

**SCANNED**

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RECORDS AND REPORTING

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JOHN L. WHARTON

October 12, 2000

ROBERT M. C. ROSE  
OF COUNSEL

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850


001551-WS

Re: **Highlands Ridge Utilities, LLC; Purchase of Highlands Ridge Associates, Inc.**  
**Our File No. 35078.01**

Dear Ms. Bayo:

Enclosed please find the Application for Sale, Assignment or Transfer of Certificate or Facilities for Water Certificate No. 544-W and Wastewater Certificate No. 4474-S of Highlands Ridge Associates, Inc. to Highlands Ridge Utilities, LLC. Should you have any questions regarding the enclosed, please do not hesitate to contact me.


Very truly yours,

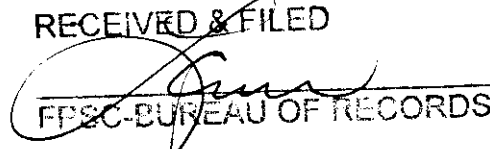
  
Martin S. Friedman  
For the Firm

MSF/brm

Enclosure

cc: Mr. Michael T. Dick

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to PAR with proof of deposit.  
Initials of person who forwarded check:  


RECEIVED & FILED  
  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
**12987 OCT 12 8**  
FPSC-RECORDS/REPORTING

APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER  
OF CERTIFICATE OR FACILITIES

(Pursuant to Section 367.071, Florida Statutes)

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

001551-W5

The undersigned hereby makes application for the sale,  
assignment or transfer of (all) or part of Water Certificate No.  
544W and/or Wastewater Certificate No. 474 S or facilities in  
Highlands 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:

Highlands Ridge Associates, Inc.  
Name of utility  
( 863 ) 471-1171                      ( 863 ) 471-1743  
Phone No.                                      Fax No.  
3003 E. Fairway Vista Drive  
Office street address  
Avon Park,                      FL                      33825-6001  
City                                      State                      Zip Code  
Same  
Mailing address if different from street address  
Internet address if applicable

- F) If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheet if necessary).

N/A

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- G) If the buyer is not a corporation, list the names, titles, and addresses of all persons owning an interest in the organization. (Use additional sheet if necessary.)

Sebring Land Limited Partnership, Sole Member

27/SSH Corp., General Partner, 1275 Lake Heathrow Ln., Heathrow, FL 32746

Apostolicas Group, Limited Partner, 1275 Lake Heathrow Ln., Heathrow, FL 32746

Villages of Highland Ridge General Partnership, Limited Partner, " " " "

**PART II FINANCIAL AND TECHNICAL INFORMATION**

- A) Exhibit A - A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.
- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

N/A

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- C) Exhibit B - 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.

Ana Flynn ( 863 ) 471-1171  
Name Phone No.

3003 E. Fairway Vista Drive  
Street address

Avon Park, FL 33825-6001  
City State Zip Code

- J) Exhibit  H  - If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.
- K) Exhibit  I  - A statement from the buyer that is has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.
- L) Exhibit  J  - A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP)

If the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them.

**PART III  NOTICE OF ACTUAL APPLICATION**

- A) Exhibit  K  - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (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     L     - 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     M     - 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:

  7750.   (for water) and   7750.   (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     N     - 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     O     - 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     P     - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

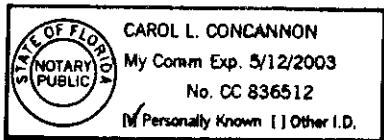
**PART VI    AFFIDAVIT**


I Highlands Ridge Utilities, LLC (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

BY:   
Applicant's Signature  
Michael T. Dick  
Applicant's Name (Typed)  
Manager  
Applicant's Title \*

Subscribed and sworn to before me this 10<sup>th</sup> day in the month of October in the year of 2000 by Michael T. Dick who is personally known to me  or produced identification

\_\_\_\_\_  
Type of Identification Produced




  
Notary Public's Signature  
Carol L. Concannon  
Print, Type or Stamp Commissioned Name of Notary Public

\* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

Respectfully submitted on this  
12<sup>th</sup> day of October, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877-6555

BY:   
MARTIN S. FRIEDMAN



- (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     C     - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.
- E) Exhibit     D     - A statement describing the financing the purchase.
- F) Exhibit     E     - 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     F     - 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     G     - 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.)
- I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

## EXHIBIT A

The transfer of ownership of the water and wastewater utility serving the Villages of Highlands Ridge (Villages) is necessary due to the acquisition of all the other assets, primarily undeveloped real property, of the Villages by the buyer, 27/SSH Corp. from the seller, Highlands Ridge Associates, Inc.

