

APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER  
OF CERTIFICATE OR FACILITIES

(Pursuant to Section 367.071, Florida Statutes)

DEPOSIT

DATE

TO: Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

D 828 <sup>WRI</sup>

AUG 14 1998

981030-WU

The undersigned hereby makes application for the sale,  
assignment or transfer of (~~xxx xx~~ part) of Water Certificate No.  
380-W and/or Wastewater Certificate No. N/A or facilities in

MARION County, Florida, and submits  
the following information:

**PART I APPLICANT INFORMATION**

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

A.P. UTILITIES, INC. (SELLER)  
Name of utility  
(352) 694-7474 ( )  
Phone No. Fax No.  
3925 S.E. 45TH CT. SUITE E  
Office street address  
OCALA FLA. 34480

DOCUMENT NUMBER-DATE

08683 AUG 14 98

FPSC RECORDS/REPORTING

**OCALA OAKS UTILITIES**  
PH. 904-732-3504  
1343 N.E. 17TH ROAD  
OCALA, FL 34470

5508

AUG. 6 19 98

63-71/631  
7

PAY TO THE  
ORDER OF

**FLORIDA PUBLIC SERVICE COMMISSION**

\$ 750.00

SEVEN HUNDRED AND NO/100

DOLLARS

Security Features  
See back

**Barnett**

015-007  
2540 Northeast 35th Street  
Ocala, Florida 34470

A/P UTILITIES & OCALA OAKS UTILITIES

FOR TRANSFER

⑈005508⑈



MP

981030-WW

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Phone No. Fax No.

3925 S.E. 45TH CT. SUITE E  
Office street address

OCALA FLA. 34480  
City State Zip Code

\_\_\_\_\_  
Mailing address if different from street address

\_\_\_\_\_  
Internet address if applicable

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

MIKE ELLZEY - OCALA OAKS UTILITIES, INC. (352) 732-3504  
Name Phone No.  
1343 NE 17TH RD.  
Street address  
OCALA FLA. 34470  
City State Zip Code

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

OCALA OAKS UTILITIES, INC.  
Name of utility  
( 352 ) 732-3504 ( 352 ) 732-3213  
Phone No. Fax No.  
1343 NE 17TH RD.  
Office street address  
OCALA FLA. 34470  
City State Zip Code

\_\_\_\_\_  
Mailing address if different from street address

\_\_\_\_\_  
Internet address if applicable

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

/ Corporation / Partnership Sole Proprietorship  
Other: \_\_\_\_\_  
(specify)

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

FEB 1982 FLORIDA  
\_\_\_\_\_  
\_\_\_\_\_



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

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

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

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

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

∨ E) Exhibit     **E**     - A statement describing the financing the purchase.

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

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

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



- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of Records and Reporting;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

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

B) Exhibit     N     - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

C) Exhibit     O     - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

**PART IV FILING FEE**

Indicate the filing fee enclosed with the application:

\$ 750.00 (for water) and N/A (for wastewater).

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

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

**PART V OTHER**

- A) Exhibit P - Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.
- B) Exhibit Q - The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems. **Sample tariff(s) are attached.**
- C) Exhibit R - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).





# Contract for Sale and Purchase

FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR

PARTIES: A P UTILITIES, INC., a Florida corporation ("Seller")  
of \_\_\_\_\_ (Phone) \_\_\_\_\_  
and OCALA OAKS UTILITIES, INC., a Florida corporation ("Buyer")  
of \_\_\_\_\_ (Phone) \_\_\_\_\_

hereby agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property (collectively "Property") upon the following terms and conditions, which include Standards for Real Estate Transactions ("Standard(s)") on the reverse side hereof or attached hereto and addenda to this Contract for Sale and Purchase ("Contract").

I. DESCRIPTION:  
(a) Legal description of the Real Property located in Marion County, Florida: SEE EXHIBIT "A" ATTACHED HERETO AND HEREBY INCORPORATED BY REFERENCE AND ALL EASEMENTS ATTENDANT THERETO FOR THE OPERATION AND MAINTENANCE OF THE WATER SYSTEMS.

(b) Street address, city, zip, of the Property is: \_\_\_\_\_  
(c) Personal Property: Any and all tanks, valves, water mains, pipes and any other personal property which is located on the subject property or wherever situate that constitutes or is a component of the water systems subject to the terms of this Contract.

