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RECORDS AND  
REPORTING  
June 29, 1999

Ms. Blanca Bayo  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 981403-WS, Application for Transfer of Certificate Nos. 469-W and 358-S from Bayside Utilities, Inc. to Bayside Utility Services, Inc. in Bay County.

Dear Ms. Bayo:

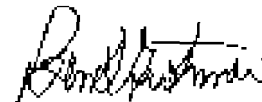
Attached is a copy of the Closing Memorandum indicating that the closing documents were executed as of June 17, 1999. Subsequent to approval of the transfer by the Public Service Commission, a copy of any recorded documents will be filed with the Commission.

The seller and the buyer in the above referenced case determined that it would be in the best interests of the customers for the buyer to take over the operation and maintenance of the utility system until the Public Service Commission renders a final decision on the transfer application, which is expected sometime within the next month. Furthermore, the seller, Ms. Burton, was leaving June 22 for a trip to Europe.

The Staff Attorney was previously informed verbally on June 17 of the need to go ahead and execute the closing documents, subject to PSC approval.

Thank you for your assistance. If there are any questions, please let me know.

Sincerely yours,



Ben E. Girtman

AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
LEG   1   \_\_\_\_\_  
MAS \_\_\_\_\_  
OFC \_\_\_\_\_  
RRR \_\_\_\_\_ cc w/encl.  
SEC   1   \_\_\_\_\_  
WAV   1   \_\_\_\_\_  
OTH \_\_\_\_\_

Samantha Cibula, Esq.  
Ms. Pat Brady  
Mr. Carl Wenz

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DOCUMENT NUMBER-DATE

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FPSC: RECORDS/REPORTING

## MEMORANDUM OF CLOSING

This Memorandum of Closing ("Memorandum") made and entered into as of the Effective Date by and between BAYSIDE UTILITIES, INC., a Florida Corporation, ("Seller") and BAYSIDE UTILITY SERVICES, INC., a Florida Corporation, ("Buyer").

### RECITALS:

- A. Seller and Buyer entered into an agreement known as the Bayside Utilities, Inc. Asset Purchase Agreement dated the 7th day of October, 1998.
- B. The Parties desire to consummate this transaction at this time because the owner is about to travel out of the country for an extended period of time.
- C. Closing of the Agreement occurred on June 17, 1999 ("Closing Date").
- D. This Memorandum is entered into with the interest of memorializing the transaction occurring at the Closing Date, and clarifying certain understandings existing as of the Closing Date.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises as hereinafter expressed and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:



1. Recitals. The recitals set forth above are true, accurate and correct and are incorporated herein by reference.
2. Approval required by the Florida Public Service Commission. In the Agreement, the parties recognized and agreed that this transfer is subject to approval by the Florida Public Service Commission ("the Commission").
3. Closing. Prior to final consideration by the Commission, the seller will be traveling outside the United States and the parties find it advisable, beneficial and necessary to have Buyer more directly involved in the operation of assets being transferred. Therefore, subject to final consideration by the Commission, the parties have agreed to close, pending a final order of the Commission regarding the transfer. Accordingly, the following terms and conditions will apply:
  - a. As of the Closing Date, Buyer will operate, maintain and manage, the certificated Sewer and Water utility and the assets conveyed pursuant to the Agreement. As compensation, Buyer will receive all utility revenues and charges derived from those assets, and will be responsible for fully operating and maintaining those assets for the Seller until final action is taken by the Commission.
  - b. Buyer agrees to hold seller harmless from any and all costs, expenses,

damages obligations or burdens of any kind from the operation, maintenance or management of those assets until final action on the transfer is taken by the Commission. Upon approval by the Commission and without further action by the Parties, the sale and transfer will be final.

- 4. Binding Agreement. the Agreement and this Memorandum constitute the full and complete understanding existing between the parties and shall not be altered, amended, or otherwise changed except by the express written agreement signed by each of the parties, and the Agreement and the Memorandum shall be binding and enforceable against the parties, their successors and assigns.
- 5. Effective Date. The Effective Date of this Memorandum will be June 17, 1999.
- 6. Attorney Fees and Costs. If any party should be required to enforce the terms of the Agreement of this Memorandum, then in such event, the prevailing party shall be entitled to costs and reasonable attorneys fees at trial and appellate levels and through any other court or administrative hearing.
- 7. Regulatory Assessment Fees. Seller shall be responsible for regulatory assessment fees for consumption on and before June 16, 1999. Seller shall pay those fees directly to the Florida Public Service Commission as soon as they can be computed.
- 8. Survival. The terms and conditions of this Memorandum, and to the extent recited in the Agreement, shall survive the Effective Date of the Memorandum.

IN WITNESS WHEREOF, Seller and Buyer have hereunto set their hands and seals effective this 17th day of June, 1999.

Witnesses:

**Bayside Utilities, Inc.,  
a Florida Corporation**

BY: 

Name: Dorothy Burton

Its: President

Witnesses:



**Bayside Utility Services, Inc.  
a Florida Corporation**

BY: 

Name: LAWRENCE N. SCHUMACHER

Its: President