

011379-SU

WE DO NOT HAVE ORIGINAL CERTIFICATE'S
BECAUSE THEY WERE TURNED OVER
TO NEW OWNER OR LOST ON
DECEMBER 1, 2000.

DOCUMENT NUMBER-DATE
13308 OCT 19 85
FPSC-COMMISSION CLERK

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

The undersigned hereby makes application for the sale,
assignment or transfer of (all or part) of Water Certificate No.
 and/or Wastewater Certificate No. 422-S or facilities in
GULF 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:

GULF AIRE WASTEWATER / GULF AIRE PROPERTIES, INC. / A DISSOLVED
Name of utility CORP.

(850) 832-0949

Phone No.

(850) 230-5918

Fax No.

122 LEGEND LAKES

Office street address

PANAMA CITY BEACH, FL 32407

City

State

Zip Code

P.O. Box 9595, PCB, 32417

Mailing address if different from street address

Internet address if applicable

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

ISSAC K. DUREN (850) 832-0949
Name Phone No.

122 LEGEND LAKES
Street address

PANAMA CITY BEACH, FL 32407
City State Zip Code

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

ESAD ENTERPRIZES, INC.
Name of utility

(850) 229-9292 ()
Phone No. Fax No.

509 4TH STREET
Office street address

PORT ST. JOE, FL 32456
City State Zip Code

P.O. Box 503 PORT ST. JOE, FL 32457
Mailing address if different from street address

Internet address if applicable

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

Corporation Partnership Sole Proprietorship

Other: _____
(specify)

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

FLORIDA, SEPT. 22ND, 2000

F)

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

PRESIDENT - PIERCE T. GRANET
8513 TRADE WINDS DR. PORT ST. JOE, FL 32456
VICE PRES. - FRANK J. SEIFERT
3849 COUNT RD. 386 PORT. ST JOE, FL 32456

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.)

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.

THERE ARE NONE

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

EXHIBIT "A"

NEW BUYER WILL BE LIVING CLOSER
TO UTILITY AND HAS A BETTER
UNDERSTANDING OF ACCOUNTABILITY
TO THE PUBLIC SERVICE COMMISSION!

EXHIBIT "B"

AGREEMENT FOR
PURCHASE & SALE
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ADDENDUM TO AGREEMENT
OF OCTOBER 22, 1999
AND
AGREEMENT FOR PURCHASE AND SALE

THIS ADDENDUM AND AGREEMENT, dated this 4th day of October 2000, by and between GULF AIRE PROPERTIES, INC., a Florida corporation authorized to do business in Florida, hereinafter referred to as "Seller," and ESAD Enterprises, Inc., a Florida corporation, hereinafter referred to as "Buyer."

WHEREAS, Seller owns assets, facilities, and properties used in the treatment and collection of wastewater, for purposes of this agreement hereinafter referred to as the "System," and said System is used in providing wastewater service to customers in Gulf County, Florida, and

WHEREAS Seller and Buyer have previously agreed to the principal terms of an offer and now desire to agree upon a purchase and sale of the System under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the recitals, covenants, and representations contained herein, Seller and Buyer hereby agree as follows:

- I. **Purchased Assets.** The terms "Purchased Assets" means those properties, rights and interests of Seller which Buyer will purchase pursuant to this Agreement. The "Purchased Assets" consist of the following:
 - A. All real property interests in Gulf County, held by Seller and used or retained in connection with the System, including all wastewater treatment facilities and related assets, improvements, structures, and fixtures located on the aforesaid real property. Exhibit 1 describes the real property.
 - B. All easements, rights-of-way, rights, and consents in possession of Seller which are used in the construction, operation, and maintenance of the collection lines and lift stations, as described in Exhibit 2.
 - C. All Seller's right, title and interest in tangible and intangible personal property used or held for use by Seller in connection with the System, including, but not limited to, the following:
 - (1) All wastewater collection facilities used in connection with the System;

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(2) All certificates (including the certificate issued by the Florida Public Service Commission ["FPSC"]), permits, licenses, franchises, immunities, privileges, license rights, easements, consents, grants, rights-of-way, rights and interests of every character whatsoever granted by any governmental authorities and which are or may be necessary for the proper construction, operations, and maintenance of the System;