II. PURCHASE PRICE: \$ 103,561.05  
PAYMENT:  
(a) Deposit held ~~in escrow~~ by Seller in the amount of ..... \$ 10.00  
(b) Additional escrow deposit to be made within \_\_\_\_\_ days after Effective Date (as defined in Paragraph III) in the amount of ..... \$ -0-  
(c) Subject to ~~AND TO THE EXISTING~~ mortgage in good standing in favor of Richard L. Stafford, as Trustee, recorded in OR Book 1500, page 0986, having an approximate present principal balance of ..... \$ 97,122.10  
(d) Purchase money mortgage and note to Seller (see addendum) in the amount of ..... \$ -0-  
(e) Other: ..... \$ -0-  
(f) Balance to close by U.S. cash, LOCALLY DRAWN certified or cashier's check or third-party loan, subject to adjustments or prorations ..... \$ 6,428.95

III. TIME FOR ACCEPTANCE OF OFFER; EFFECTIVE DATE; FACSIMILE: If this offer is not executed by and delivered to all parties OR FACT OF EXECUTION communicated in writing between the parties on or before August, 1998, the deposit(s) will, at Buyer's option, be returned and this offer withdrawn. The date of Contract ("Effective Date") will be the date when the last one of the Buyer and Seller has signed this offer. A facsimile copy of this Contract and any signatures thereon shall be considered for all purposes as originals.

IV. FINANCING:  
(a) If the Purchase Price or any part of it is to be financed by a third-party loan, this Contract is conditioned on Buyer obtaining a written commitment within \_\_\_\_\_ days after Effective Date for (CHECK ONLY ONE):  a fixed;  an adjustable; or  a fixed or adjustable rate loan in the principal amount of \$ \_\_\_\_\_, at an initial interest rate not to exceed \_\_\_\_\_ %, discount and origination fees not to exceed \_\_\_\_\_ % of principal amount, and for a term of \_\_\_\_\_ years. Buyer will make application within \_\_\_\_\_ days after Effective Date and use reasonable diligence to obtain a loan commitment and, thereafter, to satisfy terms and conditions of the commitment and close the loan. Buyer shall pay all loan expenses. If Buyer fails to obtain a commitment or fails to waive Buyer's rights under this subparagraph within the time for obtaining a commitment or, after diligent effort, fails to meet the terms and conditions of the commitment, then either party thereafter, by written notice to the other, may cancel this Contract and Buyer shall be refunded the deposit(s); or  
(b) The existing mortgage described in Paragraph II(c), above, has (CHECK ONLY ONE):  a variable interest rate; or  a fixed interest rate of \_\_\_\_\_ % per annum. At time of title transfer, some fixed interest rates are subject to increase; if increased, the rate shall not exceed \_\_\_\_\_ % per annum. Seller shall, within \_\_\_\_\_ days after Effective Date, furnish a statement from each mortgagee stating the principal balance, method of payment, interest rate and status of mortgage. If Buyer has agreed to assume a mortgage which requires approval of Buyer by the mortgagee for assumption, then Buyer shall promptly obtain the necessary application and diligently complete and return it to the mortgagee. Any mortgagee charge(s) not to exceed \$ \_\_\_\_\_ shall be paid by Buyer. If Buyer is not accepted by mortgagee or the requirements for assumption are not in accordance with the terms of this Contract or mortgagee makes a charge in excess of the stated amount, Seller or Buyer may rescind this Contract by written notice to the other party unless either elects to pay the increase in interest rate or excess mortgage charges.

V. TITLE EVIDENCE: At least 20 days before closing date, but no earlier than \_\_\_\_\_ days after Seller receives written notification that Buyer has obtained the loan commitment or has been approved for the loan assumption as provided in Paragraphs IV(a) or (b), above, or, if applicable, waived the financing requirements, (CHECK ONLY ONE):  Seller shall, at Seller's expense, deliver to Buyer or Buyer's attorney; or  Buyer shall at Buyer's expense obtain (CHECK ONLY ONE):  abstract of title; or  title insurance commitment (with legible copies of instruments listed as exceptions attached thereto) and, after closing, an owner's policy of title insurance.

VI. CLOSING DATE: This transaction shall be closed and the deed and other closing papers delivered ~~within thirty days~~ after satisfaction of the contingencies contained in the Addendum attached hereto unless modified by other provisions of this Contract.  
VII. RESTRICTIONS; EASEMENTS; LIMITATIONS: Buyer shall take title subject to: comprehensive land use plans, zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record (easements are to be located contiguous to Real Property lines and not more than 10 feet in width as to the rear or front lines and 7 1/2 feet in width as to the side lines, unless otherwise stated herein); taxes for year of closing and subsequent years; assumed mortgages and purchase money mortgages, if any (if additional items, see addendum); provided, that there exists at closing no violation of the foregoing and none prevent use of the Property for water plant sites and operation of water systems subject to this Contract.

