 10, 2004

Type	Date	Num	Name	Memo	Split	Amount	Balance
101.311 · ELECT PUMP EQUIPMENT							23,783.36
Total 101.311 · ELECT PUMP EQUIPMENT							23,783.36
101.320 · TREATMENT EQUIPMENT							6,111.71
Total 101.320 · TREATMENT EQUIPMENT							6,111.71
101.330 · DISTRIBUTION RESERVOIRS							12,500.00
Total 101.330 · DISTRIBUTION RESERVOIRS							12,500.00
101.331 · TRANS & DISTRIBUTION MAINS							28,855.00
Total 101.331 · TRANS & DISTRIBUTION MAINS							28,855.00
101.333 · SERVICES							9,750.00
Total 101.333 · SERVICES							9,750.00
101.334 · METERS & INSTALL							14,011.00
Total 101.334 · METERS & INSTALL							14,011.00
101.335 · HYDRANTS							0.00
Total 101.335 · HYDRANTS							0.00
101.336 · BACKFLOW PREVENTION DEVICES							0.00
Total 101.336 · BACKFLOW PREVENTION DEVICES							0.00
101.339 · misc. equipment (MISC. EQUIPMENT)							0.00
Total 101.339 · misc. equipment (MISC. EQUIPMENT)							0.00
101.340 · OFFICE FURNITURE & EQUIPMENT							458.00
Total 101.340 · OFFICE FURNITURE & EQUIPMENT							458.00
101.341 · VEHICLES							0.00
Total 101.341 · VEHICLES							0.00
101.343 · TOOLS							0.00
Total 101.343 · TOOLS							0.00
101.345 · POWER OP EQUIP							0.00
Total 101.345 · POWER OP EQUIP							0.00
101.347 · MISC. EQUIPMENT 1 (MISC. EQUIPMENT 1)							105.00
Total 101.347 · MISC. EQUIPMENT 1 (MISC. EQUIPMENT 1)							105.00

APPENDIX I

PLANS AND AS-BUILTS

Plans and As-builts provided by Seller are listed as follows:

1. "As-built" Master Water Plan Morningside Village Unit IV
2. Water Treatment and Distribution System for Morningside Village
3. Morningside Village East Unit One Master Water Plan

APPENDIX J

WATER SYSTEM MAP

Seller has provided the following Water System Map:

1. Water Treatment and Distribution System for Morningside Village, Johnston's Engineering, Inc. January 2, 1984

APPENDIX K
SEWER SYSTEM MAP

NOT APPLICABLE

APPENDIX L
OFFICERS, DIRECTORS

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

OF

WU795-02-AR
Morningside Utilities, Inc.
4144 Oakwood Drive
St. Cloud, FL 34772-8187

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

REPORT OF

MORNINGSIDE UTILITIES, INC
(EXACT NAME OF UTILITY)

4144 OAKWOOD DR.
ST. CLOUD, FL 34772
Mailing Address

SAME OSCEOLA
Street Address County

Telephone Number 409-892-4675

Date Utility First Organized 12-28-83

Fax Number 409-891-8461

E-mail Address MUTILITIES@MINDSPRING.COM

Sunshine State One-Call of Florida, Inc. Member No. MS1021

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: GARY TURNER 4144 OAKWOOD DR.
ST CLOUD, FLORIDA 34772 409-892-4675

Name of subdivisions where services are provided: MORNINGSIDE VILLAGE

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>GARY TURNER</u>	<u>PRESIDENT</u>	<u>4144 OAKWOOD DR</u> <u>ST CLOUD, FL 34772</u>	<u>NONE</u>
Person who prepared this report: <u>ROBERT F. DODRILL</u>	<u>PLANT ACCOUNTANT</u>	<u>2309 AMHERST AVE</u> <u>ORLANDO, FL 32804</u>	<u>NONE</u>
Officers and Managers: <u>GARY TURNER</u>	<u>OPERATOR / MGR.</u>	<u>4144 OAKWOOD DR</u> <u>ST. CLOUD, FL 34772</u>	\$ <u>4,1680</u>
<u>LUCILLE TURNER</u>	<u>VP / TREASURER</u> <u>CUSTOMER SERVICE</u>	<u>SAME</u>	\$ <u>29,178</u>

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>GARY TURNER</u>	<u>100%</u>	<u>4144 OAKWOOD DR.</u> <u>ST CLOUD, FL 34772</u>	\$ <u>NONE</u>
			\$
			\$
			\$
			\$
			\$
			\$

APPENDIX M
OTHER AGREEMENTS

George DeVillers and Gary Turner, Morningside Utilities Inc.

STOCK PURCHASE AGREEMENT

THIS AGREEMENT entered into on this day of February, 1999 between George DeVillers, (hereinafter referred to as "Seller"), and Gary K. Turner, (hereinafter referred to as "Purchaser").

WITNESSETH;

WHEREAS, Seller desires to all shares of stock held by Seller in that Corporation, Morningside Utilities, Inc. a Florida Corporation, and

WHEREAS, Seller does own free and clear all issued shares of stock in Morningside Utilities, Inc. (hereinafter referred to as the Corporation), and

WHEREAS, Seller shall transfer under the ownership of the Corporation certain assets which are listed herein below and it is knowledge as material consideration for the purchase of said shares of stock by the Purchaser herein, and

WHEREAS, Seller desires to sell and Purchaser desires to purchase those shares of stock under the terms and conditions set forth herein below.

NOW THEREFORE, in consideration of covenants, Promises, terms and conditions, of which consideration is accepted as adequate by both parties by execution of this agreement. The parties agree as follows:

1. Seller shall sell to Purchaser and Purchaser shall purchase all outstanding shares of stock issued in the Corporation which are held solely and exclusively by the Seller, free and clear of all liens, encumbrances, or all pledging of stock for the sum of \$180,000.00 (One hundred eighty thousand) dollars. The terms of payment of that purchase price by the Purchaser

is, that the Purchaser shall deliver upon execution of this agreement by both parties a down payment of \$30,000.00 (Thirty thousand) dollars by cashiers check made to the order of the Seller; of the total of \$180,000.00 (One hundred eighty thousand) dollars, and that the balance of \$150,000.00 (One hundred fifty thousand) dollars shall be evidenced by a Promissory Note executed by the Purchaser back to the Seller, the terms of which are as follows:

Principal amount of \$150,000.00 (One hundred fifty thousand) dollars to be paid in installment payments, first payment to commence on the 15th day of February, 1999 and on the 15th day of each month thereafter for a total of 180 monthly payments, last payment to be made on or before January 15, 2014 date. The Principal amount shall accrue interest at the rate of 10 % per annum from the date of execution of the Promissory Note, shall amortize a monthly payment of \$1,611.91 (One thousand six hundred eleven dollars and 91 cents). There shall be no prepayment penalty for overpayment of any portion of all of the principal balance of that amount in the terms of the note.

The Promissory Note shall be secured by a purchase money mortgage from the Purchaser to the Seller secured by the subject real property more particularly described by Exhibit "A" attached hereto.

2. This contract is contingent upon the ability of the Purchaser and Seller working jointly to obtain all necessary documents, licenses, permits and any other form of authorization or certification required for the operation of the water plant located on the real property, which is owned by the Corporation, from any regulatory agencies regulating any aspects of the operation of that water plant known as Morningside Utilities and Water Treatment Plant on said property.

“Regulatory agencies” shall be defined as, but not limited to, Florida Public Service Commission, Department of Environmental Protection, and South Florida Water Management Commission throughout this agreement. The parties agree that should it not be possible to obtain all permits, certifications and other documents of authorization necessary in the operation of said water plant

that the Purchaser upon notification to the Seller in writing shall return back to the sole and exclusive possession of the Seller said real property as well as the operation of the said water plant and all stock purchased under this agreement, within 7 days of the receipt of written notification by any governmental entity stating the transfer and/or extension of the permits and certificates necessary for the operation of the water treatment plant on the subject property to this contract are not extendable, transferrable to the purchaser. The Seller shall, upon such notification, within 10 days of receipt of that notification assume sole and exclusive physical control and possession of the subject real property and the water plant and its operation and accept retransfer by assignment of those stock certificates representing all stock sold to the Purchaser to the Seller under this agreement and return the down payment in the sum of \$30,000.00 (thirty thousand) Dollars, without interest for the period those monies are held by the Buyer.. It is understood and agreed by the parties that should the Seller refuse to take control of the real property and the water treatment plant after such notification, refusal to continue to operate the plant by the Purchaser will not constitute a breach of this agreement nor shall the Purchaser be liable for any damages arising from the abandonment of the operation to that water treatment plant and the property by the Seller or any persons affected thereunder. That the Purchaser under such conditions by refusal or failure to take repossession and operations of the

water treatment plant, hereby waives and releases the Purchaser from any and all liability to the Seller as well as the Corporation and hereby agrees to indemnify and hold harmless the Purchaser as to any damages, costs, reasonable attorney fees, or other consequences that may arise due to the failure of the Seller to accept possession, control and operation of that business. Seller shall further assume all financial obligations existing on the day of closing and any subsequent obligation or contractual obligations in the operation of Morningside Utilities and Water Treatment Plant on the subject real property owned by the Corporation and those service areas under contract and permit. The responsibility for assumption of those matters by the Seller shall be within 7 days of written notification by Purchaser of the refusal of agencies to transfer or grant permits, certification or other documentation to allow for the operation of the plant by the Corporation due to the transfer of ownership of that Corporation by the Purchaser.