(3) All current customer accounting records, including disbursement journals and billing software and all prints, plans, engineering drawings, reports, surveys, plats, specifications, shop drawings, equipment manuals, equipment warranties, soil reports, environmental audits, and other documentation and materials related to construction and operation of the System as may exist;

(4) All Seller's right, title and interest to tap-in fees, advances, main extension and service availability fees, guaranteed revenues due after September 1, 1999, and all other fees and charges for service;

(5) All customer deposits, including accrued interest as of the date of the closing;

(6) All inventories of chemicals and supplies held for use in operation of the System;

II. **Excluded Assets.** The properties and assets of Seller related to the System which are not being acquired by Buyer ("Excluded Assets") are as follow: (a) lawn mower; (b) personal computer; (c) accounts receivable resulting from billing for wastewater service or guaranteed revenue to the date of closing.

III. **Purchase and Sale.** Subject to the conditions and representations of this Agreement, Seller agrees to sell, convey, assign, transfer, and deliver to Buyer, and Buyer agrees to buy, take title to, and possession of the Purchased Assets for the total purchase price of THREE HUNDRED TWENTY THOUSAND AND NO/100 Dollars (\$320,000) (the "Purchase Price"). The total purchase price shall be paid at the closing in cash, subject to applicable credits, adjustments and prorations as are expressly provided herein.

IV. **Encumbrances on Purchased Assets.** Pursuant to the terms and conditions of this Agreement, Seller will transfer all of the Purchased Assets, as evidenced by Exhibits 1 and 2, to Buyer, free and clear of liens, mortgages and encumbrances.

V. **Utility Obligations.** Buyer agrees to assume, accept, and discharge all commitments of Seller to provide wastewater service within the service area(s) described in Seller's Certificate of Authorization issued by the FPSC, within the service area actually served, and within those area(s) Seller is committed to serve as such commitments and obligations have been lawfully imposed on Seller. Buyer's duties hereunder shall commence upon closing.

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- VI. **Seller's Liabilities.** Buyer assumes none of Seller's debt, liabilities, or other financial or service obligations except those as are expressly identified herein, except that Buyer acknowledges and accepts all limitations upon capacity placed upon the System by Gulf County, and after closing Seller will have no obligation to attempt to remove, change or otherwise alter any such restrictions.
- VII. **Customer Deposits.** Buyer shall dispose of the customer deposits in the manner set forth in the FPSC's Rules and Seller's tariff, unless otherwise directed or allowed by the FPSC.
- VIII. **Access to Premises and Records.** Commencing on the date of this Agreement, Seller shall give Buyer, its agents, and representatives full access to all property, documents, materials, books and records related in any way to the System which are either in Seller's possession or which Seller has access to. Such right of access shall include the right to conduct a physical inventory of the Purchased Assets and to go on the real property which is a part of the Purchased Assets. All copies of documents, materials, books and records shall be delivered to buyer at closing, and Seller shall make copies of all records seller wishes to retain for its files prior to closing.

Seller shall fully cooperate with Buyer in permitting the inventory of the Purchased Assets.

- IX. **Survey.** Within ten (10) days of this Agreement, Buyer will order a survey of the real property interests described in Exhibit 1 for which Buyer will require title insurance. The survey required hereunder will be performed by a registered, licensed Florida surveyor and will be certified to Buyer and the title insurer.
- X. **Title Insurance.** Within ten (10) days of execution of this Agreement, Seller shall order a title insurance commitment issued by a qualified title insurer. At or before closing, Seller will provide all documents and affidavits the title insurer deems necessary. Buyer shall pay the title insurance premium.
- XI. **Seller's Disclosure Statement, Representations and Warranties.** To induce buyer to enter into this Agreement, Seller represents, warrants, and covenants as follows:
- A. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is duly authorized to engage in business in the State of Florida.
- B. Seller has title to the Purchased Assets as described on Exhibits 1 and 2.
- C. Seller has all right, power, and authority to enter into this Agreement and to consummate the transactions contemplated herein.

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D. No consent, approval, order, or authorization, or filing with any person or governmental authority is required to be made or received by Seller prior to the execution and delivery of this Agreement by Seller. However, the approval of the FPSC is ultimately necessary.

E. Seller has filed in a timely manner (taking into account all extensions of due dates) all federal, state, county, municipal and other tax returns, reports and declarations required to have been filed in connection with the System and has timely paid all tax due.

