

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Application for Limited)
Proceeding by BFF Corp. in Marion)
County.)

Docket No. 000662-SU
Filed May 31, 2000

APPLICATION OF BFF CORP. FOR A LIMITED PROCEEDING

Applicant, BFF Corp., through its undersigned representative, pursuant to section 367.0822, Florida Statutes, files this application for a limited proceeding to re-structure its monthly wastewater charges provided to the public in Marion County based upon the Department of Environmental Protection's (DEP) requirements that BFF Corp abandon its wastewater plant and connect to a wastewater plant owned by Utilities, Inc., a private wastewater utility supplier in Marion County.

Applicant is a Class C wastewater utility as defined by rule 22-30.110(4), Florida Administrative Code.

1. The name and address of the Applicant is BFF Corp.

Mailing Address: PO Box 5220
Ocala, FL 34478-5220

Physical Address: 1732 NE 25th Avenue
Ocala, FL 34470

2. All pleadings, correspondence and orders should be addressed to:

Charles deMenzes
Manager
BFF Corp.
PO Box 5220
Ocala, FL 34478-5220

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded ch.
[Signature]

3. BFF Corp. is a wastewater utility as defined by section 367.021(12), Florida Statutes. Except as provided in section 367.081(4), BFF Corp. rates and charges may not be changed without Commission approval.
4. On July 12th, 1999, BFF Corp. entered into a Consent Order with DEP. This order required that BFF Corp. divert flow from its Sandlin Woods Wastewater Facility to Utilities, Inc.'s wastewater collection/transmission system and decommission the Facility. A copy of the Consent Order between BFF Corp. and DEP is attached as Exhibit "A".
5. The Consent Order also required BFF Corp. to submit an abandonment plan to the Department, which describes how BFF will abandon the Facility and System.

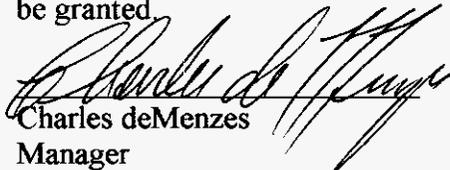
DOCUMENT NUMBER-DATE

06664 MAY 31 8

FPSD-RECORDS/REPORTING

6. BFF Corp. has entered into a Bulk Service Agreement with Utilities, Inc. attached as Exhibit "B". This agreement stipulates the terms and conditions of service and charges as set forth by Utilities, Inc. Tariff.
7. BFF Corp. has arranged financing for the forced main extension via Republic Security Bank. (See Boarding Data, Exhibit "C")
8. Under the most recent rate case Docket No. 971182-SU by BFF CORP., PSC Staff personnel have adjusted certain items in plant and accumulated depreciation accounts. These adjustments were as a result of previous upgrades required by DEP that are now being abandoned.
9. As a result of the abandonment and the agreement with Utilities, Inc., BFF Corp is submitting a financial analysis labeled Exhibit "D" which justifies why BFF Corp. is requesting a flat rate of \$103.25 per month per residential dwelling.
10. At this time, there are no known disputed issues of material fact in this matter.
11. BFF Corp. has submitted with this application a check in the amount of \$100.00 as a requested filing fee for this application in accordance with rule 25-30.020(2)(g), Florida Administrative Code.
12. BFF Corp. requests that the Commission consider the information attached hereto and approve this application for limited proceeding and the rates calculated in Schedules attached hereto on a permanent basis in an expeditious manner.

WHEREFORE, BFF Corp. request that its application for a limited proceeding be granted



Charles deMenzes
Manager
PO Box 5220
Ocala, FL 34478-5220
352-622-4949

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Limited)
Proceeding by BFF Corp. in Marion)
County.)

Docket No. 000662-50
Filed May 31, 2000

APPLICATION OF BFF CORP. FOR A LIMITED PROCEEDING

Applicant, BFF Corp., through its undersigned representative, pursuant to section 367.0822, Florida Statutes, files this application for a limited proceeding to re-structure its monthly wastewater charges provided to the public in Marion County based upon the Department of Environmental Protection's (DEP) requirements that BFF Corp abandon its wastewater plant and connect to a wastewater plant owned by Utilities, Inc., a private wastewater utility supplier in Marion County.

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Mailing Address: PO Box 5220
Ocala, FL 34478-5220

Physical Address: 1732 NE 25th Avenue
Ocala, FL 34470

DEPOSIT

DATE

D302

JUN 02 2000

2. All pleadings, correspondence and orders should be addressed to:

Charles deMenzes
Manager
BFF Corp.
PO Box 5220
Ocala, FL 34478-5220

3. BFF Corp. is a wastewater utility as defined by section 367.021(12), Florida Statutes. Except as provided in section 367.081(4), BFF Corp. rates and charges

DOCUMENT NUMBER - DATE

06664 MAY 31 8

FPSC-RECORDS/REPORTING

1309

BFF CORP.
P.O. BOX 5220
OCALA, FL 34478

DATE 5-30-00 63-186/631

PAY TO THE ORDER OF Florida Public Service Commission \$ 100⁰⁰/₁₀₀

One Hundred 00⁰⁰/₁₀₀ DOLLARS

Bank of Newberry
1410 NE 8TH AVENUE
OCALA, FL 34470

FOR limited proceedings

Charles deMenzes

MP

⑈001309⑈

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Limited)
Proceeding by BFF Corp. in Marion) Docket No. _____
County.) Filed May 31, 2000

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- 2. All pleadings, correspondence and orders should be addressed to:

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BFF Corp.
PO Box 5220
Ocala, FL 34478-5220

- 3. BFF Corp. is a wastewater utility as defined by section 367.021(12), Florida Statutes. Except as provided in section 367.081(4), BFF Corp. rates and charges may not be changed without Commission approval.
- 4. On July 12th, 1999, BFF Corp. entered into a Consent Order with DEP. This order required that BFF Corp. divert flow from its Sandlin Woods Wastewater Facility to Utilities, Inc.'s wastewater collection/transmission system and decommission the Facility. A copy of the Consent Order between BFF Corp. and DEP is attached as Exhibit "A".
- 5. The Consent Order also required BFF Corp. to submit an abandonment plan to the Department, which describes how BFF will abandon the Facility and System.