3. At the time of transfer of all stock of the Corporation from the Seller to the Purchaser it is hereby warranted by the Seller that the Corporation shall own the following real and personal property free and clear of all liens and encumbrances and that is as follows: (See attached Exhibit "A").

A. All outstanding service areas as permitted by the Florida Public Service Commission and the Department of Environmental Protection and the South Florida Water Commission.

B. All structures and appurtenances thereto and affixed to the subject property.

C. 10000 Gallon pressure tank

Onan auxiliary generator

Generator transfer switch

(2) Regal auto switch-over chlorinators

(2) Chlorinator scales

(2) Chlorine booster pumps

• Chlorine repair parts

(2) Chlorine injectors

Meter boxes

All brass and PVC fittings

Water meters

All pipes and equipment previously installed needed to supply water to service area

The Seller warrants and covenants that the Corporation owns solely and exclusively all rights, title and interest to the subject property both real, personal and mixed and there exists no liens or encumbrances or rights to encumber in any of those properties by any persons or other legal entities after the date of transfer to the Purchaser by Seller.

4. Both Seller and Purchaser hereby acknowledge the existence of a new service area under the control of the Corporation consisting of 42 lots sites of which 12 lot sites have been completed or under construction for completion for use. All costs of installation and impact fees for meters to those 12 lots will be sole and exclusive responsible of the Seller. The remaining 30 new lot sites shall require the payment of impact fees and meter installation fees and improvements to each of those lots and that those costs shall be the sole and exclusive responsibility to the Purchaser. Purchaser accepts the 30 lots in their "as is" condition and will accept the 12 lots the day of closing upon completion of all construction and installation of water

meters. The Seller shall have sole and exclusive responsibility for the payment of any fees due and owing the Florida Public Service Commission for the extension of services to the new service area, and payments of these fees shall be made prior to closing and proof of all such fees shall be delivered to the Purchase the day of closing. Seller shall be solely and exclusively responsible for all fees, fines and penalties which are now due and owing from any legal actions or pending legal actions or prospective legal actions which may exist prior to the day of closing under this agreement. The Seller shall deliver to the Purchaser proof of settlement or payment of fees, fines, penalties and actions shall be provided to the Purchaser by the Seller at day of closing. The Purchaser shall be solely and exclusively responsible of payment of all fees that are required to be paid for the standard transfer of subject water plant and its operation, subject to the acceptance transfer ability of all licensing agencies and governmental entities for the operation of that water plant by the Purchaser.

5. Seller shall be solely and exclusively responsible for all outstanding bills, invoices, debts and receivable accounts due until closing. Should transfer of the operations of the water plant not be permitted under the terms of this agreement due to regulatory agencies, the Seller shall become solely and exclusively responsible for these outstanding bills, invoices, debts and accounts receivable due no later than 7 days from written notification by Purchaser to Seller that the regulatory agencies will not permit this assumption and ownership and operation of the property of the purchaser.

6. Seller shall, at least 48 hours prior to transfer of ownership of said shares of stock of the Corporation to the Purchaser, transfer that real property upon the Morningside Utilities & Water Plant is located and described herein above in paragraph 3A by Warranty Deed to the

Corporation. The Seller shall deliver to the Purchaser at closing the Warranty Deed and any and all other necessary documents to effect such transfer of the exclusive rights, title and interest of ownership of the land to the Corporation. Said real property shall be transferred to the Corporation free and clear of all liens and encumbrances only subject to those real estate taxes due and owing for the year 1999 covenant, conditions and restrictions of record and easements of record other than that which is to be released under the terms of this agreement.

7. All rents, water taxes, charges taxes, assessments, monthly mortgage insurance premiums, fuel, prepaid service contracts, and interest on existing mortgage shall be prorated as of the date of recording of that Warranty Deed on the subject real property to be transferred under this agreement from the Seller to the Corporation.

8. The sale and purchase of the stock to the Corporation is contingent upon the Seller obtaining and having recorded on the Public Records of Osceola County Florida at least 48 hours prior to the date of transfer of said stock to the Purchaser a release of that certain recreation easement given to Wayne Schoolfield, Trustee and recorded in the Public Records of Osceola County, Florida at OR Book 893, Page 768 et sec which burdens the subject real property described herein above.

9. Seller warrants and acknowledges it is a material condition to the closing under this agreement that Seller shall satisfy two existing matters of indebtedness owned to the Corporation by the Seller totaling the sum of \$29,549.00 (Twenty nine thousand five hundred forty nine) dollars and that satisfaction of these matters of indebtedness shall be made and reflected on the financial records of the Corporation at least 48 hours prior to transfer of

ownership of the said stock to the Purchaser. Failure to do so by the Seller shall constitute material default under this agreement for which Purchaser may refuse to close under the terms of this agreement.

ess The Seller shall provide to the Corporation a title ~~commitment~~ ^{SEARCH, SHOWING good title to the above property} and owners title insurance policy in value amount of \$150,000.00 (~~One hundred fifth thousand~~) dollars to be issued by title insurance company duly licensed by the State of Florida to underwrite title insurance. The Seller shall be solely and exclusively responsible for the payment of the cost of the owners title insurance policy. Issuance of the title ~~commitment~~ ^{SEARCH} and owners title insurance policy and survey as well as the Intangible Tax and revenue stamps on the Mortgage Deed and Promissory Note as well as the cost of the issuance of the title ~~commitment~~ ^{SEARCH} and owners title insurance policy on the said property. The Seller shall deliver within 30 days after the date of acceptance of this contract, by the Seller and use by the certified survey, having all corner stakes and showing all improvements upon the property. The Buyer shall be solely responsible for only the recording fees, prepaid insurance, prepaid taxes, and prepaid interest respecting the transfer of the real property.

IN WITNESS WHEREOF, the said parties has signed and sealed these presents the day and year first above written.

Pamela J. Murphy
PAMELA J. MURPHY
Witness

Susan Keller-Dolan
SUSAN KELLER-DOLAN
Printed Name

Gary K. Turner

Purchaser: Gary K. Turner

GARY K. TURNER

Printed Name

Witness

Susan Keller-Dolan

Printed Name

SUSAN KELLER-DOLAN

Witness

Pamela J. Murphy

Printed Name

PAMELA J. Murphy

Witness

Printed Name

George DeVillers

Seller: George DeVillers

GEORGE DEVILLERS

Printed Name

That certain real property located in Osceola County, Florida and more specifically described as:

Track A, Morningside Village Unit 2 as per the official Plat thereof as filed and recorded in the Plat Book 4, Page 85 Public Records of Osceola County, Florida subject to easements and restrictions of record.

Exhibit "A"

MORNINGSIDE UTLS. INC.

APRIL, 30, 2004

I GEORGE DE VILLERS ACKNOWLEDGE THAT

THE PAYOFF AFTER, JUNE 2004 payment

IS \$ 118,947.64.