F. Seller acknowledges a controversy over alleged lack of an easement on property owned by Jimmy Hambrick, which the Buyer will resolve after closing, and for which the parties will evenly divide the cost, with Seller contributing \$5,000, through a reduction in the cash received at closing, as the maximum cost to Seller to be applied to resolution, with the balance being returned to Seller promptly after resolution by Buyer.

G. Seller has not received notice of nor is it aware of, any actions, suits or proceedings pending or threatened against or affecting any of the Purchased Assets, including special assessments, zoning violations, condemnation proceedings, and violation(s) of federal, state, or local environmental law or regulation in connection with the System, except for a Gulf County moratorium, which Buyer will address and resolve or not resolve subsequent to closing, at the sole cost of Buyer.

H. Seller has all the necessary and required authorizations and permits from the FDEP, and the FPSC to operate the System, and there are no known outstanding violations of the general or specific conditions of any such authorizations and permits which have come to Seller's attention.

I. Seller warrants that there are no judicial or administrative proceedings pending or threatened against the System, except for the Gulf County moratorium described above, which Buyer will attempt to resolve subsequent to closing, at the sole cost of Buyer.

J. There are no agreements to which Seller is a party or by which Seller is bound and which Buyer would be bound after closing affecting any of the Purchased Assets, except the obligation to provide service pursuant to developer agreements on file at the FPSC.

K. Seller warrants that Seller has not received any prepaid tap-in fees, connection fees or hook-up charges subsequent to September 1, 1999.

L. Seller has no presently existing agreement, contract, or commitment, to provide service in the future to any properties other than those within its FPSC certificated territory.

10/10 01 10:10 10:10 10:10

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- XII. **Representations and Warranties of Buyer.** To induce Seller to enter into this Agreement, Buyer represents, warrants, and covenants as follows:
- A. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida.
 - B. Buyer has all right, power, and authority to enter into this Agreement and to consummate the transactions contemplated herein. The execution and delivery of the Agreement and the consummation thereof has been duly authorized by all necessary corporate action on the part of Buyer. Further, the persons signing this agreement on behalf of Buyer warrant that they have the authority to execute and deliver this Agreement on behalf of Buyer.
 - C. The execution and delivery of this Agreement by Buyer and consummation of the transactions therein contemplated do not and will not conflict with or result in any violation of or default under any agreement or other instrument, judgment, order, decree, statute, law, ordinance, rule, license, grant concession or regulation applicable to Buyer.
 - D. No consent, approval, order, or authorization, or filing with any person or governmental authority is required to be made or received by Buyer prior to the execution and delivery of this Agreement and consummation of the transactions therein contemplated other than the ultimate approval of the FPSC.
- XIII. **Conduct of Business Prior to Closing.** From the date hereof until closing, Seller shall carry on its operation of the System in the ordinary course of business.
- XIV. **Regulatory Approvals.**
- A. Seller and Buyer acknowledge that consummating this transaction is subject to the approval of the FPSC and may be subject to the regulatory approval of other governmental authorities. Seller and Buyer agree to prepare and file jointly all necessary applications for such regulatory approvals as are required in order to consummate this Agreement. The parties will apply their respective best efforts to obtain all said approvals and will cooperate fully in pursuit thereof. In particular, the parties agree to file a joint application with the FPSC for the transfer of Seller's assets to Buyer and determination of net book value at transfer (the "Application") within 60 days after closing.
 - B. The Buyer shall be responsible for filing the year 2000 annual report with the FPSC. The Seller shall be responsible to pay at closing its pro rata share of assessments due to the FPSC for the year 2000.
- XV. **Conditions Precedent.** The conditions set forth below must be met in order for closing to take place. In the event any one of the following conditions is not met, this Agreement

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may be terminated.

A. All of the documents and materials provided pursuant to this Agreement have been received by and are acceptable to Buyer.

B. Tom Graney has paid all amounts billed by Seller for connection to and service from Seller.

XVI. **Closing.** The closing of this transaction shall occur no later than December 1, 2000.

A. The closing shall take place in Bay County, Florida, at the offices of Bay County Land & Abstract Co., or such other place as agreed upon by the parties.

