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July 12, 2004

Ms. Blanca Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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JUL 12 AM 11:43
COMMISSION CLERK

RE: Docket No.030920-WS - Joint Application for Acknowledgment of Sale of Portion of Land and Facilities of Florida Water Services Corporation in Volusia County to City of Deltona, and for Amendment of Certificate Nos. 238-W and 182-S.

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket, on behalf of Florida Water Services Corporation ("Florida Water"), is a copy of the executed Bill of Sale dated November 6, 2003, finalizing the sale of Florida Water's Deltona Facilities located in Volusia County to the City of Deltona. This filing is being made in accordance with Order No. PSC-03-1276-FOF-WS, issued in this docket on November 10, 2003.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

Thank you for your assistance with this filing.

Sincerely,

Kenneth A. Hoffman
Kenneth A. Hoffman

Enclosure
cc: Jennifer Brubaker, Esq.

RECEIVED & FILED

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BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that Florida Water Services Corporation, a Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by the City of Deltona, a municipal corporation organized under the laws of the State of Florida ("Buyer"), the receipt of which is hereby acknowledged pursuant to the First Amended and Restated Utility System Asset Acquisition Agreement between the parties, among others, dated August 25, 2003 (the "Purchase Agreement") among others, 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 the "Deltona System" and "Purchased Assets," located within the Deltona service area, 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 Deltona System;

2. All items of inventory including but not limited to, all equipment, parts, tools, chemicals, office buildings, computer hardware and associated SCADA software (to the extent transferable without cost), office fixtures and other personal property owned by Seller and used exclusively in connection with the operating of the Deltona System;

3. All current customer records, as-built surveys, 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, that related exclusively to the description and operation of the Deltona System;

4. All certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, leaseholds, and rights to construct, maintain and operate the Deltona System;

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 Deltona System.

Notwithstanding the foregoing, Seller does not hereby convey to Buyer those certain Excluded Assets, as described in Appendices "C" and "F" to the Purchase Agreement.

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, other than Permitted Encumbrances (as such term is defined in the Purchase Agreement).

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 of the 6th day of November, 2003.

Witnessed:

Florida Water Services Corporation,
a Florida corporation

Nancy O. Honsa
Print Name: NANCY O. HONSA
Kelli M. Salo
Print Name: Kelli M. Salo

By: Forrest L. Ludsen
Forrest L. Ludsen, President

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