EXHIBIT "A"

IN THE CIRCUIT COURT OF THE FIFTH JUDICIAL CIRCUIT
IN AND FOR MARION COUNTY

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,

Plaintiff,

vs.

CASE NO.: 97-1704-CA-A

B.F.F. CORP.,

Defendant.

_____ /

STIPULATED ORDER SETTLING DEP'S MOTION FOR CONTEMPT

THIS CAUSE coming before the Court upon the consent of the Plaintiff, State of Florida Department of Environmental protection ("DEP") and the Defendant, B.F.F. Corporation ("BFF"), pertaining to Defendant's alleged violations of the Consent Final Judgment, and the parties having reached agreement on the following terms, and the stipulated terms herein having been considered by the Court, and the Court being otherwise fully advised in the premises, it is hereby ORDERED AND ADJUDGED:

- A. Within 180 days or less of the effective date of the Collection Transmission System Permit, Defendant shall divert flow from the Sandlin Woods Wastewater Treatment facility ("Facility") to Utilities, Inc.'s wastewater collection/transmission system ("System") and decommission the Facility. Within 75 days of the effective date of this Order, the Defendant shall submit an application to the proper authority of Utilities, Inc. for approval to divert the

Facility's flow to Utilities, Inc.'s System. Defendant shall copy the Department on all correspondence between Defendant and the proper authority of the System. Within 90 days of the effective date of this Order, Defendant shall submit a complete application to the Department to construct a sewage collection/transmission system to divert flow from the Facility to the System. The application shall be prepared and sealed by a professional engineer registered in the State of Florida. However, if the application is found to be incomplete, Defendant will have ten days to respond to the DEP's request for additional information. This tie in shall be constructed, certified complete and put into operation within 180 days of the effective date of the issuance of the Collection Transmission System Permit. Within 30 days of completion of construction, Defendant shall submit the appropriate Certification of Completion of Construction signed and sealed by the project engineer.

B. All lift stations shall be brought into compliance with Department Rules within 180 days of the effective date of this Order.

C. Defendant BFF shall submit an abandonment plan to the Department, which describes how BFF will abandon the Facility and System. Proper abandonment includes, as appropriate, pumping the Facility dry, disinfecting the Facility components, disconnecting the force mains, disconnecting the electrical systems, ensuring that water does not collect in the Facility, removal of the Facility, removing the drain plugs or installing permanent drains which will ensure that water does not collect in the Facility, removing and properly disposing of any accumulated sludge and debris in the disposal system and scarifying the pond bottoms. Proper abandonment of the existing sprayfield

includes disinfecting and purging of the sprayfield distribution systems, removal of all sprayheads, disconnecting and capping all effluent supply lines. Once the Department approves the abandonment plan, BFF shall implement the abandonment plan. The abandonment shall be completed no later than 30 days after the Facility is taken off-line, or no later than 30 days after the Department approves the abandonment plan, whichever is later.

D. Effective immediately, BFF shall cease all unauthorized off-site discharges from the sprayfield area. In the event that an unauthorized off-site discharge occurs, Defendant shall immediately notify the Department and cease all discharges from the Facility by hauling the wastewater to a Department approved wastewater treatment facility.

E. In any event, BFF shall divert flow from the Sandlin Woods Wastewater Treatment Facility to the Utilities Inc. System no later than one year from the effective date of this Order. If the Facility's wastewater flow has not been interconnected to the Utilities Inc. System within the one year period or if BFF determines that it cannot comply with the terms of this Order, then the Department remedies shall be that the Defendant shall give notice to and obtain reasonable concurrence by DEP either to transfer the Facility to a reasonable utility entity or abandon it pursuant to Section 367.165, Florida Statutes and Florida Administrative Code Rules 25-30.090 and 62-600.410.

F. BFF shall pay DEP \$29,000.00 in civil penalties plus \$1,000.00 for costs and expenses. The settlement amount of \$30,000.00 shall be paid in five equal annual installments of \$6,000.00. The first of which shall be due within 360 days of the effective date of this Stipulated Order and each subsequent installment shall be due and owing 360 days after the preceding payment. However, should the plant be removed from service before 180 days of the effective date of this Order, BFF's first annual payment shall be reduced by

\$1,000.00 a month for every month that BFF connects prior to the 180 days connection deadline. Payments shall be made by cashier's check or money order, payable to "The Department of Environmental Protection" and shall include thereon the notations "OGC Case No. 96-2818C" and "Ecosystem Management and Restoration Trust Fund". The payment shall be sent to the Department of Environmental Protection, Southwest District, 3804 Coconut Palm Drive, Tampa, Florida 33619-8318. Failure to timely make any installment payments will allow the Department, at its discretion, to file an affidavit 10 days after the installment payment is late documenting the nonpayment and accelerating the balance which will become immediately due and owing.

G. BFF agrees to pay DEP stipulated penalties in the amount of \$100.00 per day for each and every day BFF fails to timely comply with any of the deadline requirements of paragraphs A - F, above. A separate stipulated penalty shall be assessed for each such violation of this Order. Within 30 days of written demand from DEP, BFF shall make payment of the appropriate stipulated penalties in the manner provided in paragraph F, above. DEP may make demands for payment at any time after violations occur. Any penalties assessed under this paragraph shall be in addition to the settlement sum agreed to in paragraph F, above. If DEP is required to institute proceedings to recover stipulated penalties under this paragraph, DEP will not be foreclosed from seeking civil penalties in an amount greater than the stipulated penalties due under this paragraph. DEP acknowledges BFF's due process rights to challenge any alleged violations of this Order.

H. If any event, including administrative or judicial challenges by third parties unrelated to BFF, occurs which causes delay or the reasonable likelihood of delay, in complying with the requirements of this Order, BFF shall have the burden of proving the delay was or will be caused by circumstances

beyond BFF's reasonable control and could not have been or cannot be overcome by its due diligence. Economic circumstances shall not be considered circumstances beyond BFF's control, nor shall the failure of a contractor, subcontractor, materialman or other agent (collectively referred to as "contractor") to whom responsibility for performance is delegated to meet contractually imposed deadlines be a cause beyond BFF's control, unless the cause of the contractor's late performance was also beyond the contractor's control. Upon becoming aware of an event causing delay or potential for delay, BFF shall notify DEP orally within 24 hours or by the next working day and shall, within seven calendar days of oral notification to DEP, notify DEP in writing of the anticipated length and cause of the delay, the measures taken or to be taken to prevent or minimize the delay and the timetable by which BFF intends to implement these measures. If the parties can agree that the delay or anticipated delay has been or will be caused by circumstances beyond BFF's reasonable control, the time for performance thereunder shall be extended for a period equal to the agreed delay resulting from such circumstances. Such agreement shall adopt all reasonable measures necessary to avoid or minimize delay. BFF's failure to comply with the notice requirements of this paragraph in a timely manner shall constitute a waiver of BFF's right to request an extension of time for compliance with the requirements of this Order.