27/SSH Corp. has created the new entity, Highlands Ridge Utilities, LLC (HRU) to own and manage the utility. HRU will continue to use the same employees and supporting contractors that have been in place the past six years to ensure consistency and continuity in the utility's operation.

The revenues generated from existing users of the water and wastewater utility will continue and increase with future users as new homes are built in the Villages.

The buyer will fulfill all commitments, obligations and representations of the seller with regard to utility matters.

**EXHIBIT B**

**(See attached excerpt from the Purchase and Sale Agreement (8.6) between buyer and seller pertaining to the transfer of utility's assets)**

1, 1999 through the Closing Date. Seller shall not sell any model home within the Community except to third parties who are not Affiliates of Seller.

If at any time within one year after Closing (the "Readjustment Period") either party discovers items which should have been prorated or adjusted but were omitted, or any material error in the computation of any proration or adjustment, such item(s) will be properly prorated and adjusted as of Closing, without interest or penalty, and the amount due as a result thereof will be promptly remitted.

8.6 Utility. Seller and Buyer anticipate that the Florida Public Service Commission (the "PSC") will not have approved the transfer of the assets of the Utility to Buyer prior to the Closing Date. In the event PSC Approval has not been obtained prior to the Closing Date, Seller and Purchaser agree that the transfer of the Land and Personalty utilized in the operation of the Utility will be postponed until thirty (30) days after the PSC Approval has been obtained (the "Utility Closing Date"). Buyer shall retain \$750,000.00 of the Purchase Price (the "Utility Purchase Price") until the Utility Closing Date. The transfer documents utilized at the Closing shall exclude all Land and Personalty utilized by the Utility (the "Utility Land and Personalty").

The Utility Land and Personalty will continue to be held by the Seller until the Utility Closing Date, subject to the terms and conditions of this Agreement. Seller shall be entitled to the revenues from and shall pay the expenses of the Utility through the Utility Closing Date. On the Utility Closing Date, the Utility Land and Personalty shall be conveyed to Buyer upon the same terms and conditions as provided in this Agreement, and the Buyer shall pay to Seller the Utility Purchase Price on the Utility Closing Date,

subject to the prorations and adjustments provided in this Agreement. Buyer agrees that it will make its executive managers available to provide general executive management of the assets of the Utility after the Closing Date and prior to the Utility Closing Date, and as consideration therefor shall receive on a monthly basis a sum equal to the management costs provided in Seller's latest revised rate base application submitted to the PSC. After the Inspection Period, Buyer shall apply for and diligently pursue obtaining PSC Approval. Seller agrees to cooperate with Buyer in the PSC Approval process.

Seller has advised Buyer that the PSC is investigating the charges paid by customers of the Utility (the "PSC Investigation") and may require that a rebate of excess charges be paid to customers of the Utility (the "Rebate"). Buyer and Seller anticipate that the PSC Investigation will be concluded after the Utility Closing Date. The effect of the PSC Investigation may be to reduce the utility rates paid by customers of the Utility in the future, in addition to the Rebate. Seller has represented to Buyer that the Rebate will not exceed \$35,000. In the event the PSC orders a Rebate, Seller has agreed that it is responsible for paying the Rebate for all periods prior to closing, together with any other costs associated with the PSC Investigation which occur before or after the Utility Closing Date. Seller further acknowledges that the Utility Purchase Price is based, in part, on the existing, past and anticipated future customer revenues received and to be received by the Utility. In the event the annual amount of the Rebate is more than \$35,000, Seller has agreed that the Utility Purchase Price shall be reduced by the following formula: subtract \$35,000 from the amount of the Rebate and multiply the difference times ten. For example: if the amount of rebate is \$37,000, the difference is \$2,000 and the reduction in