VIII. OCCUPANCY: Seller warrants that there are no parties in occupancy other than Seller; but if Property is intended to be rented or occupied beyond closing, the fact and terms thereof and the tenant(s) or occupants shall be disclosed pursuant to Standard F. Seller shall deliver occupancy of Property to Buyer at time of closing unless otherwise stated herein. If occupancy is to be delivered before closing, Buyer assumes all risks of loss to Property from date of occupancy, shall be responsible and liable for maintenance from that date, and shall be deemed to have accepted Property in its existing condition as of time of taking occupancy unless otherwise stated herein.

IX. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions, riders and addenda shall control all printed provisions of this Contract in conflict with them.

X. RIDERS: (CHECK those riders which are applicable AND are attached to this Contract):  
(a)  COASTAL CONSTRUCTION CONTROL LINE (d)  VA/FHA (g)  HOMEOWNERS' ASSOCIATION DISCLOSURE  
(b)  CONDOMINIUM (e)  INSULATION (h)  RESIDENTIAL LEAD-BASED HAZARD DISCLOSURE  
(c)  FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (f)  "AS IS" (i)

XI. ASSIGNABILITY: (CHECK ONLY ONE): Buyer  may assign and thereby be released from any further liability under this Contract;  may assign but not be released from liability under this Contract; or  may not assign this Contract.

XII. DISCLOSURES:  
(a) Radon is a naturally occurring radioactive gas that when 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 or Radon testing may be obtained from your County Public Health unit.  
(b) Buyer may have determined the energy efficiency rating of the residential building, if any is located on the Real Property.  
(c) If the Real Property includes pre-1978 residential housing then Paragraph X (h) is mandatory.

XIII. MAXIMUM REPAIR COSTS: Seller shall not be responsible for payments in excess of:  
(a) \$ \_\_\_\_\_ for treatment and repair under Standard D (if blank, then 2% of the Purchase Price).  
(b) \$ \_\_\_\_\_ for repair and replacement under Standard N (if blank, then 3% of the Purchase Price).

XIV. SPECIAL CLAUSES; ADDENDA: If additional terms are to be provided, attach addendum and CHECK HERE .

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.  
THIS FORM HAS BEEN APPROVED BY THE FLORIDA ASSOCIATION OF REALTORS AND THE FLORIDA BAR.  
Approval does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining positions of all interested persons.  
COPYRIGHT 1995 BY THE FLORIDA BAR AND THE FLORIDA ASSOCIATION OF REALTORS

OCALA OAKS UTILITIES, INC. (Buyer) \_\_\_\_\_ (Date) \_\_\_\_\_  
Social Security or Tax I.D. # \_\_\_\_\_  
BY: [Signature] 8-11-98  
(Buyer) MICHAEL L. ELLZEY, President (Date)  
Social Security or Tax I.D. # \_\_\_\_\_  
A P UTILITIES, INC. (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_  
Social Security or Tax I.D. # \_\_\_\_\_  
BY: [Signature] 8/11/98  
(Seller) \_\_\_\_\_ (Date)  
Social Security or Tax I.D. # \_\_\_\_\_

Deposit under Paragraph II (a) received; IF OTHER THAN CASH, THEN SUBJECT TO CLEARANCE. \_\_\_\_\_ (Escrow Agent)

BROKER'S FEE: The brokers named below, including listing and cooperating brokers, are the only brokers entitled to compensation in connection with this Contract:  
Name: \_\_\_\_\_  
Listing Broker \_\_\_\_\_  
Cooperating Brokers, if any \_\_\_\_\_



ADDENDUM TO CONTRACT FOR SALE AND PURCHASE  
BETWEEN  
A. P. UTILITIES, INC., a Florida corporation, Seller  
AND  
OCALA OAKS UTILITIES, INC., a Florida corporation, Buyer