I. BFF shall allow all authorized representatives of DEP access to the Facility at reasonable times for the purpose of determining compliance with the terms of this Order, BFF's operation permit, and DEP rules.

J. All plans, applications, penalties, stipulated penalties, costs and expenses, and information required by this Order to be submitted to the Department shall be sent to address provided in paragraph F, above.

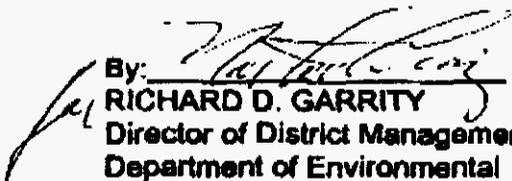
K. In the event of a sale or conveyance of the Facility or of the property upon which the Facility is located, if all of the requirements of this Stipulated Order have not been fully satisfied, BFF shall, at least 30 days prior to the sale or conveyance of the property or Facility, (1) notify DEP of such sale or conveyance, (2) provide the name and address of the purchaser, or operator, or person(s) in control of the Facility, and (3) provide a copy of this Order to the new owner. The sale or conveyance of the Facility, or the property upon which the Facility is located shall not relieve BFF of the obligations imposed in this Order.

L. The parties shall bear their own attorney's fees and costs in this action.

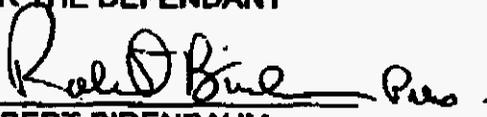
M. This Court shall retain jurisdiction to enforce the terms of this Stipulated Order.

THE UNDERSIGNED CONSENT TO THE COURT'S ENTRY OF THIS STIPULATED ORDER WITHOUT FURTHER NOTICE.

FOR THE PLAINTIFF

By: 
 RICHARD D. GARRITY
 Director of District Management
 Department of Environmental
 Protection SWD
 3804 Coconut Palm Drive
 Tampa, Florida 33619

FOR THE DEFENDANT

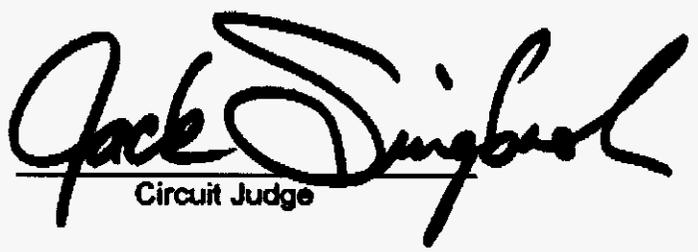
By: 
 ROBERT BIRENBAUM,
 President
 B.F.F. Corporation
 8940 SW 67th Avenue
 Miami, Florida 33156

cont.


NONA R. SCHAFFNER
 Assistant General Counsel
 Department of Environmental
 Protection
 3900 Commonwealth Blvd., MS 35
 Tallahassee, FL 32399-2400
 (850) 921-9705
 Fla. Bar No. 656542
 Attorney for Plaintiff


GERALD T. BUHR, ESQUIRE
 1519 Dale Mabry Highway,
 Suite 100,
 Lutz, Florida 33549
 (813) 949-3681
 Fla. Bar No. 897434
 Attorney for Defendant

DONE AND ORDERED in Chambers in Ocala, Florida on this 12th
 day of July, 1999.


 Circuit Judge

cc: Nona Schaffner
 Gerald Buhr

EXHIBIT "B"

BULK SEWER SERVICE AGREEMENT

December 28

THIS BULK SEWER SERVICE AGREEMENT (hereafter "Agreement") is made and entered into this ___ day of October, 1999, by and between Utilities, Inc. of Florida, a Florida corporation, (hereinafter "Company"), whose address is 200 Weathersfield Avenue, Altamonte Springs, Florida 32714, and BFF Corp. (hereafter "BFF"), whose address is 1732 N.E. 25th Avenue, Ocala, Florida 34470.

WHEREAS, BFF desires to obtain bulk sewer service from the Company (hereafter "Sewer Service"), through the Company's Crownwood wastewater treatment plant in Marion County, Florida; and

WHEREAS, the Company has been authorized by the Florida Public Service Commission ("PSC") to provide Sewer Service in Marion County, Florida, and the Company is willing to provide such service to BFF in accordance with the provisions of this Agreement and the Company's Tariff and Sewer Service Policy;

NOW, THEREFORE, for and in consideration of the premises, the mutual undertakings and agreements herein contained and assumed, the receipt and sufficiency of which is hereby acknowledged, BFF and the Company hereby covenant and agree as follows:

1. Recitals. The foregoing statements are true and correct.
2. Definitions. The following definitions and references are for the purpose of interpreting the terms as used in this Agreement and apply unless the context indicates a different meaning:
 - a. "Contribution-in-aid-of-Construction (CIAC)" - The sum of money and/or the value of property that a third party transfers, or agrees to transfer, to the Company at no cost, in order for the Company to provide Sewer Service.
 - b. "Equivalent Residential Connection (ERC)" - A factor used to convert a given average daily flow to the equivalent number of residential connections calculated by dividing that flow by a gallonage factor. For this purpose, the average daily flow of one equivalent residential connection (ERC) is 280 gallons per day (gpd).

FROM : ROSE DEBRA STRENGTHEN FAX NO. : Dec. 15 1999 09:47AM P1
ALL NEW 02/12/13 14:21 TO:ROSE SANDSTROM BEATLEY 250 856 4029 PAGE 3

- c. "Point of Delivery" - The point where the pipes or water of the Company are connected with the pipes of BFF. Unless otherwise indicated in this Agreement, the Point of Delivery shall be the Company's side of the sewer meter(s).
- d. "Service" - The readiness and ability on the part of the Company to furnish and maintain sewer service to the Point of Delivery pursuant to the rules and regulations of applicable regulatory agencies.