George De Villers

GEORGE DE VILLERS

FLDL - D146-308-28-380-0

Kamala K Ramadin



Kamala K Ramadin
My Commission DD041664
Expires August 03, 2005

APPENDIX N
CONNECTION CHART

From 01/01/1999 to 04/19/2004

Acct#	Zone	Name	Deposit Number	Deposit\$	Date	Memberfee Number	Fee\$	Date
4		CADWELL, TROY	0	73.62	07/26/2001	0	0.00	//
14		SILLETTI, TABATHA	0	73.62	02/22/2002	0	0.00	//
18		BROWN, MICHEAL	0	73.62	02/22/2002	0	0.00	//
20		LEON, VICTOR	0	73.62	05/28/2003	0	0.00	//
24		BODLE, JO	0	73.62	05/25/1999	0	0.00	//
25		RINKLE, TAMMY	0	73.62	12/01/2003	0	0.00	//
26		ABRAM, MELISSA	0	73.62	08/11/2003	0	0.00	//
30		MATTHEWS, GREG	0	73.62	02/27/2003	0	0.00	//
31		CUNNINGHAM, KEITH	0	73.62	10/21/2002	0	0.00	//
35		DIEHL, ED	0	73.62	07/23/2001	0	0.00	//
38		PARKER, ELIZABETH	0	73.62	04/03/2003	0	0.00	//
39		DIEHL, EDWARD	0	73.62	02/04/2004	0	0.00	//
41		HODGES, EDNA	0	73.62	06/06/2000	0	0.00	//
43		LAMPLEY, EDDIE	0	73.62	12/22/2003	0	0.00	//
44		DAVIS, MICHAEL	0	73.62	07/07/2000	0	0.00	//
47		BURCH, BARRY	0	73.62	02/14/2001	0	0.00	//
50		BUSBY, DOROTHY	0	73.62	10/26/1999	0	0.00	//
51		TURNER, MARSHALL	0	73.62	11/30/2001	0	0.00	//
54		CURRIE, CAROL	0	73.62	11/15/2002	0	0.00	//
55		HERNANDEZ, PEDRO	0	73.62	04/19/2002	0	0.00	//
57		O'NEILL, CARMEN	0	73.62	02/15/2003	0	0.00	//
58		ULIVARRI, ANTHONY	0	73.62	02/16/2000	0	0.00	//
60		SANTIESTEBAN, BRUNO	0	73.62	04/29/2002	0	0.00	//
61		HOEGSTED, HELEN	0	73.62	01/17/2003	0	0.00	//
62		DIAZ, AMANCIO	0	73.62	07/15/2003	0	0.00	//
65		GONZALEZ RODRIQUEZ, SERGIO	0	73.62	07/03/2000	0	0.00	//
68		MACY, LISA	0	73.62	08/22/2000	0	0.00	//
74		HOY, CHARLES	0	73.62	03/25/1999	0	0.00	//
75		MILLER, DONNA	0	73.62	07/27/1999	0	0.00	//
78		BAGDON, KEITH	0	73.62	11/15/2002	0	0.00	//
84		FREEMAN, ERIN	0	73.62	08/08/2001	0	0.00	//
89		KENT, ROBERT	0	73.62	10/26/2001	0	0.00	//
92		HAGGARD, TONI	0	73.62	03/13/1999	0	0.00	//
93		NUTTER, GARY	0	73.62	07/13/2002	0	0.00	//
100		RIVERA, DIALY	0	73.62	12/02/2003	0	0.00	//
103		YORK II, CALVIN	0	73.62	09/29/2000	0	0.00	//
104		OSBORNE, DAVID	0	73.62	04/01/2001	0	0.00	//
105		PACHECO, ANGEL	0	73.62	10/01/2002	0	0.00	//
108		DE REMER, THERESA A.	0	73.62	02/08/1999	0	0.00	//
115		RODRIQUEZ, ANGEL	0	73.62	02/08/2004	0	0.00	//
116		HENDERSON, HAROLD	0	73.62	07/21/2003	0	0.00	//
117		SHOOF, REBECCA	0	73.62	10/23/2003	0	0.00	//
120		LYNCH, DON	0	73.62	03/13/2001	0	0.00	//
125		CRAWFORD, LEON	0	73.62	05/30/2003	0	0.00	//
128		CINTRON, ELENA	0	73.62	07/26/2000	0	0.00	//
129		CANCEL GOYITO	0	73.62	04/17/1999	0	0.00	//
131		BELTRAN, WILLIAM	0	73.62	07/25/2002	0	0.00	//
134		VINCENTI, KEVIN	0	73.62	08/12/1999	0	0.00	//
135		GODDARD, TIM	0	73.62	02/29/2004	0	0.00	//
136		ADCOCK, BRUCE	0	73.62	02/01/2001	0	0.00	//
137		MERCADO, RICHARD	0	73.62	03/06/1999	0	0.00	//
140		LEITCH, JERRY	0	73.62	08/04/1999	0	0.00	//
141		COLON, MARTA	0	73.62	11/02/2001	0	0.00	//
143		MURPHY, CHRISTINE	0	73.62	09/13/2003	0	0.00	//
145		RAMAMURTHY, SESHADRI	0	73.62	03/24/2003	0	0.00	//
151		NOWLIN, RHONDA	0	73.62	08/27/1999	0	0.00	//
152		VIANNA, CATHY	0	73.62	04/15/2003	0	0.00	//
153		VIANNA, JULIO	0	73.62	04/15/2003	0	0.00	//
154		WOODSON, WILLIAM	0	73.62	05/23/2002	0	0.00	//
159		VINCENT, ELAINE	0	73.62	12/04/2000	0	0.00	//
160		PHILLIPS, REBECCA	0	73.62	11/08/2003	0	0.00	//
161		FRENCH, PATRICIA	0	73.62	10/06/2001	0	0.00	//
162		CHARLES, ALWINE	0	73.62	01/31/2003	0	0.00	//
163		BONILLA, ANGEL	0	73.62	06/07/2001	0	0.00	//
164		KIAUPA, SUZETTE	0	73.62	03/28/2002	0	0.00	//
165		COUNTS, AMY	0	73.62	08/25/2000	0	0.00	//
167		SNYDER, LISA	0	73.62	03/09/2000	0	0.00	//

From 01/01/1999 to 04/19/2004

Zone			Date	Memberfee Number	Fee\$	Date
	168	AQUILAR, L.	0	73.62 03/06/1999	0	0.00 / /
	169	SOOCK, JOHN	0	73.62 01/14/2003	0	0.00 / /
	170	RIVERA, EDWIN	0	73.62 07/22/2002	0	0.00 / /
	171	HEALEY, DENISE	0	73.62 06/04/2001	0	0.00 / /
	174	RIVERA, YADIRIA	0	73.62 11/14/2003	0	0.00 / /
	175	WALLRICH, PATRICK	0	73.62 01/14/2003	0	0.00 / /
	177	HUTCHINSON, KATIE	0	73.62 07/02/2003	0	0.00 / /
	178	CORDERO-IGLESIAS, DIANE L.	0	73.62 03/10/2000	0	0.00 / /
	179	VARGAS, GLORIA	0	73.62 07/09/2003	0	0.00 / /
	181	RODRIGUEZ, JOEL	0	73.62 09/30/2000	0	0.00 / /
	182	DIXON, KENNETH	0	73.62 06/08/2001	0	0.00 / /
	183	SANCHEZ, LEONOR	0	73.62 05/12/2000	0	0.00 / /
	184	WOODARD, ANGELO	0	73.62 01/02/2003	0	0.00 / /
	185	FORDHAM, SHERYL	0	73.62 02/28/2001	0	0.00 / /
	186	CHICO, MARIA E.	0	73.62 10/07/2000	0	0.00 / /
	2002	GUTIERREZ, CHRISTIAN	0	73.62 08/08/2001	0	0.00 / /
	2003	LANG, ERMA	0	73.62 05/30/1999	0	0.00 / /
	2006	JULIAN, AMBRA	0	73.62 03/24/2003	0	0.00 / /
	2008	HUNT, SUZETTE	0	73.62 02/28/2001	0	0.00 / /
	2009	BROWN, HAROLD	0	73.62 11/06/1999	0	0.00 / /
	2010	RIVERA, JAVIER	0	73.62 03/25/2000	0	0.00 / /
	2011	KEGEL, BETTY	0	73.62 03/24/2000	0	0.00 / /
	2012	ROSS, TERA	0	73.62 11/03/2001	0	0.00 / /
	2013	ADAIR, SHARON	0	73.62 09/13/2003	0	0.00 / /
	2014	HARRIS, VANCE	0	73.62 08/30/2002	0	0.00 / /
	2015	TAYLOR, JAMES	0	73.62 06/08/2000	0	0.00 / /
	2017	DOWNES, PAUL & MARY	0	73.62 04/15/2002	0	0.00 / /
	2018	SANTIAGO, RAMON	0	73.62 12/15/2003	0	0.00 / /
	2019	BUZZARD, CINDY	0	73.62 03/22/2000	0	0.00 / /
	2020	JIMENEZ, MARIA	0	73.62 11/01/1999	0	0.00 / /
	2025	AUBE, CHANTAL	0	73.62 11/06/1999	0	0.00 / /
	2026	BATISTA, ELBA	0	73.62 12/01/2001	0	0.00 / /
	2027	FOUT, KIM	0	73.62 05/19/1999	0	0.00 / /
	2029	JENKINS, BONNIE	0	73.62 03/29/2000	0	0.00 / /
	2030	SEGAR, GENEVA	0	73.62 08/19/2002	0	0.00 / /
	2031	HANCOCK, DIANE	0	73.62 06/28/1999	0	0.00 / /
	2032	CHRISTO, BARBARA	0	73.62 03/12/2004	0	0.00 / /
	2035	UGAS, LYDIA	0	73.62 04/01/2002	0	0.00 / /
	2036	LA BARGE, HOLLY	0	73.62 09/17/1999	0	0.00 / /
	2037	HEBOR, KATHY	0	73.62 08/07/1999	0	0.00 / /
	2038	ALEXANDER, DORIS	0	73.62 09/30/1999	0	0.00 / /
	2039	COKER, MIKE	0	73.62 08/12/1999	0	0.00 / /
	2040	WYNNE, STEPHEN	0	73.62 02/26/1999	0	0.00 / /
	2041	MORALES, CARMELO	0	73.62 05/19/2003	0	0.00 / /
	2042	MEST, BARBARA	0	73.62 04/02/1999	0	0.00 / /
	Total \$			8245.44		0.00

ount= 112

(2)