**XII. SPECIAL CLAUSES:**

1. This Contract is contingent upon the following:
  - a. Florida Public Service Commission (PSC) approval of this sale.
  - b. PSC granting Buyer the service territory for each water system and the subdivisions they serve.
  - c. Seller conducting and passing all Florida Department of Environmental Regulation (DER) testing requirements prior to PSC approval and providing Buyer with copies of all testing results for the last three (3) years.
  - d. Seller performing lead and copper tests prior to PSC approval, the results of which are acceptable to Buyer.
  - e. PSC establishing a rate base for the water systems of at least seventy-five (75%) percent of the Purchase Price.
  - f. Transfer of all existing permits to Buyer in current condition.
  - g. Issuance to Buyer of all permits and approvals necessary to operate the water systems.
  - h. PSC authorizing Buyer to charge its current rates and charges for its existing customers as the rates and charges for the customers of all of the water systems subject to this Contract.
2. Title to the Hawk's Point Water Site shall be conveyed subject to that certain mortgage in favor of Richard L. Stafford, Trustee, recorded in Official Records Book 1500, page 986, Public Records of Marion County, Florida.
3. Seller shall provide Buyer with any and all easements necessary to insure Buyer's ability to operate, service, repair and maintain the water systems to be conveyed, whether these easements effect the current distribution systems or any contemplated extension of the water systems.
4. It is recognized by Seller that Buyer, from time to time, may seek to increase its rates and charges in accordance with the procedures set by the PSC. If Buyer is successful in obtaining an increase in its rates and charges, such increased rates and charges shall be binding on the Seller and all customers of the water systems.
5. Seller warrants no Hazardous Substances have been stored, released or discharged on or from the Property, nor are there any Hazardous Substances currently located on or under the Property. For purposes of this Contract, "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency ("EPA") and the list of toxic pollutants defined by the United States Congress or the EPA or defined by any other federal, state or local statutes, law, ordinance, code, rule, regulation, decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance, material, pollutant or contaminant. Seller further warrants that Seller has not received any notice from any governmental agency

or authority or from any tenant under a lease of all or of any portion of the Property with respect to the presence, release or discharge of Hazardous Substances on, onto or from the Property. This warranty shall survive closing, and Seller shall indemnify and hold Buyer and Buyer's heirs, successors and assigns harmless from and against any and all damages, expenses (including attorney's fees), claims and liabilities arising from a misrepresentation hereunder. Seller acknowledges that this warranty is a material inducement for Buyer entering into this contract.

6. In the event DER expands the existing 200 foot radius around any wells servicing any water system subject to this Contract, and this expansion encumbers or affects the use of any property not owned by Buyer, Buyer shall not be liable for any damages or claims of damages occasioned by such expansion, and Seller shall indemnify and hold Buyer harmless from and against any and all damages, expenses (including attorney's fees), claims and liabilities arising from such expansion.

7. All water systems subject to this Contract shall be in full compliance with all DER and Marion County rules and regulations at closing.

8. Any PSC fines, show cause orders or delinquent fees or charges levied or entered against any water system subject to this Contract must be paid, satisfied or resolved prior to closing and appropriate evidence issued by the appropriate authority establishing this fact, and Buyer shall have no liability for any prior acts or omissions of Seller regarding any water system subject to this Contract and Seller shall indemnify and hold Buyer harmless against any and all damages, expenses (including attorney's fees), claims and liabilities occasioned by any of the foregoing.

9. Any and all state and federal taxes regarding the water systems subject to this Contract must be current as of the date of closing.

10. The agreements and covenants contained in this Contract shall survive the closing of title and are a material inducement to Buyer to purchase the water systems covered by this Contract.

11. All contingencies herein must be either 1) satisfied, 2) modified upon terms acceptable to Buyer in Buyer's sole discretion or 3) waived by Buyer on or before December 1, 1998, or this Contract shall terminate and be of no further force and effect. In the event the contingencies are satisfied, modified or waived as aforesaid, this transaction shall close on or before December 31, 1998.

A. P. UTILITIES, INC.,  
BY: 

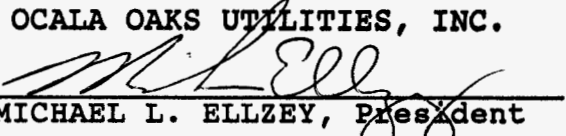
OCALA OAKS UTILITIES, INC.  
BY:   
MICHAEL L. ELLZEY, President

EXHIBIT "A"

1. Hawk's Point Water System, DEP/PWS ID #3424685, which currently services Hawk's Point Subdivision.

Water System Site: Lot 9, Block H, HAWK'S POINT, as per plat thereof recorded in Plat Book Y, pages 37 and 38, Public Records of Marion County, Florida.

2. 49th Street Village Water System DEP/PWS ID #3424631, which currently services 49th Street Village Subdivision, Country Rhodes Subdivision and Stonegate Subdivision.

Water System Site: Tract "B", 49TH STREET VILLAGE, as per plat thereof recorded in Plat Book V, page 102, Public Records of Marion County, Florida.

This sale includes all real property and personal property, tangible or intangible, constituting or which is a component part of the above described water systems.