3. Sewer Service Supply Agreement. Pursuant to the terms and conditions set forth herein, the Company shall sell, and BFF shall purchase, an amount not to exceed 15,000 gallons per day ("gpd") of sanitary sewer service capacity. *IF additional capacity is available BFF may purchase such capacity at the then prevailing rates.* RB
JC
The capacity reserved under this Agreement shall not be assigned by BFF to third parties without the prior written consent of the Company.

4. Compensation and Rates. For those customers connected to the Sandlin Woods Wastewater Treatment Facility prior to the date of this Agreement, BFF shall pay, in accordance with the Company's Tariff, as such may be amended, (i) a monthly service charge, and (ii) a gallonage charge. In addition to the monthly service charge and gallonage charge referenced in the preceding sentence, for each customer who connects to the Sandlin Woods Wastewater Treatment facility or to the BFF System after ~~the date of this Agreement~~ *(to the City of BFF that connects)*, BFF shall pay, in accordance with the Company's Tariff, as such may be amended, a connection charge in the amount of \$450 per connection. RB
JC

5. On-Site and Off-Site Installations. BFF shall finance, construct, own, operate and maintain, at its sole cost and expense, a sewer collection and transmission system (hereafter "BFF System"), which shall include all facilities necessary to transmit raw sewage to the Point of Delivery. BFF shall construct the BFF System, including local gravity collection systems, with the objective of eliminating as many source points of sewage discharge as possible.

The BFF System shall efficiently deliver sewage to the Point of Delivery and minimize infiltration. To that end, BFF shall

submit plans and specifications for the BFF System to the Company for its review and approval, and include the Company in any preconstruction conference regarding the BFF System. BFF shall cause the BFF System to be constructed as shown on the approved plans and specifications.

During the construction of the BFF System, the Company shall have the right to inspect such construction to determine compliance with the approved plans and specifications. The engineer of record shall also inspect the construction to assure compliance with the approved plans and specifications. The engineer of record and utility contractor (or their representatives) shall be, and the Company may be, present for all standard tests for pressure, infiltration, line and grade, and all other normal engineering tests to determine that the BFF System has been constructed and installed in accordance with (i) the approved plans and specifications, and (ii) good engineering practices. Upon completion of construction, BFF's engineer of record shall submit to the Company a copy of the signed certification of completion submitted to the appropriate regulatory agencies.

BFF shall use its best efforts to minimize infiltration into the BFF System in order to preserve the capacity purchased under this Agreement.

BFF shall provide the Company with a monthly statement, no later than the 15th day of each month, indicating the number of units and their type connected during the previous month and identifying the units connected by lot and block and/or appropriate legal description.

6. Sewer Meter(s). The Company shall provide Sewer Service via sewer meter(s), which shall be (i) constructed by BFF in accordance with the Company's requirements, and (ii) owned by the Company. BFF shall deliver to the Company a bill of sale for, and assign to the Company any warranties with respect to, the sewer meter(s). The sewer meter(s) shall be located at points to be mutually agreed upon by the parties during the design and construction phase of the BFF System. The sewer meter(s) shall be used to calculate BFF's sewer use. Sewage shall not be the responsibility of the Company until it has passed through the sewer meter(s) at the Point of Delivery.

7. Billing. The Company shall read the sewer meter(s) and deliver a billing to BFF monthly.
8. Service to Consumer Installations. BFF has the responsibility for connecting consumer installations to the lines of BFF. All consumer installation connections must be inspected by BFF before backfilling and covering of any pipes. The cost of constructing, operating, repairing or maintaining consumer installations shall be that of BFF or a party other than Company.

If a commercial kitchen, cafeteria, restaurant or other food preparation or dining facility is connected to the BFF System, BFF shall take all necessary steps with respect to enforcement of any applicable grease trap ordinances, and code rules relative thereto as regards such facility. Additionally, no substance other than domestic wastewater shall be placed into the BFF System and delivered to the lines of the Company. Should any non-domestic wastes, grease or oils including, but not limited to, floor wax or paint, be delivered to the Company's lines, BFF shall be responsible for payment of the cost and expense required to correct or repair any resulting damage.

BFF shall not provide sewerage treatment service within the Company's Florida Public Service Commission's certificated service area, as it may change from time to time, during the period of time that the Company provides service as set forth in this Agreement, except the parties recognize the Company currently provides water service to customers within BFF's certificated service area.

9. Term. This Agreement shall be for an initial period of five (5) years from the date of this Agreement and shall be automatically renewed for an additional five (5) year term unless a breach of contract occurs by either party or written termination notice is given twenty-four (24) months prior to termination.
10. Default. Upon a determination that a default has occurred, the non-defaulting party shall provide written notice to the other in the manner required under this Agreement. If the

noncompliance is not corrected within a reasonable period of time, the non-defaulting party may, in addition to any other remedy that may be available at law or in equity, pursue an action for specific performance.

BFF shall be deemed in default upon (i) failure to pay the sums due, including, but not limited to, Connection Charges or monthly service charges, or (ii) failure to provide the documents required pursuant to the provisions of this Agreement. All sums in default shall bear interest at the maximum rate allowed by law on the principal balances remaining unpaid, and the Company shall be entitled to recover all costs incurred in collecting the sums due, including but not limited to reasonable attorney fees.

The Company's commitment to accept and provide Sewer Service shall be limited in the event that the Company is prohibited, limited or restricted from accepting further connections, or providing additional capacity, by local, state or federal government agencies having jurisdiction over such matters until such time as such prohibition, limitation or restriction is revoked, altered or amended. In such an event, the Company shall not be in default nor liable for providing Sewer Service except for those units for which connection fees have been collected by Company and which have been provided service.

11. Binding Effect of Agreement. This Agreement shall be binding upon and shall inure to the benefit of BFF, the Company and their respective assigns and successors by merger, consolidation, conveyance or otherwise. Nevertheless, this Agreement may not be assigned by either party without the prior written consent of the other party, which shall not be unreasonably withheld.