SEQUENCE NUMBER CUSTOMER LISTING and WORK SHEET

04/19/2004

	METERNUM NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
Y	87270756	A001	1	SCOTT, FALEMALAMA	3168 EARLY MORNING COURT	243660	_____
	8526638	A002	2	CROFT, KENNETH	3176 EARLY MORNING CT.	1427030	_____
Y	8526634	A003	3	SIMPSON, GEORGE	3612 DAWN AVE.	1670680	_____
	91983946	A004	4	CADWELL, TROY	3192 DEW COURT	296570	_____
Y	8565507	A005	5	TAGGART, L	3200 DEW COURT	2016000	_____
	2396003	A006	6	HUTCHINSON, H	3208 DEW COURT	460040	_____
	2396000	A007	7	ELOTMANI, CARMEN	3216 DEW COURT	479340	_____
Y	8735551	A008	8	GAYHEART, HERMAN	3224 DEW COURT	892920	_____
	8615709	A009	9	ODOM, D	3232 DEW COURT	1091640	_____
Y	0526637	A010	10	CEYLOR, J	3240 DEW COURT	1461620	_____
	J035972	A011	11	WOOD, RICHARD L.	3245 DEW COURT	1201110	_____
Y	6811222	A012	12	HODSDON, BEVERLY	3237 DEW COURT	819110	_____
	J035975	A013	13	NORRIS, DAVID	3229 DEW COURT	990160	_____
Y	87091402	A014	14	SILLETTI, TABATHA	3221 DEW COURT	254690	_____
	94989574	A015	15	SIMPSON, GEORGE	3213 DEW COURT	463530	_____
Y	8511506	A016	16	WOLFE, DENNIS	3205 DEW COURT	1887670	_____
	J035974	A017	17	MAK, VICTOR	3197 DEW COURT	1513510	_____
Y	8511507	A018	18	BROWN, MICHEAL	3618 DAWN AVE.	1226900	_____
	8511508	A019	19	DE VAULT, RON	3181 EARLY MORNING CT.	2136770	_____
Y	P507024	A020	20	LEON, VICTOR	3180 SHINEY COURT	576170	_____
I	8526633	A021	21	,	3186 SHINEY CT.	1645970	_____
Y	8708837	A022	22	TEREBO, RAYMOND	3192 SHINEY CT.	1101100	_____
	2396005	A023	23	HALL, RICHARD	3198 SUNBEAM CT.	448670	_____
Y	2396006	A024	24	BODLE, JO	3206 SUNBEAM CT.	528070	_____
	8741976	A025	25	RINKLE, TAMMY	3212 SUNBEAM COURT	1187160	_____
Y	8615713	A026	26	ABRAM, MELISSA	3218 SUNBEAM COURT	477200	_____
	96954337	A027	27	JOYNER, NORMAN	3224 SUNBEAM CT.	274610	_____
Y	94128915	A028	28	BUCKLEY, JAMES	3230 SUNBEAM CT.	344860	_____
	2396009	A029	29	POIRIER, DONNA	3236 SUNBEAM CT.	409470	_____
	2396008	A030	30	MATTHEWS, GREG	3242 SUNBEAM CT.	539860	_____
	8811200	A031	31	CUNNINGHAM, KEITH	3248 SUNBEAM COURT	921210	_____
J	8811202	A032	32	,	3237 SUNBEAM COURT	1287480	_____
Y	93911756	A033	33	MORGAN-HODAPP,	3231 SUNBEAM CT.	254880	_____

SEQUENCE NUMBER CUSTOMER LISTING and WORK SHEET

04/19/2004

T I	METER NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
N	98501769	A034	34	,	3225 SUNBEAM COURT	94790	_____
	2396004	A035	35	DIEHL, ED	3219 SUNBEAM CT.	756120	_____
Y	2396007	A036	36	BUCKLEY, NORMAN	3213 SUNBEAM CT.	270080	_____
	8728343	A037	37	HARVEY, KEN	3207 SUNBEAM CT.	988420	_____
Y	8643777	A038	38	PARKER, ELIZABETH	3201 SUNBEAM COURT	337870	_____
	R221281	A039	39	DIEHL, EDWARD	3195 SUNBEAM CT.	629750	_____
Y	8728345	A040	40	RULONG, NANCY	3189 SUNBEAM CT.	1640750	_____
Y	45830615	A041	41	HODGES, EDNA	3666 DAWN AVE.	164850	_____
Y	2396001	A042	42	DE PRIMA, ANTHONY	3177 SHINEY COURT	13930	_____
Y	8615710	A043	43	LAMPLEY, EDDIE	3171 SHINEY COURT	597620	_____
Y	89560445	A044	44	DAVIS, MICHAEL	3165 SHINEY COURT	134550	_____
Y	8708838	A045	45	SIBERT, CRAIG	3144 WAKE UP CT.	1285100	_____
Y	8811196	A046	46	KELLEY-GARDNER,	3152 WAKE UP CT.	1158780	_____
Y	8728347	A047	47	BURCH, BARRY	3160 WAKE UP CT.	734730	_____
Y	8728348	A048	48	PIEPER, M	3168 WAKE UP CT.	1553730	_____
Y	8735553	A049	49	SMITH, ROBERT	3674 DAWN AVE	1394630	_____
Y	89462977	A050	50	BUSBY, DOROTHY	3669 DAWN AVE.	398520	_____
Y	95445282	A051	51	TURNER, MARSHALL	3192 BRIGHT CT.	345880	_____
N	8735554	A052	52	,	3200 BRIGHT COURT	1008470	_____
Y	8741974	A053	53	GRAMER, THOMAS	3208 BRIGHT CT.	1281530	_____
Y	88264938	A054	54	CURRIE, CAROL	3216 BRIGHT COURT	48830	_____
Y	8741973	A055	55	HERNANDEZ, PEDRO	3224 BRIGHT COURT	1199120	_____
Y	8585510	A056	56	TORRES, JAMMIE	3232 BRIGHT CT.	2068780	_____
Y	8538619	A057	57	O'NEILL, CARMEN	3240 BRIGHT COURT	1395650	_____
Y	8811198	A058	58	ULIVARRI, ANTHONY	3248 BRIGHT CT.	1512810	_____
Y	8811199	A059	59	BERGELT, PAUL	3253 BRIGHT CT.	1450430	_____
Y	0526635	A060	60	SANTIESTEBAN, BRUNO	3245 BRIGHT CIRCLE	1382480	_____
Y	8643780	A061	61	HOEGSTED, HELEN	3237 BRIGHT COURT	511890	_____
Y	8708834	A062	62	DIAZ, AMANCIO	3229 BRIGHT COURT	931350	_____
Y	8735552	A063	63	HOUTS, WILLIAM	3221 BRIGHT CT.	1361000	_____
Y	1145354	A064	64	VANCE, ROBERT	3213 BRIGHT CT.	808640	_____
Y	45988760	A065	65	GONZALEZ RODRIQUEZ,	3205 BRIGHT CT.	266240	_____
Y	8735555	A066	66	DAVENPORT, PHILLIP	4223 PINEHILL	1624670	_____