the Utility Purchase Price would be \$20,000. The amount calculated above shall constitute a reduction in the Utility Purchase Price if the amount of the Rebate on an annual basis exceeds \$35,000 and is determined prior to the Utility Closing Date, or shall be refunded to Buyer if the amount of the Rebate is determined after the Utility Closing Date. Provided the amount of the Rebate is not determined prior to the Utility Closing Date, then, in order to secure Seller's obligation for payment of the Rebate to Buyer and to pay the reduction in the Utility Purchase Price as specified above, Seller has agreed that \$100,000.00 of the Utility Purchase Price (the "Utility Funds"), shall be deposited with Escrow Agent in an interest-bearing money market account at SunTrust Bank, taxed to Seller and held by Escrow Agent until the PSC Investigation is concluded, upon the terms and conditions hereinafter provided. Escrow Agent shall hold the Utility Funds until (a) the amount of the Rebate has been finally determined by the PSC, or it has been finally determined by the PSC that there shall be no Rebate, and (b) it is finally determined that the revenues of the Utility will not be reduced as a result of the PSC Investigation, or, if reduced, the amount of the reduction. Upon receipt of the determinations set forth in (a) and (b) above, Buyer shall notify Escrow Agent and Seller, in writing of the amount of the Rebate and the amount of the reduction in Purchase Price, if any, as a result of the PSC Investigation (the "Rebate Notice"). Escrow Agent shall be authorized to pay to the Buyer the amounts set forth in the Rebate Notice, with the balance of the Utility Funds, together with interest, if any, paid to the Seller, unless Seller objects to said payments by written notice to the Escrow Agent and Buyer within fifteen (15) days after the Escrow Agent's receipt of the Rebate Notice.

## EXHIBIT C

There are no outstanding regulatory assessment fees, fines or refunds owed. There is an over earnings investigation pending in Docket No. 98-1147-WS which has the potential for refunds. The potential refunds are addressed in Exhibit B hereto.

Seller shall be responsible for payment of all regulatory assessment fees accruing prior to Closing and Buyer shall be responsible for all regulatory assessment accruing thereafter.

**EXHIBIT D**

**Buyer intends to purchase the utility through a combination of loan proceeds through First Union National Bank and the balance in cash.**



**EXHIBIT E**

**Buyer intends to apply loan proceeds in substantial compliance with the attached financing commitment from First Union National Bank in the amount of \$600,000. Any remaining balance of the purchase will be paid in cash.**

April 21, 2000

Mr. George Apostolicas  
Heathrow Land Company  
1275 Lake Heathrow Lane  
Heathrow, FL 32746

**RE:** Acquisition Facility for the Villages of Highlands Ridge located in unincorporated Highlands County, FL

Dear George:

First Union National Bank ("**Bank**") is pleased to provide this financing commitment (the "**Commitment**") to the Borrower for an Acquisition Facility (referred to herein as "**Facility**") for the purposes of acquiring and developing the residential development known as the Villages of Highlands Ridge (the "**Development**") to be comprised of individual Loans (and sometimes hereinafter collectively referred to as "**Loan**" or "**Loans**") upon the terms and subject to the conditions hereinafter set forth.

**UTILITY ("Utility Loan"):**

- Borrower:** A to-be-formed Florida limited partnership whose general partner will be Sebring Land Company, Ltd. ("**Borrower**"), a Florida limited partnership. The corporate general partner of Sebring Land Company, Ltd., will be 27/SSH Corporation, a Florida corporation.
- Amount:** The amount of the Utility Loan will be Six Hundred Thousand Dollars (\$600,000) .
- Purpose:** The proceeds of the Utility Loan will be used by Borrower to finance the acquisition of a private water and sewer utility operation serving the Development (the "**Property**").
- Guarantor:** Repayment of the Park Loan and all other obligations of the Borrower to Bank set forth in the Loan documents will be unconditionally guaranteed by George Apostolicas and each of the Borrowers of the Loans constituting the Facility (the "**Guarantor**"). With the exception of the full and unconditional guarantee obligations under the ADC Loan and BLOC Loan, the obligations of George Apostolicas' personal guarantee shall not exceed the aggregate amount of \$1,225,000 plus all interest, fees and expenses due under the Loan documents for all other Loans constituting the Facility.
- Term:** Thirty (30) months under a twenty (20) year mortgage amortization plan ("Initial Term") with extension options. The initial maturity date of the loan shall be thirty (30) months from the date of closing (the "Initial Maturity Date").
- One-Year Extension Options:** Provided the Loans are not in default and the Net Operating Income from Utility operations for the Test Period is sufficient to provide a debt service coverage of 1.30x as of the Test Date, Borrower may elect to extend the current maturity date of the Utility Loan for a period not to exceed one year with a floating interest rate and without

the Required Hedge (the "One-Year Extension Option"). The Borrower shall have a total of four (4) such One-Year Extension Options during the term of the Utility Loan, however, regardless of when or how many of the available One-Year Extension Options have been exercised there shall be an absolute maturity date which is 72 months from the date of closing ("Absolute Maturity Date").