12. Notice. All notices provided for herein shall be in writing and transmitted by (i) mail, (ii) overnight courier, or (iii) facsimile transmission (if immediately followed by overnight courier delivery). If to BFF, such notice shall be delivered as follows:

BFF Corp.
Attn. Charles de Menzes
1732 N.E. 25th Avenue

Ocala, Florida

with a copy to the BFF Attorney at:

Gerald T. Suhr, Esq.
Northfork Professional Center
1519 N. Dale Mabry
Suite 100
Lutz, Florida 33548

If to the Company, at:

Utilities, Inc. of Florida
attn. Donald Rasmussen, Vice President
200 Weathersfield Avenue
Altamonte Springs, Florida 32714

with a copy to :

Rose, Sundstrom & Bentley, LLP
attn. William E. Sundstrom, P.A.
2546 Blairstone Pine Drive
Tallahassee, Florida 32301

13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.
14. Indemnification. Each party shall indemnify and hold the other harmless from and against any and all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) to which it may become subject by reason of or arising out of performance under this Agreement.
15. Attorney's Fees. In the event the Company or BFF is required to enforce this Agreement by court proceedings or otherwise, by instituting suit or otherwise, then the prevailing party shall be entitled to recover from the other party all reasonable attorney's fees, including those incurred on appeal.
16. Force Majeure. In the event that the performance of this Agreement by either party to this Agreement is prevented or

interrupted in consequence of any cause beyond the control of either party, including but not limited to Act of God or of the public enemy, war, national emergency, allocation or of other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake, sinkhole or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping transmission or other facilities, governmental rules or acts or orders or restrictions or regulations or requirements, acts or action of any government or public or governmental authority or commission or board or agency or agent or official or officer, the enactment of any statute or ordinance or resolution or regulation or rule or ruling or order, order or decree or judgment or restraining order or injunction of any court, such party shall not be liable for such non-performance.

17. Supersedes Previous Agreements. This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between BFF and the Company. No additions, alterations, amendments, variations or waivers of the terms of this Agreement shall be valid, nor can provisions of this Agreement be waived by either party, unless such additions, alterations, amendments, variations or waivers are expressed in writing and duly signed.
18. References. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine, feminine and neuter genders shall each include the others.
19. Approvals. Whenever approvals of any nature are required by either party to this Agreement, it is agreed that same shall not be unreasonably withheld or delayed.
20. Strict Compliance. Failure to insist upon strict compliance of any term, covenant, or condition herein shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one time or times be deemed a waiver or relinquishment of such right or power at any other time or times.

21. Terms Read in Concert. All words, terms and conditions contained herein are to be read in concert, each with the other, and that a provision contained under one heading may be considered to be equally applicable under another in the interpretation of this Agreement.
22. Approvals Prior to the Company's Performance. Prior to when the Company actually commences to carry out the terms and conditions of this Agreement, the Company may be required to obtain approval from various state and local governmental authorities having jurisdiction and regulatory power over the construction, maintenance and operation of the Company. The Company shall use its best efforts to obtain such approvals; however, BFF shall provide necessary assistance to Company in obtaining the necessary approvals. The Company's obligation to provide Sewer Service shall not begin until all such approvals are obtained.
23. Counterparts. This Agreement may be executed in several counterparts, each of which shall be considered an original of this Agreement.

IN WITNESS WHEREOF, BFP and the Company have executed this Agreement as of the date set forth above.

ATTEST:

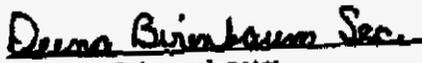

Andrew Dornuch
Secretary

(Seal)

UTILITIES, INC. OF FLORIDA

By: 
James Camaren
CEO

ATTEST:


Deena Birenbaum
Secretary

(Seal)

BFP CORP.

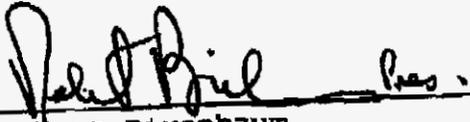
By: 
Robert Birenbaum
President

Exhibit "C"
BOARDING DATA

The information contained on this Boarding Data Sheet is for Lender's use only.

Borrower: BFF Corp. (TIN: 65-0108941)
 8940 SW 67th Avenue
 Miami, FL 33156

Lender: Republic Security Bank
 Newberry Office
 25365 W. Newberry Rd.
 P.O. Box 899
 Newberry, FL 32669

TIN: 65-0108941

Officers:

Robert Birenbaum, President

Address:

8940 S.W. 67 Avenue Miami, FL 33156

Account/Customer Number: 650108491

Bus. Phone:

Loan Description: This is a Variable Rate (3.000% over Weekly Average Yield on United States Treasury Securities, Adjusted to a Constant Maturity of (5) Five Years, making an initial rate of 9.460%), Nondisclosable Principal Plus Interest Loan to a Corporation for \$40,000.00 due on February 28, 2010. The interest rate on this loan will be based on the Index value plus a margin, rounded to the nearest .010 percent.

Guarantors:

Amount

Robert Birenbaum
 8940 S.W. 67 Avenue
 Miami, FL 33156

100.000% of an Unlimited Amount

Fees and Charges:

Amount paid to others on Borrower's behalf:	\$40,000.00
\$38,518.00 to Hamlet Construction - check to be held by Bank and will be released to Charles DeMenzes for disbursement upon providing satisfactory evidence that all improvements have been completed	
\$1,482.00 closing costs held from proceeds	
Other Charges Financed:	\$0.00
Note Principal:	\$40,000.00
Prepaid Finance Charges:	\$350.00
In Cash:	\$350.00
\$300.00 Loan Fees total \$600.00, \$300.00	
POC	
\$20.00 Flood Certificaton	
\$30.00 CSC Corporate verification	
Amount Financed:	\$39,650.00
Other Charges Paid in Cash:	\$1,132.00
\$380.00 Title Insurance - Joel Sensor	
\$400.00 Attorneys Fee -document review	
\$15.00 Federal express fee	
\$33.00 Recording fees - mortgage	
\$24.00 Recording fee - assignment leases	
\$60.00 Tax service fee	
\$140.00 DOCUMENTARY STAMP TAX	
\$80.00 INTANGIBLE TAX	

Payment Information:

No. of Payments	Amount	Due
9	\$4,000.00	Annually beginning 02-28-2001
120	\$29.43 - \$325.84	Monthly beginning 02-28-2000
1	\$4,032.58	02-28-2010

APR: 9.817

Interest Rate: 9.460 @ 365/360 at 3.000 pts. over Weekly Average Yield on United States Treasury Securities, Adjusted to a Constant Maturity of (5) Five Years adjusted each Three years

Current Index: 6.460

Rounded: To the Nearest .010 per cent

Current Rounded Index Plus Margin: 9.460%.