SEQUENCE NUMBER CUSTOMER LISTING and WORK SHEET

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METER NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
P574080	A067	67	HARRELSON, JUDY	3189 BRIGHT CT.	786080	_____
98501668	A068	68	MACY, LISA	3181 WAKE UP CT.	398680	_____
N145352	A069	69	DEPRIMO, JOHN	3173 WAKE UP CT.	1598410	_____
8643778	A070	70	ZENTNER, SUSAN	3165 WAKE UP CT.	1152250	_____
8728348	A071	71	,	3157 WAKE UP CT.	1691760	_____
Y 8741875	A072	72	DANDAR, CLAUDIA	3149 WAKE UP CT.	591120	_____
0521247	A073	73	HILT, RICH	3150 MORNING LIGHT WAY	304030	_____
Y 8811201	A074	74	HOY, CHARLES	3158 MORNING LIGHT WAY	1020990	_____
8842109	A075	75	MILLER, DONNA	3166 MORNING LIGHT WAY	1207000	_____
Y 8811197	A076	76	REDWINE, SCOTT	3174 MORNING LIGHT WAY	1088230	_____
8811220	A077	77	RHINE, CHARLIE	3182 MORNING LIGHT WAY	1548660	_____
Y 8811203	A078	78	BAGDON, KEITH	3190 MORNING LIGHT WAY	1229010	_____
0502985	A079	79	ALEXANDER, JAMES	3198 MORNING LIGHT WAY	837460	_____
Y 0518789	A080	80	GARRIS, BARBARA	3206 MORNING LIGHT WAY	521420	_____
8811193	A081	81	MONTPELIER, HERB	3214 MORNING LIGHT WAY	913380	_____
Y 8842111	A082	82	CRUESS, PAT	3222 MORNING LIGHT WAY	1335870	_____
8842112	A083	83	VINEY, TERRY	3230 MORNING LIGHT WAY	1721160	_____
Y 0839673	A084	84	FREEMAN, ERIN	3238 MORNING LIGHT WAY	1277240	_____
8842110	A085	85	RAYMOND, RICHARD	3246 MORNING LIGHT WAY	654040	_____
Y 8811217	A086	86	BYERS, LEONARD	3254 MORNING LIGHT WAY	832340	_____
8811221	A087	87	MIXON, SHARON	3262 MORNING LIGHT WAY	1400590	_____
Y U613318	A191	88	ANDERSON, NOLEN	3601 LATE MORNING CIRCLE	166360	_____
0521244	A154	89	KENT, ROBERT	3278 MORNING LIGHT WAY	825280	_____
Y 8811194	A090	90	HUNDLEY, DOUGLAS	3283 MORNING LIGHT WAY	1031950	_____
	A091	91	WHITE, TARA	3279 MORNING LIGHT WAY	1151610	_____
0502989	A092	92	HAGGARD, TONI	3275 MORNING LIGHT WAY	1314380	_____
Y 0502987	A093	93	NUTTER, GARY	3271 MORNING LIGHT WAY	1027790	_____
8842108	A094	94	MC COIL, CATHLEEN	3263 MORNING LIGHT WAY	1100760	_____
N 8839669	A095	95	,	3259 MORNING LIGHT WAY	991300	_____
	A096	96	TROUT, MATHEW	3255 MORNING LIGHT WAY	373440	_____
Y N145356	A097	97	HOOVER, JOHN	3247 MORNING LIGHT WAY	2036590	_____
8839668	A098	98	HOWE, PATRICIA	3239 MORNING LIGHT WAY	1337520	_____
Y N145355	A099	99	RAMIREZ, RAMON	3231 MORNING LIGHT WAY	758200	_____

SEQUENCE NUMBER CUSTOMER LISTING and WORK SHEET

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Y	METER NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
	8839671	A100	100	RIVERA, DIALY	3223 MORNING LIGHT WAY	657100	_____
Y	8839670	A101	101	MC MILLAN, DORA	3215 MORNING LIGHT WAY	966000	_____
	8839672	A102	102	BROGDON, THERESA	3207 MORNING LIGHT WAY	1586590	_____
Y	8839672	A103	103	YORK II, CALVIN	3199 MORNING LIGHT WAY	1225250	_____
		A104	104	OSBORNE, DAVID	3191 MORNING LIGHT WAY	927700	_____
Y	Y514238	A105	105	PACHECO, ANGEL	3183 MORNING LIGHT WAY	288420	_____
	P504840	A106	106	,	3179 MORNING LIGHT WAY	478380	_____
Y	8842107	A107	107	BENNER, ROBERT	3171 MORNING LIGHT WAY	1928480	_____
	0624558	A108	108	DE REMER, THERESA A.	3163 MORNING LIGHT WAY	866850	_____
Y	8811219	A109	109	GASE, CAROLEE	3155 MORNING LIGHT WAY	797040	_____
	8811216	A110	110	RHINE, SHAWNA	3147 MORNING LIGHT WAY	1023000	_____
Y	0521246	A111	111	RALLIS, JACKIE	3139 MORNING LIGHT WAY	819200	_____
	0516792	A124	112	JUSTICE, BILL	3664 LATE MORNING CIRCLE	1449180	_____
Y	0524501	A123	113	CHRISCO, STEVE	3666 LATE MORNING CIRCLE	838020	_____
	96099673	A122	114	BRIGHAM, KAREN	3668 LATE MORNING CIRCLE	1237990	_____
Y	0533262	A121	115	RODRIQUEZ, ANGEL	3670 LATE MORNING CIRCLE	1273930	_____
	0529763	A120	116	HENDERSON, HAROLD	3672 LATE MORNING CIRCLE	620960	_____
Y	0529743	A119	117	SHOOF, REBECCA	3674 LATE MORNING CIRCLE	1214730	_____
	0533163	A118	118	HOWELL, RANDY	3676 LATE MORNING CIRCLE	923390	_____
Y	P507022	A117	119	WILCOX, KEVIN	3678 LATE MORNING CIRCLE	548970	_____
	P507020	A116	120	LYNCH, DON	3680 LATE MORNING CIRCLE	895270	_____
	P513744	A115	121	VICKERS, AUDIE	3682 LATE MORNING CIRCLE	969930	_____
Y	P513748	A114	122	HORT, JENS	3684 LATE MORNING CIRCLE	899360	_____
	0502980	A113	123	BELLARDINI, BOB	3686 LATE MORNING CIRCLE	796940	_____
Y	0502988	A112	124	LAMBERT, DON	3690 LATE MORNING CIRCLE	1139480	_____
	P521082	A155	125	CRAWFORD, LEON	3679 LATE MORNING CIRCLE	965810	_____
Y	P521079	A156	126	PEREZ, FELIPE	3677 LATE MORNING CIRCLE	492310	_____
	0524505	A157	127	CHASE, NANCY	3675 LATE MORNING CIRCLE	324340	_____
Y	05245100	A158	128	CINTRON, ELENA	3673 LATE MORNING CIRCLE	151770	_____
	P521078	A159	129	CANCEL, GOYITO	3671 LATE MORNING CIRCLE	1404270	_____
N		A160	130	,	3669 LATE MORNING CIRCLE	507120	_____
	R221262	A161	131	BELTRAN, WILLIAM	3667 LATE MORNING CIRCLE	695470	_____
Y	0518783	A162	132	DOMINEY, WENDELL	3665 LATE MORNING CIRCLE	1234120	_____

SEQUENCE NUMBER CUSTOMER LISTING and WORKSHEET SHEET

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VIEW	METER NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
	8741972	A163	133	HYSACK, CAROL	3663 LATE MORNING CIRCLE	657160	_____
Y	R221260	A164	134	VINCENTI, KEVIN	3661 LATE MORNING CIRCLE	1313900	_____
	P504842	A181	135	GODDARD, TIM	3621 LATE MORNING CIRCLE	1090870	_____
Y	P504845	A182	136	ADCOCK, BRUCE	3619 LATE MORNING CIRCLE	842210	_____
	91478748	A183	137	MERCADO, RICHARD	3617 LATE MORNING CIRCLE	414820	_____
N	S514696	A184	138	,	3615 LATE MORNING CIRCLE	1146600	_____
	S514893	A185	139	ALVAREZ, DANIEL	3613 LATE MORNING CIRCLE	920420	_____
Y	052149	A186	140	LEITCH, JERRY	3611 LATE MORNING CIRCLE	1446600	_____
		A187	141	COLON, MARTA	3609 LATE MORNING CIRCLE	1334820	_____
Y	0533263	A188	142	CROUCH, DANNY	3607 LATE MORNING CIRCLE	696950	_____
	0533265	A189	143	MURPHY, CHRISTINE	3605 LATE MORNING CIRCLE	304970	_____
N	P513745	A190	144	,	3603 LATE MORNING CIRCLE	776450	_____
	0521248	A153	145	RAMAMURTHY, SESHADRI	3602 LATE MORNING CIRCLE	1109190	_____
Y		A152	146	LA BRADA, SERGIO	3604 LATE MORNING CIRCLE	1132210	_____
	P524081	A151	147	ORTIZ, JOSE	3606 LATE MORNING CIRCLE	809160	_____
Y	P524084	A150	148	SEMOLKE, SCOTT	3610 LATE MORNING CIRCLE	991990	_____
	P521077	A149	149	SCALLION, TOM	3616 LATE MORNING CIRCLE	994210	_____
Y	P521080	A148	150	TAYLOR, JOY	3618 LATE MORNING CIRCLE	702570	_____
	89462967	A147	151	NOWLIN, RHONDA	3620 LATE MORNING CIRCLE	489340	_____
Y		A146	152	VIANNA, CATHY	3622 LATE MORNING CIRCLE	948460	_____
		A145	153	VIANNA, JULIO	3624 LATE MORNING CIRCLE	1258150	_____
	S514695	A144	154	WOODSON, WILLIAM	3626 LATE MORNING CIRCLE	581540	_____
Y	0524503	A143	155	BUSCAMPELL, JOSE	3628 LATE MORNING CIRCLE	1198580	_____
	P504844	A142	156	WILLIS, HOMER	3249 MIDNIGHT STAR CT.	1375150	_____
Y	P524082	A141	157	HUGHES, M	3248 MIDNIGHT STAR COURT	702940	_____
	P524079	A140	158	VEACH, KELLY	3634 LATE MORNING CIRCLE	1075450	_____
Y	0524504	A139	159	VINCENT, ELAINE	3636 LATE MORNING CIRCLE	937890	_____
	0533264	A138	160	PHILLIPS, REBECCA	3638 LATE MORNING CIRCLE	737840	_____
Y	87087884	A137	161	FRENCH, PATRICIA	3283 RAINSHOWER LANE	334530	_____
	0524558	A136	162	CHARLES, ALWINE	3294 RAINSHOWER LANE	2197060	_____
Y	0533267	A134	163	BONILLA, ANGEL	3644 LATE MORNING CIRCLE	1030920	_____
	0524502	A133	164	KIAUPA, SUZETTE	3646 LATE MORNING CIRCLE	922310	_____
Y	87642549	A132	165	COUNTS, AMY	3648 LATE MORNING CIRCLE	190530	_____