B. At closing, Seller shall deliver to Buyer all documents necessary to transfer title of the Purchased Assets to Buyer as contemplated herein, including conveyance of all real property, as described on Exhibit 1, to Buyer by a statutory warranty deed free and clear of all encumbrances except those generally accepted as standard.

C. Each party shall bear its own attorney, engineering, and accounting fees related to this transaction. Buyer shall be responsible for payment of the recording fees and documentary stamps on any documents transferring interests in real estate, and Seller will pay all documentary stamps on and recording costs for documents necessary to clear title and remove encumbrances. Buyer shall pay the title insurance premium.

D. This Agreement is contingent upon Public Service Commission approval of the sale and purchase contemplated hereunder as is required under Section 367.071, Florida Statutes. Notwithstanding anything herein to the contrary, in the event the parties close the transactions contemplated herein prior to FPSC final approval of the Application, then in the event the Application is thereafter denied and Buyer cannot correct any deficiencies in the application, Buyer shall deliver notice thereof to Seller, whereupon Buyer shall reconvey all Purchased Assets to Seller and Seller shall return the full Purchase Price to Buyer within a reasonable period after delivery of the notice, but in no event in excess of thirty (30) days, or; Buyer can resell to anyone else the FPSC approves at any price that Buyer negotiates. This provision shall survive the closing hereunder.

XVII. **Proration Of Taxes And Assessments.** All ad valorem taxes and general assessments, including regulatory assessment fees, applicable to the purchased assets will be prorated between Seller and Buyer as of the date of closing. All special assessments which have been levied or certified before closing shall be paid by the Seller, as well as all fines and penalties levied by the FPSC prior to closing.

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XVIII. **Risk of Loss.** Seller shall use best efforts to guard against damage until date of closing. Seller does not insure and has not insured the property.

XIX. **Remedies.** If Seller breaches this Agreement, Buyer may seek specific performance of the Agreement. If Buyer breaches this Agreement Seller may retain the money in the Collins and Truett trust fund.

XX. **Survival Of Representations and Warranties.** All representations, warranties, covenants, indemnification provisions and agreements made by the parties, shall survive the Closing of this Agreement.

XXI. **Notice.** All notices, requests, demands, and other communications required or allowed hereunder shall be in writing and shall be deemed delivered when (1) hand delivered to or sent by facsimile transmission to the official designated below or (2) when mailed,

postage prepaid, U. S. certified or registered mail, return receipt requested, addressed to the official designated below:

FOR SELLER: Ike Duren
 P. O. Box 9595
 Panama City Beach, FL 32417

 David B. Erwin
 127 Riversink Road
 Crawfordville, Florida 32327

FOR BUYER: Frank Seifert
 509 4th Street
 Port St. Joe, FL 32456

 Tom Graney
 Rt. 3, Box 156
 Port St. Joe, FL 32456

XXIV. **Agreement as Addendum.** This Agreement (including the documents referred to herein) is supplemental to that Agreement between the parties dated October 22, 1999.

XXV. **Counterparts.** This Agreement may be executed in one or more counterparts.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be
executed the day and year first above written.

Gulf Aire Properties, Inc.,
a Florida corporation

By: Ike Owen
Name: IKE OWEN
Title: President

Witnesses:

Name: Diana Darsey
Diana Darsey
Name: Zola Burwell
Zola Burwell

ESAD Enterprises, Inc.,
a Florida corporation

By: _____

Witnesses:

Name: _____
Name: _____

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by Tom Graney.

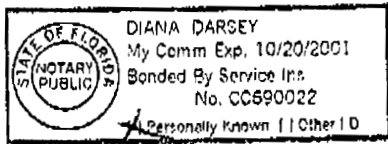
(Signature of Notary Public)

(Print, Type or Stamp Commissioned Name of Notary Public)

Personally Known _____ OR Produced Identification _____
Type of Identification Produced _____

STATE OF FLORIDA
COUNTY OF Bay

The foregoing instrument was acknowledged before me this 6th day of Oct., 2000 by Ike Duren.



Diana Darsey
(Signature of Notary Public)

(Print, Type or Stamp Commissioned Name of Notary Public)

Personally Known OR Produced Identification _____
Type of Identification Produced _____

10.4.00

210. City/town taxes
211. County taxes
212. Assessments

to
to
to

510. City/town taxes
511. County taxes
512. Assessments

to
to
to

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

Bay County Land & Abstract Co., Inc. (800/802)
011-A W. 23rd Street
Panama City, FL 32405

B. TYPE OF LOAN		
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FMHA	3. <input type="checkbox"/> CONV. UNIN.
4. <input type="checkbox"/> VA	6. <input type="checkbox"/> CONV. INS.	
5. FILE NUMBER: 802-160063		7. LOAN NUMBER:
8. MORTGAGE INS. CASE NO.		

3. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: ESAD Enterprises, Inc., a Florida corporation
ADDRESS OF BORROWER: PO Box 503, Port St. Joe, Florida 32457

E. NAME OF SELLER: Gulf Aire Properties, Inc. D/B/A Gulf Aire Waste Water Treatment
ADDRESS OF SELLER: Plant
PO Box 9595, Panama City Beach, FL 32417

F. NAME OF LENDER:
ADDRESS OF LENDER:

G. PROPERTY LOCATION: M/B, S31/32 T6S R11W, GULF COUNTY, FLORIDA
PO Box 503
Port St. Joe, Florida 32457

H. SETTLEMENT AGENT: Bay County Land and Abstract Co.
PLACE OF SETTLEMENT: 011-A West 23rd Street
Panama City, Florida 32405

I. SETTLEMENT DATE: December 1, 2000

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract sales price	80,000.00	401. Contract sales price	80,000.00
102. Personal property	240,000.00	402. Personal property	240,000.00
103. Settlement charges to borrower: (from line 1400)	2,275.00	403.	
104.		404.	
105.		405.	
ADJUSTMENTS FOR ITEMS PAID BY SELLER IN ADVANCE:		ADJUSTMENTS FOR ITEMS PAID BY SELLER IN ADVANCE:	
106. City/town taxes to		406. City/town taxes to	
107. County taxes 12/1/00 to 1/1/01	283.10	407. County taxes 12/1/00 to 1/1/01	283.10
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER:	322,458.10	420. GROSS AMOUNT DUE TO SELLER:	320,283.10
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	64,594.12
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan BB&T	189,532.11
205.		505. Payoff of second mortgage loan BB	22,321.52
206. Reg Assess Fee	5,069.17	506. Reg Assess Fee	5,069.17
207. 1/1/00 to 12/1/00		507. 1/1/00 to 12/1/00	
208. Deposits	7,410.00	508. Deposits	7,410.00
209.		509. Payoff ECB	36,212.39
ADJUSTMENTS FOR ITEMS UNPAID BY SELLER:		ADJUSTMENTS FOR ITEMS UNPAID BY SELLER:	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	

SETTLEMENT CHARGES

LENDER'S/BROKER'S COMMISSION: BASED ON PRICE			PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
\$	@	%=		
AMOUNT OF COMMISSION (LINE 700) AS FOLLOWS:				
to				
to				
Commission paid at settlement				
/04.				

800. ITEMS PAYABLE IN CONNECTION WITH LOAN:				
801. Loan Origination fee	%			
802. Loan Discount	%			
803. Appraisal Fee to				
804. Credit Report to:				
805. Lender's Inspection fee				
806. Mortgage Insurance application fee to				
807. Assumption fee				
808.				
809.				
810.				
811.				

900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:				
901. Interest from	to	@ \$	/day	
902. Mortgage Insurance premium for	mo. to			
903. Hazard Insurance premium for	12 mo. to			
904. Flood Insurance Premium for	12 mo. to			
905.				

1000. RESERVES DEPOSITED WITH LENDER:				
1001. Hazard insurance	months @ \$		per month	
1002. Mortgage insurance	months @ \$		per month	
1003. City property taxes	months @ \$		per month	
1004. County property taxes	months @ \$		per month	
1005. Annual assessments	months @ \$		per month	
1006.	months @ \$		per month	
1007.	months @ \$		per month	
1008.	months @ \$		per month	
1009.	months @ \$		per month	
1000.				