Rate in Default: 18.000%

Total of Payments: \$61,445.76

Loan Type: Principal Plus Interest

Type(s) of Insurance Purchased: No Insurance Purchased.

Classification Data: Non Disclosable Corporation

Loan Number: 1
 Call Code:

Loan Date: 01-28-2000
 Disbursement Date: 01-28-2000

Department / Branch: 467
 Officer: 473

Exhibit 10

BFF CORP.

CALCULATION OF ABANDONMENT LOSS AND NEW WASTEWATER RATES

Line No.	(A) Description	(B) total cost of plant	(C) total accum. depr.	(D) net cost of plant	(E) annual depr. expense	(F)	(G)	(H)	
1	<u>total plant in service before abandonment</u>								
2	total land	34,800		34,800					
3	total depr. plant in service	375,742	(122,020)	253,722	17,113				
4	total plant in service	<u>410,542</u>	<u>(122,020)</u>	<u>288,522</u>	<u>17,113</u>				
5									
6			total accum.	net cost of	annual amort.				
7			amort.	CIAC	of CIAC				
8		cost							
9	<u>total CIAC before abandonment</u>								
10	total fees collected	<u>(42,916)</u>	<u>12,652</u>	<u>(30,264)</u>	<u>(1,480)</u>				
11									
12							total		
13			total accum.	net	annual		annual		
14		total	depr.	cost of	depr.		return &		
15		cost of	assets	assets	expense		depr. exp.	calculated	
16		assets	to be	to be	on assets	assume	on assets	amort.	
17		to be	to be	to be	to be	return	to be	period	
18	<u>abandoned plant assets</u>	<u>abandoned</u>	<u>abandoned</u>	<u>abandoned</u>	<u>abandoned</u>	<u>9.44%</u>	<u>abandoned</u>	<u>in months</u>	
19	structures & improv.	17,415	(6,616)	10,799	645	1,019	1,664		
20	treatment & disposal	90,996	(56,362)	34,634	5,082	3,269	8,351	including	
21	sprayfield	163,838	(18,751)	145,087	8,686	13,696	22,382	a return	
22	total facilities to aband.	272,249	(81,729)	190,520	14,413			<u>68.50</u>	
23	land to be out of service	15,000	0	15,000	0				
24	total facilities to aband.	287,249	(81,729)	205,520	14,413				
25	less CIAC to be removed	(42,916)	12,652	(30,264)	(1,480)	(2,857)	(4,337)		
26	less FMV of land	(15,000)	0	(15,000)	0			excluding	
27								a return	
28	net abandonment loss	<u>229,333</u>	<u>(69,077)</u>	<u>160,256</u>	<u>12,933</u>	<u>15,127</u>	<u>28,060</u>	<u>148.70</u>	
29									
30	Note: the Utility is reducing the abandonment loss by CIAC in order to reduce the impact on its customers.								
31									
32		total	total	net	annual				
33		cost of	accum.	cost of	depr.				
34	<u>plant still in service</u>	<u>plant</u>	<u>depr.</u>	<u>plant</u>	<u>expense</u>				
35	plant to remain in service	123,293	(40,291)	83,002	2,700				
36	add lift station pumps	10,000	(200)	9,800	400				
37	force main (11,000 lf)	105,000	(1,945)	103,055	3,889				
38	total revised plant in service	<u>238,293</u>	<u>(42,436)</u>	<u>195,857</u>	<u>6,989</u>				
39									
40	return on plant in service			9.44%					
41	total return on plant in service			<u>18,489</u>					
42									
43	<u>determination of components of bulk treatment expense</u>								
44	total cost of bulk treatment			40,797.31					
45	less monthly base facility charges			17,296.20					
46	net gallonage charges			23,501.11					
47	divide by gallonage rate per 1,000 gallons			5.42					
48	total anticipated gallons of flow			4,336.00					
49	divide by annualized units (12 x 94)			1.128					
50	flow per unit per month in 1,000 gallons			3.8440					
51							totals		
52			includes	includes			for base		
53			aband.	aband.	base		facility &		
54			loss with	loss with	facility	gallonage	gallonage		
55	<u>determination of alternative rates</u>		a return	no return	charge	charge	charges		
56	power		1,620	1,620		1,620	1,620		
57	ins/postage/supplies		1,800	1,800	1,800		1,800		
58	officer's salary		4,800	4,800	4,800		4,800		
59	management fees		8,400	8,400	8,400		8,400		
60	real estate taxes		600	600	600		600		
61	bulk service charges		40,800	40,800	17,296	23,504	40,800		
62	abandonment loss		28,060	12,933	12,933		12,933		
63	miscellaneous		1,500	1,500	1,500		1,500		
64	depreciation		6,989	6,989	6,989		6,989		
65	return		18,489	18,489		18,489	18,489		
66	total cost of service before psc fees		113,058	97,931	54,318	43,613	97,931		
67	regulatory assessment fees		3,405	2,692	1,744	948	2,692		
68	total gross revenue requirement		<u>116,463</u>	<u>100,623</u>	<u>56,062</u>	<u>44,561</u>	<u>100,623</u>		
69	billed units or gallons		1,128	1,128	1,128	4,336			
70	monthly service rate or gallonage rate		103.25	89.20	49.70	10.28			
71	monthly gallons (000's) per unit					3.8440			
72	total monthly charge		<u>103.25</u>	<u>89.20</u>	<u>49.70</u>	<u>39.50</u>	<u>89.20</u>		
73			flat rate	flat rate					

APPRAISAL REPORT

OF

Land Property at

4698 NW 84TH TERRACE

OCALA, FLORIDA 34478

AS OF:

MAY 25, 2000, 19

PREPARED FOR:

N/A

N/A

PREPARED BY:

McCALIP & MORALES APPRAISAL SERVICE, INC.