SEQUENCE NUMBER CUSTOMER LISTING and WORKSHEET SHEET

04/19/2004

	METER NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
Y	0529761	A131	166	PHILLIPS, JOHN	3650 LATE MORNING CIRCLE	728220	_____
	0524555	A130	167	SNYDER, LISA	3652 LATE MORNING CIRCLE	820890	_____
	0529764	A129	168	AQUILAR, L.	3654 LATE MORNING CIRCLE	1329520	_____
	0524556	A128	169	SOOCK, JOHN	3656 LATE MORNING CIRCLE	1357300	_____
		A127	170	RIVERA, EDWIN	3658 LATE MORNING CIRCLE	885640	_____
		A126	171	HEALEY, DENISE	3660 LATE MORNING CIRCLE	940020	_____
	0516790	A125	172	BUSTAMANTE, JORGE	3662 LATE MORNING CIRCLE	1002160	_____
N	R221257	A165	173		3659 LATE MORNING CIRCLE	892710	_____
	8513747	A166	174	RIVERA, YADIRIA	3657 LATE MORNING CIRCLE	658970	_____
Y	P513749	A167	175	WALLRICH, PATRICK	3655 LATE MORNING CIRCLE	1247360	_____
	S514697	A168	176	ADKINS, ED	3653 LATE MORNING CIRCLE	564450	_____
Y	P521081	A169	177	HUTCHINSON, KATIE	3651 LATE MORNING CIRCLE	1500220	_____
	P524683	A170	178	CORDERO-IGLESIAS,	3649 LATE MORNING CIRCLE	1171960	_____
Y	P513476	A171	179	VARGAS, GLORIA	3647 LATE MORNING CIRCLE	529000	_____
	0533266	A172	180	ROSENBERGER, RUSSELL	3645 LATE MORNING CIRCLE	1092860	_____
Y	P504841	A173	181	RODRIGUEZ, JOEL	3639 LATE MORNING CIRCLE	1088980	_____
	0529759	A174	182	DIXON, KENNETH	3635 LATE MORNING CIRCLE	1259580	_____
Y	R221258	A175	183	SANCHEZ, LEONOR	3633 LATE MORNING CIRCLE	904400	_____
	S514694	A176	184	WOODARD, ANGELO	3631 LATE MORNING CIRCLE	697920	_____
Y	0529760	A177	185	FORDHAM, SHERYL	3629 LATE MORNING CIRCLE	1381550	_____
	0524554	A178	186	CHICO, MARIA E.	3627 LATE MORNING CIRCLE	286320	_____
N	96954306	A179	187		3625 LATE MORNING CIRCLE	61790	_____
	T529612	A180	188	CHICO, ANA M.	3623 LATE MORNING CIRCLE	334250	_____
Y	2381305	A192	2001	LEWIS, WILLIAM	3692 SILVER LAKE DRIVE	364460	_____
	2321472	A193	2002	GUTIERREZ, CHRISTIAN	3694 SILVER LAKE DRIVE	281200	_____
Y	2381307	A194	2003	LANG, ERMA	3696 SILVER LAKE DRIVE	318450	_____
	2321478	A195	2004	IREY, DENNIS	3698 SILVER LAKE DRIVE	408210	_____
	2321476	A233	2005		3700 SILVER LAKE DRIVE	369370	_____
Y	95032632	A232	2006	JULIAN, AMBRA	3702 SILVER LAKE DRIVE	747160	_____
	95032633	A231	2007		3704 SILVER LAKE DRIVE	156490	_____
Y	95032636	A230	2008	HUNT, SUZETTE	3706 SILVER LAKE DRIVE	346900	_____
	95032634	A229	2009	BROWN, HAROLD	3708 SILVER LAKE DRIVE	191060	_____
Y	95032635	A228	2010	RIVERA, JAVIER	3710 SILVER LAKE DRIVE	306760	_____

SEQUENCE NUMBER CUSTOMER LISTING and WORKSHEET

04/19/2004

METER NUMBER	SEQ NUM	CUST NUMBER	NAME (LAST, FIRST)	ADDRESS	LAST RDG.	NEW RDG.
Y 95032637	A227	2011	KEGEL, BETTY	3712 SILVER LAKE DRIVE	314260	_____
45830623	A226	2012	ROSS, TERA	3714 SILVER LAKE DRIVE	235730	_____
Y 45830620	A225	2013	ADAIR, SHARON	3716 SILVER LAKE DRIVE	306930	_____
45830621	A224	2014	HARRIS, VANCE	3718 SILVER LAKE DRIVE	318170	_____
45830622	A223	2015	TAYLOR, JAMES	3720 SILVER LAKE DRIVE	137540	_____
45830624	A222	2016	,	3722 SILVER LAKE DRIVE	309220	_____
	A221	2017	DOWNES, PAUL & MARY	3724 SILVER LAKE DRIVE	87090	_____
45830619	A220	2018	SANTIAGO, RAMON	3726 SILVER LAKE DRIVE	173640	_____
2395998	A219	2019	BUZZARD, CINDY	3728 SILVER LAKE DRIVE	258010	_____
Y 2395999	A218	2020	JIMENEZ, MARIA	3730 SILVER LAKE DRIVE	195120	_____
2321480	A213	2021	DEE, DENNIS	3732 SILVER LAKE DRIVE	458860	_____
Y 2321481	A214	2022	LUTZ, PHILIP	3706 DAWN AVE	546310	_____
2321477	A215	2023	NIQUETTE, GRACE	3704 DAWN AVE	486670	_____
Y 2321482	A216	2024	GLASSBURN, NANCY	3702 DAWN AVE.	133700	_____
2321476	A217	2025	AUBE, CHANTAL	3700 DAWN AVE.	307300	_____
Y 2321474	A212	2026	BATISTA, ELBA	3731 SILVER LAKE DRIVE	338400	_____
45830617	A211	2027	FOUT, KIM	3729 SILVER LAKE DRIVE	466960	_____
N 45830618	A210	2028	,	3727 SILVER LAKE DRIVE	201310	_____
45830631	A209	2029	JENKINS, BONNIE	3725 SILVER LAKE DRIVE	129180	_____
Y 95032628	A208	2030	SEGAR, GENEVA	3723 SILVER LAKE DRIVE	221930	_____
2381309	A207	2031	HANCOCK, DIANE	3721 SILVER LAKE DRIVE	481020	_____
Y 2321471	A206	2032	CHRISTO, BARBARA	3719 SILVER LAKE DRIVE	152730	_____
N 2381306	A205	2033	,	3717 SILVER LAKE DRIVE	207200	_____
N 95032627	A204	2034	,	3715 SILVER LAKE DRIVE	368880	_____
Y 95032626	A203	2035	UGAS, LYDIA	3713 SILVER LAKE DRIVE	255350	_____
Y 95032629	A202	2036	LA BARGE, HOLLY	3711 SILVER LAKE DRIVE	305010	_____
Y 95032630	A201	2037	HEBOR, KATHY	3709 SILVER LAKE DRIVE	351950	_____
Y 2381310	A200	2038	ALEXANDER, DORIS	3707 SILVER LAKE DRIVE	351470	_____
Y 2381306	A199	2039	COKER, MIKE	3705 SILVER LAKE DRIVE	303900	_____
Y 2321473	A198	2040	WYNNE, STEPHEN	3703 SILVER LAKE DRIVE	263690	_____
Y 2381308	A197	2041	MORALES, CARMELO	3701 SILVER LAKE DRIVE	243240	_____
Y 2321475	A196	2042	MEST, BARBARA	3699 SILVER LAKE DRIVE	299010	_____
Y	A135	2043	MENDEZ, IRAN	3292 RAINSHOWER LANE	303870	_____

APPENDIX O
RATE SCHEDULE

NAME OF COMPANY MORNINGSIDE UTILITIES, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE - Base Facility Charge
- | Meter Sizes | |
|-------------|----------|
| 5/8" x 3/4" | \$13.26 |
| 1" | \$33.17 |
| 1 1/2" | \$66.34 |
| 2" | \$106.15 |
| 3" | \$212.31 |
| 4" | \$331.72 |
| 6" | \$663.45 |
- GALLONAGE CHARGE - Per 1,000 Gallons \$2.67
- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a customer is delinquent in paying the bill for water service, service may then be discontinued.
- EFFECTIVE DATE - August 1, 2003
- TYPE OF FILING - Pass Through

GARY K. TURNER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY MORNINGSIDE UTILITIES, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE - Base Facility Charge

Meter Sizes

5/8" x 3/4"	\$13.26
1"	\$33.17
1 1/2"	\$66.34
2"	\$106.15
3"	\$212.31
4"	\$331.72
6"	\$663.45

GALLONAGE CHARGE - Per 1,000 Gallons \$2.67

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE - August 1, 2003

TYPE OF FILING - Pass-Through Adjustment

GARY K. TURNER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY MORNINGSIDE UTILITIES, INC.