The Test Period shall be defined as the six (6) consecutive months immediately preceding the Test Date. The Test Date shall be defined as the date 60 days preceding the maturity date, as same may be adjusted from time to time. Debt service shall be recalculated (i) using the then outstanding balance of the Utility Loan and adjusting the level principal payment amount utilizing the method described below and substituting the applicable hedged rate with an interest rate equal to the interpolated rate on U.S. Treasuries as of the Test Date, adjusted to a constant maturity of 10 years plus 200 basis points. The amortization period shall be equal to 240 months minus the number of months elapsed since the closing date.

**Repayment:** Level monthly principal payments \$1,100.00 plus accrued interest at the Utility Loan's floating interest rate.

**Interest Rate:**

The rate of interest on the Loan will be equal to 1-month LIBOR plus 2.35 per cent (2.35%) per annum. "LIBOR" is, with respect to each day during each Interest Period, the rate for U.S. dollar deposits of that many months maturity as reported on Telerate page 3750 as of 11:00 a.m., London time, on the second London business day before the relevant Interest Period begins (or if not so reported, then as determined by the Bank from another recognized source or interbank quotation). Interest on the Loan will be calculated daily on the basis of the actual number of days elapsed over a 360 day year and shall be payable in arrears.

"Interest Period" means, initially, the period commencing on (and including) the closing date and ending on (but excluding) the first monthly payment date, and thereafter, each period commencing on (and including) the last day of the immediately preceding Interest Period and ending on (but excluding) the third day of each month thereafter.

**Prepayment:** The Utility Loan may be prepaid, in whole or in part, at any time and from time to time; provided, however, that Borrower shall indemnify Bank against Bank's loss or expense in employing deposits as a consequence (a) of Borrower's failure to make any payment when due under the Note, or (b) any prepayment of the Utility Loan on a date other than the last day of the Interest Period ("Indemnified Loss or Expense"). The amount of such Indemnified Loss or Expense shall be determined by Bank based upon the assumption that Bank funded 100% of the Utility Loan in the London interbank market.

**Full Term  
Extension  
Option with  
Required Hedge:**

Provided the Loan or Loans are not in default and the Utility operations meet the performance test for the One-Year Extension Option, Borrower may extend the Maturity Date to the Absolute Maturity Date by hedging the Utility Loan's floating interest expense, at a rate not to exceed 9.50%, for the remaining Utility Loan term by entering into an interest rate swap (the "Swap") with First Union (or other counterparty

acceptable to First Union), pursuant to which Borrower shall receive the amount necessary to pay the interest expense due under the Utility Loan (exclusive of default interest, any reserves, or other adjustments provided for in the Loan Documents) and shall pay the amount that would be equal to the interest that would accrue on the Utility Loan at a fixed rate. Borrower shall maintain the Swap for the full amount and remaining term of the loan. This hedge requirement shall not apply to the One-Year Extension Options.

First Union is willing to provide this Swap to Borrower upon mutually agreeable terms. The actual rate is subject to market conditions at the time the Swap is consummated. The Swap will be governed by an ISDA Master Agreement and shall be secured by the Collateral described herein and guaranteed by the Guarantor(s) described herein.

**Commitment Fee:** Borrower will pay to Bank a nonrefundable commitment fee in an amount equal to \$3,000 (1/2%) (the "**Commitment Fee**"). The Commitment Fee shall be considered earned upon acceptance of this Commitment Letter and will be paid to Bank by Borrower on the Loan closing date. Borrower hereby acknowledges that the Commitment Fee is a liquidated damages amount and is reasonable compensation to Bank for expenses, work and services arising from the negotiation and preparation of this Commitment Letter and preparing the Loan for closing, as well as loss of other investment opportunities by reason of allocating the amount of the Loan for the commitment period.

