

011651-WU

Pinecrest Ranches, Inc.
PO Box 2898
Winter Haven, FL 33883-2898
863-293-2577
Fax 863-293-2827

ORIGINAL

Public Service Commission
Division of Commission Clerk
Docket No. 011651-WU
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0865

April 2, 2004

Enclosed please find two copies of the settlement statement and other miscellaneous legal papers in regard to the sale of Pinecrest Ranches, Inc.

The buyers, Mr. Norman Duncan and Mr. Richard Little, have been compensated for the regulatory assessment fees for the period of 01/01/02 through 03/31/02; thus they will be responsible for the full 2002 year regulatory assessment fees due.

As of 4/1/02, the 2001 Annual Report has not been filed. Filing of the 2001 Annual Report and any fees incurred due to delinquent filing of such will be the responsibility of the Seller, James O. Vaughn and Margaret Hankin.

In reference to the SARC filing, Buyer is currently gathering information to complete the SARC submitting form. Buyer intends to install meters for the entire system.

Norman Duncan
Norman Duncan, Buyer

James O. Vaughn
James O. Vaughn, Seller

The foregoing instrument was acknowledged before me this 2nd day of April, 2002, by **Norman Duncan**, who is personally known to me.



Kimberly A. Gossett
MY COMMISSION # CC903234 EXPIRES
January 18, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

Kimberly A. Gossett
Kimberly A. Gossett, Notary Public
My Commission Expires: 1/18/2004

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC 1
- OTH Handg

The foregoing instrument was acknowledged before me this 2nd day of April, 2002 by **James O. Vaughn**, who is personally known to me.



Kimberly A. Gossett
MY COMMISSION # CC903234 EXPIRES
January 18, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

Kimberly A. Gossett
Kimberly A. Gossett, Notary Public
My Commission Expires: 1/18/2004

APR 10 AM 9:28

REGISTRATION CENTER DOCUMENT NUMBER-DATE

03991 APR 10 08

FPSC-COMMISSION CLERK

Date : 04-01-2002 Vendor : 99999 Amount : \$98,344.31
Payee : JAMES VAUGHN and MARGARET HANKIN

Client # Matter # Amount
Client Name

Check Description
Matter Description

7258 01-080 \$98,344.31
WATER SUPPLY, INC.

WATER SUPPLY, INC. - LETTER OF INTENT

~~ALL INFORMATION PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER - SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES~~

WENDEL & CHRITTON
CHARTERED, ATTORNEYS
TRUST ACCOUNT
5300 SOUTH FLORIDA AVE.
LAKELAND, FL 33813

SUNTRUST BANK/MID-FLORIDA, N.A.
400 NORTH CHURCH AVENUE
MULBERRY, FLORIDA 33880

10065

NUMBER

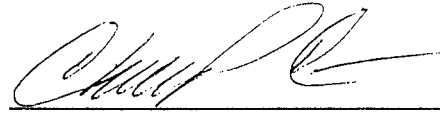
63-526/631

Ninety Eight Thousand Three Hundred Forty Four Dollars & 31/100

DATE
04-01-2002

AMOUNT
\$98,344.31

JAMES VAUGHN and MARGARET HANKIN



no: Proceeds From Sale

~~THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.~~

119.07(1)(z), Florida Statutes: Bank account numbers [REDACTED] or debit, charge, or credit card numbers given to an agency for the purpose of payment of any fee or debt owing are confidential and exempt from subsection (1) and s.24(a), Art. 1 of the State Constitution . . .

DOCUMENT NUMBER - DATE

0399 | APR 10 8

FPSC-COMMISSION CLERK

CLOSING STATEMENT
SALE OF STOCK
SELLER

Buyer: RICHARD LITTLE and NORMAN DUNCAN
Seller: JAMES VAUGHN and MARGARET HANKIN
Date: APRIL 1, 2002
Business: PINECREST RANCHES, INC.

CREDITS:

Price	\$100,000.00
TOTAL CREDITS	\$100,000.00

CHARGES:

Deposit	\$ 1,500.00	
Property Tax, to 3/31/02 (Parcel 1)	\$ 3.11	
Property Tax, to 3/31/02 (Parcel 2)	\$ 142.08	
Customer Deposits	\$ 0.00	(see note)
Assumed Obligations	\$ 0.00	
Record Deed	\$ 10.50	
TOTAL CHARGES	\$ 1,655.69	
DUE SELLER	\$98,344.31	
TOTALS	\$100,000.00	\$ 100,00.00

NOTE:

Buyers and Sellers agree that Seller will bill the customers on March 31, 2002 for March, 2002 charges and keep these receipts, and thereafter all revenues belong to Buyers. Seller will pay to Buyer, after closing, but no later than April 5, 2002, all customer deposits and all customer advance payments, and deliver the customer ledgers.