WATER TARIFF

SCHEDULE OF CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	<u>\$ 73.62</u>	<u> </u>
1"	<u> </u>	<u> </u>
1 1/2"	<u> </u>	<u> </u>
Over 2"	<u> </u>	<u> </u>

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on customer deposits pursuant to Rule 25-30.311 (4) and (4a). The Company will pay or credit accrued interest to the customers account during the month of _____ each year.

REFUND OF DEPOSIT - After a residential customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the customer's deposit provided the customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential customer after a continuous service period of 23 months and shall pay interest on the non-residential customer's deposit pursuant to Rule 25-30.311 (4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a customer's deposit in less than 23 months.

EFFECTIVE DATE - October 29, 1999

TYPE OF FILING - Transfer of Majority Organizational Control

Gary K. Turner

President

NAME OF COMPANY MORNINGSIDE UTILITIES, INC.

WATER TARIFF

METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE - October 29, 1999

TYPE OF FILING - Transfer Majority Organizational Control

GARY K. TURNER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY MORNINGSIDE UTILITIES, INC.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ <u>15.00</u>
Normal Reconnection Fee	\$ <u>15.00</u>
Violation Reconnection Fee	\$ <u>15.00</u>
Premises Visit Fee (in lieu of disconnection)	\$ <u>10.00</u>

EFFECTIVE DATE - October 29, 1999TYPE OF FILING - Transfer Majority Organizational Control

GARY K. TURNER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY MORNINGSIDE UTILITIES, INC.
 WATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

<u>Description</u>	<u>Amount</u>	<u>Refer to Service Availability Policy Sheet No./Rule No.</u>
<u>Back-Flow Preventor Installation Fee</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	\$ ¹	
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4" metered service	\$	
1" metered service	\$	
1 1/2" metered service	\$	
2" metered service	\$	
Over 2" metered service	\$ ¹	
<u>Guaranteed Revenue Charge</u>		
With Prepayment of Service Availability Charges:		
Residential-per ERC/month (__ GPD)	\$	
All others-per gallon/month	\$	
Without Prepayment of Service Availability Charges:		
Residential-per ERC/month (__ GPD)	\$	
All others-per gallon/month	\$	
<u>Inspection Fee</u>	\$ ¹	
<u>Main Extension Charge</u>		
Residential-per ERC (__ GPD)	\$	
All others-per gallon	\$	
or		
Residential-per lot (__ foot frontage)	\$	
All others-per front foot	\$	
<u>Meter Installation Fee</u>		
5/8" x 3/4"	\$65.00	
1"	\$Actual Cost(1)	
1 1/2"	\$Actual Cost(1)	
2"	\$Actual Cost(1)	
Over 2"	\$Actual Cost(1)	
<u>Plan Review Charge</u>	\$Actual Cost(1)	
<u>Plant Capacity Charge</u>		
Residential-per ERC (__ GPD)	\$	
All others-per gallon	\$	
<u>System Capacity Charge</u>		
Residential-per ERC (__ GPD)	\$Discontinued	
All others-per gallon	\$	

¹Actual Cost is equal to the total cost incurred for services rendered.

EFFECTIVE DATE - April 9, 2002

TYPE OF FILING - Overearnings Investigation

GARY K. TURNER
 ISSUING OFFICER

PRESIDENT
 TITLE

APPENDIX P

BILL OF SALE

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that Morningside Utilities, Inc., a Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by the Tohopekaliga Water Authority, an independent special district, established and created pursuant to Chapter 189, Florida Statutes, by the Florida legislature as a special purpose local governmental body, corporate and politic ("Buyer"), the receipt of which is hereby acknowledged pursuant to that certain Utility System Asset Acquisition Agreement between the parties, among others, dated _____, collectively, the "Purchase Agreement" hereby grants, sells, assigns, and conveys to Buyer all its right, title, and interest in and to all of the personal property, both tangible and intangible, of its Utility System Asset Acquisition and "Purchased Assets," located within Osceola County, as such terms are defined in the Purchase Agreement, including but not limited to, the following:

1. All water and wastewater treatment plants, including reuse and reclaimed water wells, water supplies, wells, collection, transmission and distribution system piping, pumping and effluent and disposal facilities of every kind and description whatsoever including without limitation, all trade fixtures, leasehold improvements, licenses, lift stations, pumps, generators, controls, tanks, distribution, collection or transmission pipes or facilities, valves, meters, service connections, and all other physical facilities, appurtenances and property installations used in the operation of the Utility System; and
2. All items of inventory including but not limited to, all equipment, parts, tools, chemicals, office buildings, computer hardware and associated SCADA software, office fixtures, and other personal property owned by Seller and used exclusively in connection with the operation of the Utility System; and
3. All current customer records, as-built surveys, water and wastewater plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operation manuals, engineering reports, calculations, studies, non-corporate accounting, and non-corporate business records, that related exclusively to the description and operation of the Utility System; and
4. All certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, leaseholds and rights to construct, maintain and operate the Utility System; and
5. All customer deposits and interest earned thereon received by Seller up to and including the date hereof; and
6. All utility service fees due and payable on and subsequent to the date hereof pursuant to lot installment sales contracts payable by third parties for the benefit of Seller.

7. All right, title, and interest in and to all warranties, if any, in favor of Seller related to the Utility System.

Seller represents and warrants that it is providing all of its ownership interest in and to the above-referenced property and has removed or provided for the removal of all liens, security interests, or encumbrances.

All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference.

IN WITNESS WHEREOF, this instrument shall be effective as this day 15th of June, 2004.

By: Gary K. Turner
Gary K. Turner

Witnesses:

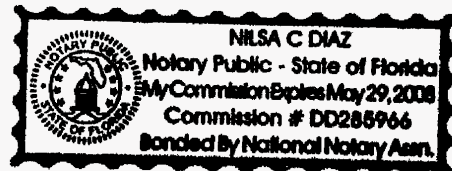
Barbara Lambert

STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledged before me this 15th day of June, 2004 by Gary K. Turner, who is the owner & president of Morningside Utilities, Inc., who is personally known to me or who has produced his license as identification.

Notary Name Nilsa C. Diaz

Stamp:



APPENDIX Q

PENDING SUITS, CLAIMS, REGULATORY MATTERS

NONE

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APPENDIX R

TRANSFER OF AGREEMENT

NOT APPLICABLE

R

APPENDIX E
FEE PARCELS

4

4

4

20

20

20

20

APPENDIX D

EASEMENT

NOT APPLICABLE

4

Public Water Supply Demands

Application Number: 021121-18

Service Area: MORNINGSIDE UTILITIES

System Efficiency: 100%

Treatment Name: Plant

Standard PCUR: 60

Standard Max
Monthly Ratio: 0.00

Standard Max
Day Ratio: 1.8

Past Water Use (Table-F):

Year	Population	PCUR	Average Use (MGD)	Max Day Use (MGD)	Ratio	Average Monthly Use(MG)	Max Monthly Use (MG)	Ratio	Basis For Demand	Basis For Ratio
1998	658	62	0.04	0.08	1.85	1.25			Y	Y
1999	805	59	0.05	0.09	1.78	1.45			Y	Y
2000	805	65	0.05	0.09	1.79	1.58			Y	Y
2001	805	57	0.05	0.08	1.82	1.40			Y	Y
2002	805	59	0.05	0.09	1.81	1.45			Y	Y

Projected Water Use (Table-G):

Year	Population	PCUR	Recommended Average (MGD)	Recommended Max Day (MGD)	Ratio	Average Monthly Use(MG)	Rec Max Monthly (MG)	Ratio	Basis for Allocation
2023	805	60	0.05	0.09	1.81	1.47			Y