**Collateral:** Borrower's obligations to repay the Loan will be secured by the following real and personal property (collectively, the "**Collateral**");

- (a) A valid first lien mortgage on the unencumbered, fee simple title to all real estate owned by the Utility including without limitation all real estate required to properly and efficiently operate the utility at a capacity sufficient to service the entire Project, ("**Property**") and the improvements now or hereafter constructed thereon.
- (b) A perfected first lien security interest in all revenues, furniture, fixtures equipment, machinery, books, records, accounts, contract rights, permits, licenses, easements, access agreements, rights of entry and other personal property located at or used in connection with the Utility, including without limitation all personal property now owned and hereafter acquired including replacements and substitutions thereof.

**Special Conditions:** Borrower's acceptance and closing of all loans constituting the Facility described herein. All loans shall be cross-collateralized and cross-defaulted.

Closing of the Utility Loan shall not occur until such time as Borrower has been fully approved and permitted to own and operate the utility by the applicable regulatory and governmental agencies, including but not limited to the Florida Public Service Commission. Prior to closing the remaining transactions comprising the Facility, Borrower shall submit a utility service agreement between Borrower and the current owner of the utility satisfactory to Bank. Unless otherwise extended in writing, the commitment to close the Utility Loan shall expire, without notice, on December 31, 2000.

**GOLF COURSE "Golf Course Loan":**

## EXHIBIT F

Rate base was previously established in order No. PSC-92-0954-FOF-WS issued September 9, 1992 in connection with granting the original certificates. Net book value of the water system at the time of transfer is \$316,370 and the net book value of the wastewater system at the time of transfer is \$347,943. The audit conducted in Docket No. 981147-WS (which is still pending) suggests the net book value of the water system is \$157,149, and the net book value of the wastewater system is \$161,800.

**EXHIBIT G**

**There is no acquisition adjustment at this time.**

**EXHIBIT H**

**The books and records of the seller are available for inspection.**

## EXHIBIT I

Buyer will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established. It will obtain these returns prior to closing on the transfer of the utility.



## EXHIBIT J

After reasonable investigation, the water and wastewater systems appear to be in satisfactory condition and are in compliance with DEP standards with no outstanding Notices of Violation or Consent Orders.

AFFIDAVIT OF MAILING

STATE OF FLORIDA  
COUNTY OF LEON

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared BRONWYN S. REVELL MODERAU, who, after being duly sworn on oath, did depose on oath and say that she is the secretary of Martin S. Friedman, attorney for Highlands Ridge Utilities, Inc. and that on October 12, 2000, she did send by certified mail, return receipt requested, a copy of the notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

Bronwyn S. Revell Moderau  
Bronwyn S. Revell Moderau

Sworn to and subscribed before me this 12<sup>th</sup> day of October, 2000, by Bronwyn S. Revell Moderau, who is personally known to me.

Tonya M. Graham  
Print Name  
NOTARY PUBLIC  
My Commission Expires:

EXHIBIT "K"



Tonya M. Graham  
MY COMMISSION # CCB74069  
April 13, 2002  
BONDED THRU TROY FAIR INSURANCE CO.

**NOTICE OF APPLICATION FOR A TRANSFER  
OF ASSETS AND CERTIFICATE NOS. 544-W and 474-S  
LEGAL NOTICE**

Notice is hereby given on October 12, 2000, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utility facilities of Highlands Ridge Associates, Inc. and Certificate Nos. 544-W and 474-S to Highlands Ridge Utilities, LLC providing water and wastewater service to the following described territory in Highlands County, Florida:

That part of the South ½ of the Northwest ¼ lying North and East of the present right-of-way line of the Seaboard Airline Railroad: the West 1100.00 feet of the Northeast ¼: the East 220.00 feet of the West ½ of the Northeast ¼ and the East ½ of the Northeast ¼, all being in Section 8, Township 34 South, Range 29 East, Highlands County, Florida AND

The West ½ of the Northeast ¼: the East ½ of the Northwest ¼: the Northwest ¼ of the Northwest ¼: the North ½ of the Southwest ¼ of the Northwest ¼: the Northwest ¼ of the Southeast ¼: and the Northeast ¼ of the Southwest ¼ all being in Section 9, Township 34 South, Range 29 East, Highlands County, Florida. The above described property includes the subdivision known as Bonnet Lake Village, according to the plat thereof as recorded in Plat Book 10, Page 8, of the Public Records of Highlands County, Florida. Less and Except that portion of the following described property that lies in the Northwest ¼ of the Southeast ¼ of said Section 9, described as follows: Commence at the Southeast corner of the Southwest ¼ of the Southeast ¼ of said Section 9: thence North 00 degrees 25'00" East along the East line of said Southwest ¼ of the Southeast ¼ a distance of 1449 feet to the point of beginning: thence North 89 degrees 35'00" West 660 feet to the West line of the East ½ of the Northwest ¼ of the Southeast ¼ of said Section 9: thence South 00 degrees 25'00": East 129.42 feet to the South line of said Northwest ¼ of the Southeast ¼: thence South 89 degrees 35'00" East along said South line 660 feet to the Southeast corner of said Northwest ¼ of the Southeast ¼: thence : North 00 degrees 25'00" East along the East line of said Northwest ¼ of the Southeast ¼ of said Section 9 a distance of 129.42 feet to the point of beginning AND