SELLERS



JAMES VAUGHN



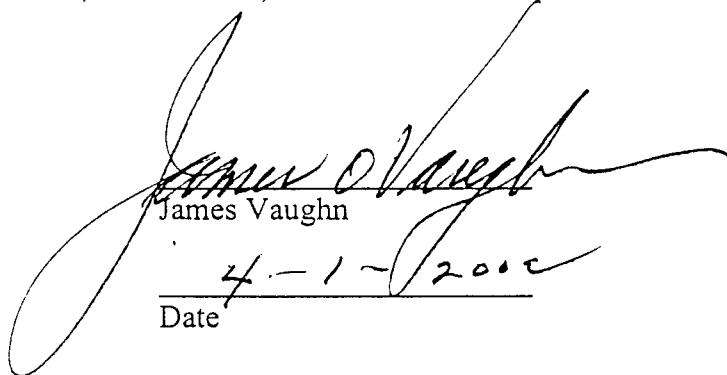
MARGARET HANKIN

Seller's Affidavit

Before me, the undersigned authority, personally appeared James Vaughn ("Affiant"), who being by me first duly sworn, on oath, deposes and says that:

1. Affiant is the owner of 50 shares of Pinecrest Ranches, Inc., a Florida corporation ("Corporation") and is selling all of these shares representing her total ownership of Corporation. The only other shareholder of the Corporation is James Vaughn who owns 50 shares.
2. The above described shares are free and clear of all liens, taxes, encumbrances and claims of every kind, nature and description of record or not of record, whatsoever.
3. The property owned by the Corporation ("Property") is free and clear of all liens, taxes, encumbrances and claims of every kind, nature and description of record or not of record, whatsoever, and except for real estate and personal property taxes for 2002 and subsequent years which are not yet due and payable.
4. There have been no improvements, alterations, or repairs to any of Corporation's Property since acquisition by the Corporation to the Property for which the costs thereof remain unpaid, that there are no claims for labor or material furnished for repairing or improving the same, which remain unpaid since the acquisition by Corporation, and that there are no mechanic's, materialmen's, or laborer's liens since acquisition by Corporation against the Property.
5. There have been no documents recorded in the Public Records of Polk County subsequent to January 23, 2002, which affect title to the Property and Affiant and Corporation have not entered into any contracts for the sale, disposition or leasing of the Property since said date except as may have been disclosed to Wendel & Chritton, Chartered ("W&C") in writing, and Affiant has no knowledge of any matter affecting title to the Property.
6. The personal property contained on the Corporation's real Property, and which, if any, is being sold free and clear of all liens, encumbrances, claims and demands whatsoever. The Affiant knows of no violations of Municipal or County Ordinances pertaining to the Property. No judgment or decree has been entered in any court in this State or the United States against said Affiant or the Corporation or the Property which remains unsatisfied.
7. The Affiant has no claim of any kind against the Corporation, the Corporation owes Affiant no money for any reason and Affiant hereby grants the Corporation a full release of all claims Affiant now has or may have for any reason whatsoever from the beginning of time to the present date.
8. The Corporation has filed all corporate tax returns due in the past and paid all corporate taxes due in the past.
9. Sellers, jointly and severally, hereby indemnify the Buyers against all loss incurred by Buyers because of the incorrectness of the statements made in this affidavit, including attorney's fees and costs to enforce this provision.

10. The Corporation has no contractual obligations with any third party that requires corporate payment or performance past today's date.
11. This affidavit is given for the purpose of clearing any possible question or objection to the title to the Property and for the purpose of inducing Wendel & Chritton, Chartered and Attorneys Title Insurance Fund to issue title insurance on the subject property and induce Buyers to buy the Corporation's stock, with the knowledge that said title companies and Wendel & Chritton, Chartered and Buyers are relying upon the statements set forth herein. Affiant hereby holds Wendel & Chritton, Chartered and Attorneys Title Insurance Fund and Buyers harmless and fully indemnifies same (including but not limited to attorneys' fees, whether suit be brought or not, and at trial and all appellate levels, and court costs and other litigation expenses) with respect to the matters set forth herein. "Affiant" and "Buyer" include singular or plural as context so requires or admits. This affidavit is made under the penalties of perjury. Affiant further states that she is familiar with the nature of an oath and with the penalties s provided by the laws of the United states and the State of Florida for falsely swearing to statements made in an instrument of this nature. Affiant further certifies that she read, or heard read, the full facts of this Affidavit and understands it context.
12. Further Affiant sayeth not.