JOHN C. MORALES

P.O. BOX 6034

OCALA, FL 34478

McCALIP & MORALES APPRAISAL SERVICE, INC.
P.O. BOX 6034
OCALA, FL 34478

N/A
N/A

RE: Property: 4698 NW 84TH TERRACE
OCALA, FLORIDA 34478
Name: CHARLIE DEMENZES
File No. 000612
Case No.

Dear

In accordance with your request, I have personally inspected and prepared an appraisal report of the real property located at:

4698 NW 84TH TERRACE

The purpose of this appraisal is to estimate the market value of the property described in the body of this appraisal report.

Enclosed, please find the appraisal report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

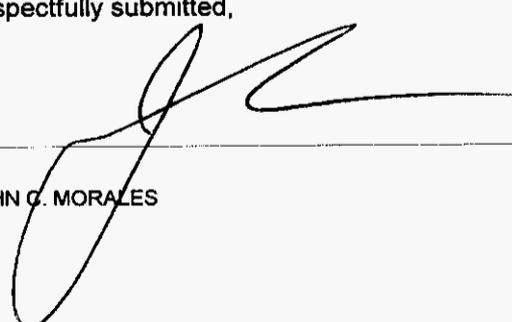
An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of MAY 25, 2000, 19 is:

\$ 15,000

The opinion of value expressed in this report is contingent upon the limiting conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,



JOHN C. MORALES

LAND APPRAISAL REPORT

File No. 000612

Census Tract 26.01

Map Reference STR 36/14/20

IDENTIFICATION
 Borrower CHARLIE DEMENZES
 Property Address 4698 NW 84TH TERRACE
 City OCALA County MARION State FLORIDA Zip Code 34478
 Legal Description LENGTHY, SEE ATTACHED PARCEL # 12675-000-00 & 12675-000-01
 Sale Price \$ N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 51.92 (yr) Loan Charges to be paid by seller \$ N/A Other Sales Concessions N/A
 Lender/Client N/A Address N/A
 Occupant SPRAYFIELD Appraiser JOHN C. MORALES Instructions to Appraiser MARKET VALUE

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg.	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Built Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input checked="" type="checkbox"/> Rapid	<input type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	50 %1 Family	%2-4 Family	% Apts	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	%Industrial 50	% Vacant	%	Property of Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely(*)	<input type="checkbox"/> Taking Place (*)	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(*) From _____ To _____			Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominate Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	% Vacant	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Price Range	\$ 50 to \$ 500	Predominant Value \$ 150		Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Age	NEW yrs to 30 yrs.	Predominant Age 15 yrs						

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): THE SUBJECT PROPERTY IS A SPRAYFIELD. THE SPRAYFIELD IS LINED WITH APPX. 3-4 FEET OF SAND WHICH COVERS APPX. 2.09 ACRES.

SITE

Dimensions 266' X 655' 4.0 ACRES = _____ Sq. Ft. or Acres Corner Lot _____

Zoning Classification R-1, SINGLE FAMILY RESIDENTIAL Present Improvements do do not conform to zoning regulations

Highest and best use Present use Other (specify) RESIDENTIAL

Elec.	<input checked="" type="checkbox"/> Public	Other (Describe) _____	OFF SITE IMPROVEMENTS	Topo BASICALLY LEVEL
Gas	<input type="checkbox"/>		Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private	Size TYPICAL FOR THE AREA
Water	<input type="checkbox"/>		Surface ASPHALT	Shape BASICALLY RECTANGULAR
San. Sewer	<input type="checkbox"/>		Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private	View OTHER DWELLINGS
	<input type="checkbox"/> Underground Elect. & Tel.		<input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter	Drainage APPEARS ADEQUATE
			<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights	Is the property located in a HUD identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): THE APPRAISER NOTICED NO APPARENT EASEMENTS, ENCROACHMENTS, OR OTHER ADVERSE CONDITIONS.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS

	SUBJECT PROPERTY	COMPARABLE NO.1	COMPARABLE NO.2	COMPARABLE NO.3
Address	4698 NW 84TH TERRACE OCALA, FLORIDA	4500 NW 95 AVENUE OCALA, FLORIDA	TBD NW 63RD STREET OCALA, FLORIDA	9189 NW 63 STREET OCALA, FLORIDA
Proximity to Subject		1 MILE WEST	1 MILE NORTHWEST	1 MILE NORTHWEST
Sales Price	\$ N/A	\$ 43,000	\$ 30,000	\$ 28,000
Price	\$	\$	\$	\$
Data Source	INSPECTION	REALTY CHECK	REALTY CHECK	REALTY CHECK
Date of Sale and Time Adjustment	DESCRIPTION N/A	DESCRIPTION 11/30/98 -0-	DESCRIPTION 11/24/99 -0-	DESCRIPTION 04/30/99 -0-
Location	SUBURBAN	SUBURBAN	SUBURBAN	SUBURBAN
Site/View	OTHER HOMES 4.00 ACRES	OTHER HOMES 5.00 ACRES -9,000	OTHER HOMES 3.00 ACRES +7,000	OTHER HOMES 3.00 ACRES +7,000
SEE ADDENDUM	SEE ADDENDUM	CONTINGENCY -20,000	CONTINGENCY -20,000	CONTINGENCY +1
Sales or Financing	UNKNOWN	UNKNOWN -0-	UNKNOWN -0-	UNKNOWN -0-
Concessions	UNKNOWN	UNKNOWN -0-	UNKNOWN -0-	UNKNOWN -0-
Net Adj. (Total)		Plus X Minus \$ -29,000	Plus X Minus \$ -13,000	X Plus Minus \$ +7,001
Indicated Value of Subject		\$ 14,000	\$ 17,000	\$ 35,001

Comments on Market Data: ALL SALES WERE GIVEN CONSIDERATION IN THIS APPROACH TO VALUE. ALL SALES EXCEED SIX MONTHS HOWEVER WERE THE MOST RECENT SALE AVAILABLE SIMILAR ENOUGH FOR USE.