Tracts A and B and Lot 52 of BASKET LAKE GROVES according to plat thereof recorded in Plat Book 3, Page 25 of the Public Records of DeSoto (now Highlands) County, Florida, and that portion of a 40 foot platted road right-of-way lying north of said Tracts A and B and Lot 52 of said BASKET LAKE GROVES, closed by Resolution recorded in Official Records Book 1053, Pages 472-474, of the public records of Highlands County, Florida, all being more particularly described as follows: Commence at the Southeast corner of the Northeast ¼ of Section 8, Township 34 South, Range 29 East, Highlands County, Florida: thence North 00 degrees 31'31" East 84.00 feet to the North line of a 40 foot platted right-of-way as shown on said plat of BASKET LAKE GROVES: thence North 89 degrees 29'30" West along said North right-of-way line 638.02 feet to the Point of Beginning: thence continue North 89 degrees 29'30" West along said right-of-way line 1142.07 feet: thence South 00 degrees 31'30" West along the West line of said Tract "B" a distance of 326.00 feet to the Southwest corner of said Tract "B": thence South 89 degrees 29'30" East along the South line of said Tracts "B" and "A" a distance of 823.06 feet to the Southeast corner of said Tract "A": thence South 00 degrees 31'30" West along the West line of said Lot 52 a distance of 1058.00 feet to the Southwest corner of said Lot 52: thence South 89 degrees 28'30" East along the South line of said Lot 52 a distance of 319.01 feet to the Southeast corner of said Lot 52: thence North 00 degrees 31'30" East along the East line of said Lot 52 and its extension 1384.00 feet to the Point of Beginning.

Any objection to the said application must be made in writing and filed within thirty (30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oaks Boulevard, Tallahassee, FL 32399-0850. A copy of said objection should be mailed to the attorney for the applicant: Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, FL 32301.

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)  
10/05/2000-12/03/2000

UTILITY NAME

MANAGER

HIGHLANDS COUNTY

AQUASOURCE UTILITY, INC. (WU827)  
200 CORPORATE CENTER DRIVE, SUITE 300  
CORAOPOLIS, PA 15108-3186

RICK S. HERSKOVITZ  
(412) 393-3000

BUTTONWOOD BAY WATER & SEWER COMPANY, LLC (WS387)  
\* ROSE, SUNDSTROM & BENTLEY, LLP  
2648 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FL 32301-5915

MARTIN S. FRIEDMAN  
(850) 877-6555

C & H UTILITIES, INC. (SU526)  
P. O. BOX 1088  
SEBRING, FL 33871-1088

WENDELL L. FAIRCLOTH  
(941) 471-1400

C & H UTILITIES, INC. (WU649)  
P. O. BOX 1088  
SEBRING, FL 33871-1088

WENDELL L. FAIRCLOTH  
(941) 471-1400

COUNTRY CLUB OF SEBRING (WS654)  
4800 HAW BRANCH ROAD  
SEBRING, FL 33872-4706

R. GREG HARRIS  
(941) 382-8538

CREDLA, INC. (SU658)  
P. O. BOX 1346  
SEBRING, FL 33871-1346

DAVID L. HICKMAN  
(863) 385-0981

CRYSTAL LAKE CLUB (WS636)  
\* CLAYTON, SHERWOOD, WILLIAMS  
2500 MAITLAND CENTER PARKWAY, STE. 105  
MAITLAND, FL 32751-4165