1100. TITLE CHARGES:				
1101. Settlement or closing fee to	Bay County Land & Abstract Co., Inc.			100.00
1102. Abstract or title search to	Bay County Land & Abstract Co., Inc.			250.00
1103. Title examination to	Bay County Land & Abstract Co., Inc.			40.00
1104. Title insurance binder to	Bay County Land & Abstract Co., Inc.			
1105. Document preparation to	Bay County Land & Abstract Co., Inc.			
1106. Notary fees to	Bay County Land & Abstract Co., Inc.			
1107. Attorney's fees to	Dave Irwin			15,000.00
	(includes above items Numbers:)			
1108. Title insurance to	Bay County Land & Abstract Co., Inc.			460.00
	(includes above items Numbers:)			
1109. Lender's coverage	\$			
1110. Owner's coverage	\$ 80,000.00			
1111. Express Fee to	Bay County Land and Abstract Co.			15.00
1112. ALTA 8.1 Endorsement				
1113. to	Bay County Land & Abstract Co., Inc.			

1200. GOVERNMENT RECORDING AND TRANSFER CHARGES:				
1201. Recording fees: Deed \$ 15.00	Mortgage \$	Releases \$		15.00
1202. City/county tax/stamps: Deed \$	Mortgage \$			
1203. State tax/stamps: Deed \$ 560.00	Mortgage \$			560.00
1204.				
1205. Record Release Trust Agreement to	Clerk of the Circuit Court			15.00

1300. ADDITIONAL SETTLEMENT CHARGES:				
1301. Survey to	Broward Davis & Assoc., Inc.			850.00
1302.				3,428.60

Schedule A - Additional Settlement Charges

File No: 802-160063
 Closing Date: December 1, 2000

Description	To Whom Paid	Buyer's	Seller's
-----	-----	-----	-----
Balance Graney Sew	Gulf Aire Waste Water Treatm		914.05
Payoff Second Loan	Alisa Duren		8,334.99
Payoff	Alisa Duren		9,500.00
Payoff 1992 Duren	Jim Faison, Trustee		15,000.00
Prepare Release	Jack Williams		100.00
PSC Assessment	POC Public Service Commissio		(212.76)
	Totals		33,849.04

 ESAD Enterprises, Inc., a Florida

 Gulf Aire Properties, Inc.



 Ike Duren

- (1) Purchase price and terms of payment \$320,000 / CASH
- (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. LAND, LIFT STATIONS, TREATMENT PLANT, MISC. CHEMICALS, LAWN MOWER, MISC PARTS
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations. PURCHASE PRICE, & RELEASE OF LIABILITY.
- 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.

- (g) ASSIGNMENT FOR ALL OUTSTANDING ACCOUNT RECEIVABLES / ~~DEBTS~~ BAD DEBTS.
- D) Exhibit C - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed. WERE PAID AT CLOSING TO BUYER AND BUYER HAS PAID STATE.
- E) Exhibit ~~D~~ E - A statement describing the financing the purchase. INFO. UNDISCLOSED TO SELLER
- (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. RATE BASE NEVER ESTABLISHED
- _____ 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.) NOT REQUESTED

EXHIBIT "C"

THERE ARE NO OUTSTANDING FINES
OR REFUNDS AS OF BUYER'S TAKE-
OVER! OUTSTANDING REGULATORY ASSESSMENT
FEES WERE TRANSFERED AT CLOSING.

→ SEE EXHIBIT "B"

EXHIBIT "D"

THIS WAS A CASH SELL AND BUYER
HAD MONEY IN BANK.

EXHIBIT "E"

PIERCE T. GRANET

FRANK J. SEIFERT

- SEE (F) PAGE 4

EXHIBIT "F"

THERE HAS NEVER BEEN AN ESTABLISHED
NET BOOK VALUE OF THIS SEWER SYSTEM.

EXHIBIT "G"

I AM NOT ASKING FOR ANY
ACQUISITION ADJUSTMENT.

I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

AT CLOSING PER CONTRACT FOR SALE & PURCHASE

ALL BOOKS & RECORDS WERE SURRENDERED TO BUYER,
WITH THE EXCEPTION ~~OF~~ OF NOVEMBER & DECEMBER
2000 BANK STATEMENTS WHICH HAVE SINCE BEEN
DELIVERED & TO THE BUYER. AND 2000 TAX
RETURN WHICH IS HEREIN ATTACHED.

ESAD ENTERPRIZES, INC.

509 4TH STREET

PORT ST. JOE, FL 32456

ESAD ENTERPRIZES, INC. (850) 229-9292
Name Phone No.

509 4TH STREET
Street address

PORT ST. JOE, FL 32456
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

EXHIBIT "H"

BOOKS & RECORDS WERE TURNED OVER
TO BUYER AT OR BEFORE CLOSING.