Comments and Conditions of Appraisal: NO INCOME APPROACH IS TYPICALLY USED IN THIS AREA. PLEASE SEE APPRAISAL ASSUMPTIONS ADDENDUM.

Final Reconciliation: THE MARKET APPROACH TO VALUE IS THE PRINCIPLE APPROACH USED AS IT BEST REFLECTS THE ACTIONS OF INFORMED BUYERS AND SELLERS, WHICH IS SUPPORTED BY THE COST APPROACH.

JOHN C. MORALES STATE CERT. GEN. B.P.A. RZ # 0002334
 I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF MAY 25, 2000 19 to be \$ 15,000
 Appraiser(s) JOHN C. MORALES Review Appraiser (if applicable) _____
 Did Did Not Physically Inspect Property

COMMENT ADDENDUM

File No. 000612

Borrower CHARLIE DEMENZES

Property Address 4698 NW 84TH TERRACE

City OCALA

County MARION

State FLORIDA

Zip Code 34478

Lender/Client

N/A

Address

N/A

NEIGHBORHOOD:

THE SUBJECT IS LOCATED APPX. 5 MILES NORTHWEST OF THE CITY OF OCALA WHERE MOST NECESSARY AMENITIES CAN BE FOUND. THE AREA IS COMPRISED OF SINGLE AND MULTI FAMILY RESIDENTIAL DWELLING BOTH MANUFACTURED AND CONVENTIONALLY BUILT ON 1/5 ACRE TO SMALL ACRE TRACTS. THE NEIGHBORHOOD BOUNDARIES ARE: US 27 SOUTH & WEST, HWY 326 NORTH, AND 225 EAST.

ADDENDUM REGARDING CONTINGENCY ADJUSTMENT:

ALL COMPARABLE SALES ARE BUILDABLE PROPERTIES. IN ORDER FOR THE SUBJECT PROPERTY TO BE SUITED FOR DEVELOPMENT OR CONSTRUCTION, SOME MAJOR EXCAVATING SHOULD BE DONE. THIS APPRAISER SUGGEST AN ENVIRONMENTAL, SOIL OR ENGINEERING EXPERT BE CALLED UPON FOR CONSULTING SERVICES. THE CONTINGENCY ADJUSTMENT IS MADE TO ACCOUNT FOR COST OF RESTORING OF THE SUBJECT PROPERTY.

□ □ □ □

Borrower CHARLIE DEMENZES

Property Address 4698 NW 84TH TERRACE

City OCALA

County MARION

State FLORIDA

Zip Code 34478

Lender/Client

N/A

Address

N/A



**FRONT OF
SUBJECT PROPERTY**

Address
4698 NW 84TH TERRACE
OCALA, FLORIDA



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

Borrower CHARLIE DEMENZES

Property Address 4698 NW 84TH TERRACE

City OCALA

County MARION

State FLORIDA

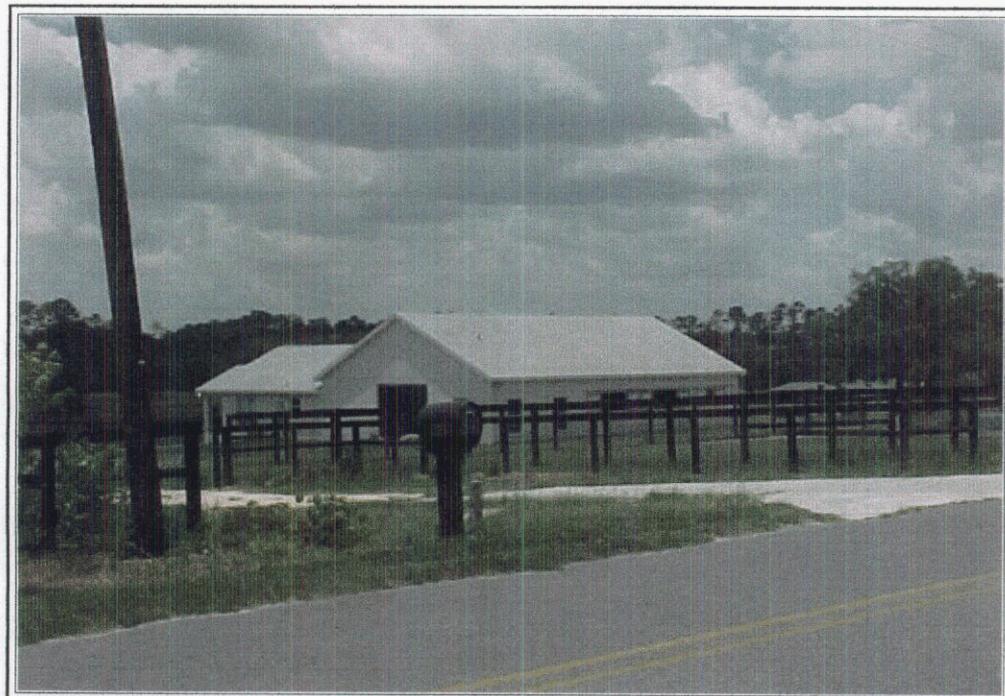
Zip Code 34478

Lender/Client

N/A

Address

N/A



COMPARABLE SALE #1

Address
4500 NW 95 AVENUE
OCALA, FLORIDA



COMPARABLE SALE #2

Address
TBD NW 63RD STREET
OCALA, FLORIDA



COMPARABLE SALE #3

Address
9189 NW 63 STREET
OCALA, FLORIDA

DEFINITION OF MARKET VALUE:

The most probable price which a property would bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeable and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

CERTIFICATION: The Appraiser certifies and agrees that:

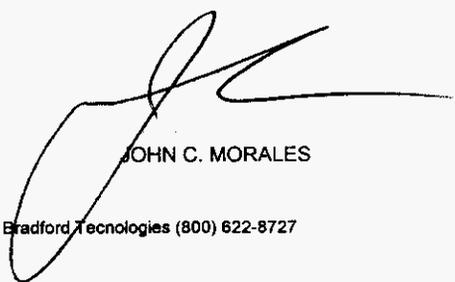
1. The Appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The 'Estimate of Market Value' in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in the report).
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as 'Review Appraiser'. No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefor.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

ENVIRONMENTAL DISCLAIMER: The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environment conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

Date: _____ Appraiser(s) _____


JOHN C. MORALES