JOE SHERWOOD  
(407) 660-0050

DAMON UTILITIES, INC. (WS551)  
47 LAKE DAMON DRIVE  
AVON PARK, FL 33825-8902

LISA DAVIS  
(863) 453-0773

FAIRMOUNT UTILITIES, THE 2ND, INC. (SU648)  
P. O. BOX 488  
AVON PARK, FL 33826-0488

ROGER E. MILLER  
(941) 385-8542

FLORIDA WATER SERVICES CORPORATION (WS618)  
P. O. BOX 609520  
ORLANDO, FL 32860-9520

FREDERICK W. LEONHARDT  
(407) 598-4152

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)  
10/05/2000-12/03/2000

UTILITY NAME

MANAGER

HIGHLANDS COUNTY (continued)

HARDER HALL - HOWARD, INC. (SU644)  
122 EAST LAKE DRIVE BLVD.  
SEBRING, FL 33872-5018

PAUL E. HOWARD  
(941) 382-8725

HEARTLAND UTILITIES, INC. (WU566)  
P. O. BOX 1991  
SEBRING, FL 33871-1991

HOWARD SHORT  
(863) 655-4300

HIGHLANDS RIDGE ASSOCIATES, INC. (WS672)  
3003 EAST FAIRWAY VISTA DRIVE  
AVON PARK, FL 33825-6001

ROB REED  
(941) 471-9976

HIGHLANDS UTILITIES CORPORATION (SU299)  
720 U.S. HIGHWAY 27 SOUTH  
LAKE PLACID, FL 33852-9515

DIXON PUGH  
(941) 465-1296

HOLMES UTILITIES, INC. (WU760)  
760 HENSCRATCH ROAD  
LAKE PLACID, FL 33852-8397

DANIEL HOLMES  
(941) 465-6044 OR -6911

LAKE PLACID UTILITIES, INC. (WS709)  
& UTILITIES, INC.  
200 WEATHERSFIELD AVENUE  
ALTAMONTE SPRINGS, FL 32714-4099

DONALD RASMUSSEN  
(407) 869-1919

LANDMARK ENTERPRISES, INC. (SU686)  
62 LAKE HENRY DRIVE  
LAKE PLACID, FL 33852-6000

DAVID S. PLANK  
(941) 382-3030

PLACID LAKES UTILITIES, INC. (WU193)  
2000 JEFFERSON AVENUE, NORTH  
LAKE PLACID, FL 33852-9749

ROLAND TOBLER  
(863) 465-0345

SEBRING RIDGE UTILITIES, INC. (WS345)  
3625 VALERIE BLVD.  
SEBRING, FL 33870-7814

CHRISTOPHER F. MILLER  
(863) 385-8542

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)  
10/05/2000-12/03/2000

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CENTRAL FL. REGIONAL PLANNING COUNCIL  
P.O. BOX 2089  
BARTOW, FL 33831

CLERK, BOARD OF COUNTY COMMISSIONERS, HIGHLANDS COUNTY  
590 SOUTH COMMERCE AVENUE  
SEBRING, 33870-3867

DEP SOUTH DISTRICT  
2295 VICTORIA AVE., SUITE 364  
FORT MYERS, FL 33901

MAYOR, CITY OF AVON PARK  
110 EAST MAIN STREET  
AVON PARK, FL 33825-3945

MAYOR, CITY OF SEBRING  
368 SOUTH COMMERCE AVENUE  
SEBRING, FL 33870-3606

MAYOR, TOWN OF LAKE PLACID  
50 PARK DRIVE  
LAKE PLACID, FL 33852-9693

S.W. FLORIDA WATER MANAGEMENT DISTRICT  
2379 BROAD STREET  
BROOKSVILLE, FL 34609-6899

SO. FLORIDA WATER MANAGEMENT DISTRICT  
P.O. BOX 24680  
WEST PALM BEACH, FL 33416-4680

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)  
10/05/2000-12/03/2000

UTILITY NAME

MANAGER

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL  
C/O THE HOUSE OF REPRESENTATIVES  
THE CAPITOL  
TALLAHASSEE, FL 32399-1300

DIVISION OF RECORDS AND REPORTING  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL 32399-0850

**EXHIBIT "L"**

**WILL BE LATE FILED**

**(AFFIDAVIT OF NOTICE TO CUSTOMERS)**



**EXHIBIT "M"**

**WILL BE LATE FILED**

**(AFFIDAVIT OF NEWSPAPER)**

**EXHIBIT "N"**

**A Warranty Deed transferring the real estate upon which the water and wastewater plants are located will be executed by the Seller at Closing and a copy provided to the Commission.**

**EXHIBIT "O"**  
**(WATER AND WASTEWATER TARIFF)**