EXHIBIT "I"

THE SELLER CERTIFIES THAT HE
HAS GIVEN BUYER FEDERAL TAX
RETURNS BACK TO THE BEGINNING
OF HIS OWNERSHIP.

EXHIBIT "J"

THE SELLER CERTIFIES THAT THE BUYER HAS OPERATED SYSTEM SINCE DECEMBER 1, 2000. PRIOR TO CLOSING, DEPT. OF ENVIRONMENTAL PROTECTION, PANAMA CITY OFFICE INSPECTED PLANT & WAS DEEMED IN GOOD WORKING ORDER.

EXHIBIT "K"

I CERTIFY 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. WATER DEPARTMENT
CITY OF MEXICO BEACH
118 NORTH 14TH STREET
MEXICO BEACH, FL 32410
2. GULF COUNTY WATER DEPARTMENT
GULF COUNTY COURT HOUSE
1000 CECIL G. COSTIN SENIOR BLVD.
PORT ST. JOE, FL 32456
3. DEPARTMENT OF URBAN AND REGIONAL PLANNING
FLORIDA STATE UNIVERSITY
TALLAHASSEE, FL 32306-2280
4. OFFICE OF PUBLIC COUNCIL
111 WEST MADISON STREET RM.#812
TALLAHASSEE, FL 32399

5. PUBLIC SERVICE COMMISSION
DIRECTOR OF RECORDS & REPORTING
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

6. REGIONAL OFFICE P.C.
DEPARTMENT OF ENVIRONMENTAL PROTECTION
2353 JENKS AVE.
PANAMA CITY, FL 32405

7. WATER MANAGEMENT DISTRICT
NORTHWEST DISTRICT
DAVID MORRES
160 GOVERNMENTAL CENTER
PENSACOLA, FL 32501-5794

8. LAWRENCE D. HARRIS
SENIOR ATTORNEY
PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BLVD.
TALLAHASSEE, FL 32399-0850

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

EXHIBIT "L"

EACH CUSTOMER HAS BEEN NOTIFIED
BY THE BUYER THAT THE UTILITY
HAS BEEN TRANSFERRED TO NEW
OWNERSHIP AND WHERE TO SEND
THE PAYMENTS.

EXHIBIT "M"

WE HAD ORDERED THE STAR PUBLISHING COMPANY, PUBLISHER OF THE LOCAL NEWSPAPER IN THE TERRITORY OF THE SEWAGE PLANT, TO INCLUDE IN THE LEGAL SECTION, A NOTICE OF THE PLANT WAS BEING SOLD.

Indicate the filing fee enclosed with the application:

0 (for water) and \$750.⁰⁰ (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 0 - 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).



EXHIBIT "N"

EXHIBIT "O"

I DO NOT HAVE THE COPIES
OF SAMPLE TARIFF SHEETS
REFLECTING THE NEW NAME
OF THE UTILITY, BECAUSE
I TURNED MY TARIFF BOOK
OVER TO THE BUYER AT
CLOSING.

EXHIBIT "P"

I TURN ALL COPIES OF CERTIFICATES
FOR PERMITS OVER TO BUYER

AT CLOSING. IT HAS BEEN
ONE YEAR SINCE CLOSING. \$.

I DO NOT KNOW CURRENT
STATUS.

PART VI AFFIDAVIT

I IKE DUREN, PRESIDENT (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: Ike Duren
Applicant's Signature
IKE DUREN
Applicant's Name (Typed)
PRESIDENT
Applicant's Title *

Subscribed and sworn to before me this 11th day in the month of October in the year of 2001 by Ike Duren

who is personally known to me _____ or produced identification Florida driver's license.
Type of Identification Produced



Constance M. King
Notary Public's Signature
Constance M. King
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.

TO: THE STAR NEWSPAPER

FROM: GULFAIRE PROPERTIES, INC.
d/b/a Gulfaire Wastewater Treatment Plant

Total Pages Faxed:

2

DATE: OCTOBER 17, 2001

Dear Sir:

Please run the following legal notice for one time ASAP in your next issue of The Star.

Also, please send me the certificate of proof that it ran in The Star. Thank you.

Sincerely,

Gulf Aire Properties, Inc.

If question call 850/832-0949.