Exhibit No:5

Summary Of Water Use Demands & Recommended Allocation Components

Application Number: 021121- 8

Public Water Supply

Recommended Allocation (MGD): 0.0483

Recommended Maximum Month Withdrawals (MGM): 2.7101

Description	Population	Rec. PCUR	← Recommended Demands →			Delivery System Efficiency	← Recommended Allocation →	
			Avg. Daily MGD	Peak Factor	Max Monthly MGM		Daily MGD	Max. Monthly MGM
MORNINGSIDE UTILITIES	05	60	0.0483	1.81	2.7101	100%	0.0483	4.9053

Exhibit No: 6

RESOLUTION NO. 04-012

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOHOPEKALIGA WATER AUTHORITY, DIRECTING AND AUTHORIZING THE EXECUTION OF THE UTILITY SYSTEM ASSET ACQUISITION AGREEMENT OF MORNINGSIDE UTILITIES, INC. BY AND BETWEEN THE TOHOPEKALIGA WATER AUTHORITY AND MORNINGSIDE UTILITIES INC., RELATING TO THE ACQUISITION OF WATER UTILITY FACILITIES AND THE PROVISION OF WATER SERVICE WITHIN OSCEOLA COUNTY; PROVIDING FOR FINDINGS OF A PUBLIC PURPOSE; PROVIDING THAT THE TRANSACTIONS CONTEMPLATED BY THE UTILITY SYSTEM ASSET ACQUISITION AGREEMENT OF MORNINGSIDE UTILITIES, INC. ARE IN THE PUBLIC INTEREST IN CONFORMANCE WITH SECTION 189.423, FLORIDA STATUTES; PROVIDING DIRECTION AND AUTHORITY TO EXECUTE AND PERFORM THE OBLIGATIONS OF THE UTILITY SYSTEM ASSET ACQUISITION AGREEMENT OF MORNINGSIDE UTILITIES, INC.; PROVIDING FOR APPLICABILITY AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOHOPEKALIGA WATER AUTHORITY:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to Chapter 2003-368, Laws of Florida, Chapter 189, Florida Statutes, and other applicable law (the "Act").

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared by the Board of Supervisors (the "Board") of the Tohopekaliga Water Authority (the "Authority") that:

(A) Morningside Utilities Inc. ("Morningside Utilities") presently owns and operates water treatment, distribution, and related facilities within the County (the "Morningside System").

(B) To provide for the public interest and welfare, Osceola County, the City of Kissimmee, and the Authority are required to address and balance (1) the impacts of remarkable growth in the County over the last several decades; (2) the need to provide and plan for adequate and timely delivery of potable and non-potable water needs and to plan for quality wastewater collection, treatment, disposal, and re-use and non-potable water facilities which are necessary to accommodate existing development and anticipated future growth in a manner concurrent with the demand for such facilities; (3) the requirements of the state and federal mandates; and (4) the demands of new development and each local government's statutory responsibility to implement financially feasible comprehensive plans.

(C) The provision of water and wastewater services and facilities in an uncoordinated fashion and the provision of wastewater services and facilities through septic tanks, small privately-owned on-site disposal systems, or package sewage treatment plants constitute impediments to the implementation of financially feasible local comprehensive plans. A regional, publicly-owned utility system responsive to the public demand for better utility service and for consistent protection of the environment can provide a high level of treatment and operation beneficial to the public now and in the future.

(D) Osceola County, the City of Kissimmee, and the Authority have articulated a desire to cooperatively advance the development of a more uniform and regional approach to the delivery of potable and non-potable water and wastewater services and facilities throughout portions of Osceola County, and have entered into the Tohopekaliga Water Authority Transition Interlocal Agreement (the "Tohopekaliga Transition Interlocal Agreement"). In doing so, the County, the City, and the Authority have expressed an intention to utilize existing resources to avoid duplication of effort and develop an efficient and cooperative regional approach to providing water and wastewater services and facilities.

(E) A regional approach to the delivery of the potable and non-potable water and wastewater services and facilities within the County and the service area of the Authority will provide the opportunity for the County, the City, and the Authority to (1) provide for the efficient, comprehensive, and environmentally sensitive supply, distribution, and treatment of water and collection, treatment and disposal of wastewater; (2) seek economies of scale resulting from the unified and coordinated provision of regional utility services by local government; (3) ensure that current and future users of water and wastewater facilities within the County are provided with cost efficient services at reasonable rates by local government; (4) ensure that the operation and maintenance of potable and non-potable water and wastewater facilities is done in a pro-active, accountable, and environmentally responsible manner; (5) stabilize potable and non-potable water and wastewater utility rates over the long term, reduce inefficient expansion and extension of service capabilities, and avoid the proliferation of smaller and inefficient treatment facilities and sites; (6) assure the appropriate expansion and interconnection of existing facilities and the construction of future facilities in a coordinated, uniform, and non-discriminatory manner which avoids special or disproportionate benefit to individual utility operations or special interests at the expense of either current or future users; (7) promote the protection and environmentally sensitive utilization of water supplies, surface water and ground water resources in Osceola County and surrounding areas; and (8) accomplish a greater public use and increased public benefit which result from the ownership, operation, and control of water and wastewater systems and facilities by local governments.

(F) The Authority has the power and authority to acquire water and wastewater utility systems and to enter into the Utility System Asset Acquisition Agreement of Morningside Utilities, Inc. (the "Asset Acquisition Agreement").

(G) The Authority has determined that entering into the Asset Acquisition Agreement serves the public interest, and will facilitate the contemplated subsequent transfer of the Morningside System in a manner which will provide high quality water and wastewater infrastructure and services concurrent with demand therefore.

SECTION 3. PUBLIC INTEREST DETERMINATION RELATIVE TO THE SYSTEM. In addition to the memorandum prepared by Brian Wheeler, Executive Director, and filed at this public hearing set to consider acquisition of the System in conformance with Section 189.403, Florida Statutes, the Board has considered the following:

(A) The most recently available income and expense statement relating to the Morningside System;

(B) The most recently available balance sheet relating to the Morningside System listing the assets and liabilities and showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon;

(C) A statement of the existing rate base of the Morningside System for regulatory purposes;

(D) The physical condition of the Morningside System;

(E) The reasonableness of the consideration and the terms of the Asset Acquisition Agreement as it relates to the Morningside System;

(F) The impacts of the contemplated acquisition on utility customers served by the Morningside System as well as utility customers expected to be served by the Authority, both positive and negative;

(G) Any additional investment required and the ability and willingness of the Authority to respectively make that investment;

(H) The alternatives to the contemplated Asset Acquisition Agreement and the potential impact on utility customers if the Morningside System is not acquired by the Authority as contemplated by the Asset Acquisition Agreement;

(I) The ability of the Authority to provide and maintain high quality and cost effective utility service; and

(J) A statement prepared by the Executive Director of the Authority reflecting: (i) the transfer of the Morningside System to the Authority and the subsequent operation and management by the Authority is in the public interest, including a summary of the experience in utility operation which will be employed by the Authority; and (ii) that the Authority has the financial ability to provide, now and in the future, high quality and cost effective utility services.

SECTION 4. AUTHORITY AND DIRECTION TO EXECUTE THE UTILITY SYSTEM ASSET ACQUISITION AGREEMENT OF MORNINGSIDE UTILITIES, INC. The Utility System Asset Acquisition Agreement of Morningside Utilities, Inc., which sets forth the consideration for the transfer of the Morningside System, is attached as Exhibit "A" to this Resolution. The Board hereby authorizes and directs the Chairman to execute the Utility System Asset Acquisition Agreement of Morningside Utilities, Inc. on behalf of the Board in substantially the form of the agreement attached hereto as Exhibit "A" and to deliver executed copies of the same to all parties thereto. The Board authorizes the Chairman, members of the Board, officers,

attorneys, and other agents or employees of the Authority to do all acts and things required of them by this Resolution and the Utility System Asset Acquisition Agreement of Morningside Utilities, Inc., for the full punctual and complete performance of all of the terms, covenants, and agreements contained in this Resolution and the Utility System Asset Acquisition Agreement of Morningside Utilities, Inc., and each member of the Board, officers, attorneys, and other agents and employees of the Authority is hereby authorized and directed to execute and deliver all papers and instruments and to do and cause to be done all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution or the Utility System Asset Acquisition Agreement of Morningside Utilities, Inc..

SECTION 5. APPLICABILITY AND EFFECTIVE DATE. This Resolution shall be liberally construed to effect the purposes hereof and shall take effect immediately upon its adoption.

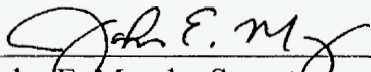
PASSED AND DULY ADOPTED by the Board of Supervisors of the Tohopekaliga Water Authority on the 9th day of June, 2004.

**BOARD OF SUPERVISORS OF THE
TOHOPEKALIGA WATER AUTHORITY**

By: 

Bruce R. Van Meter, Chairman

ATTEST:


John E. Moody, Secretary