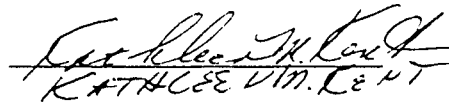

 James Vaughn
4-1-2000
 Date

STATE OF FLORIDA
 COUNTY OF POLK

BEFORE ME, the undersigned authority, this day personally appeared James Vaughn who is personally known to me or has produced William Keiser as identification and who did take an oath.



Kathleen M. Kent
 MY COMMISSION # DD050438 EXPIRES
 November 5, 2005
 BONDED THRU TROY FAIN INSURANCE, INC.


 KATHLEEN M. KENT

Notary Public
 State of Florida
 My Commission expires:

Seller's Affidavit

Before me, the undersigned authority, personally appeared Margaret S. Hankin ("Affiant"), who being by me first duly sworn, on oath, deposes and says that:

1. Affiant is the owner of 50 shares of Pinecrest Ranches, Inc., a Florida corporation ("Corporation") and is selling all of these shares representing her total ownership of Corporation. The only other shareholder of the Corporation is James Vaughn who owns 50 shares.
2. The above described shares are free and clear of all liens, taxes, encumbrances and claims of every kind, nature and description of record or not of record, whatsoever.
3. The property owned by the Corporation ("Property") is free and clear of all liens, taxes, encumbrances and claims of every kind, nature and description of record or not of record, whatsoever, and except for real estate and personal property taxes for 2002 and subsequent years which are not yet due and payable.
4. There have been no improvements, alterations, or repairs to any of Corporation's Property since acquisition by the Corporation to the Property for which the costs thereof remain unpaid, that there are no claims for labor or material furnished for repairing or improving the same, which remain unpaid since the acquisition by Corporation, and that there are no mechanic's, materialmen's, or laborer's liens since acquisition by Corporation against the Property.
5. There have been no documents recorded in the Public Records of Polk County subsequent to January 23, 2002, which affect title to the Property and Affiant and Corporation have not entered into any contracts for the sale, disposition or leasing of the Property since said date except as may have been disclosed to Wendel & Chritton, Chartered ("W&C") in writing, and Affiant has no knowledge of any matter affecting title to the Property.
6. The personal property contained on the Corporation's real Property, and which, if any, is being sold free and clear of all liens, encumbrances, claims and demands whatsoever. The Affiant knows of no violations of Municipal or County Ordinances pertaining to the Property. No judgment or decree has been entered in any court in this State or the United States against said Affiant or the Corporation or the Property which remains unsatisfied.
7. The Affiant has no claim of any kind against the Corporation, the Corporation owes Affiant no money for any reason and Affiant hereby grants the Corporation a full release of all claims Affiant now has or may have for any reason whatsoever from the beginning of time to the present date.
8. The Corporation has filed all corporate tax returns due in the past and paid all corporate taxes due in the past.
9. Sellers, jointly and severally, hereby indemnify the Buyers against all loss incurred by Buyers because of the incorrectness of the statements made in this affidavit, including attorney's fees and costs to enforce this provision.

10. The Corporation has no contractual obligations with any third party that requires corporate payment or performance past today's date.
11. This affidavit is given for the purpose of clearing any possible question or objection to the title to the Property and for the purpose of inducing Wendel & Chritton, Chartered and Attorneys Title Insurance Fund to issue title insurance on the subject property and induce Buyers to buy the Corporation's stock, with the knowledge that said title companies and Wendel & Chritton, Chartered and Buyers are relying upon the statements set forth herein. Affiant hereby holds Wendel & Chritton, Chartered and Attorneys Title Insurance Fund and Buyers harmless and fully indemnifies same (including but not limited to attorneys' fees, whether suit be brought or not, and at trial and all appellate levels, and court costs and other litigation expenses) with respect to the matters set forth herein. "Affiant" and "Buyer" include singular or plural as context so requires or admits. This affidavit is made under the penalties of perjury. Affiant further states that she is familiar with the nature of an oath and with the penalties s provided by the laws of the United states and the State of Florida for falsely swearing to statements made in an instrument of this nature. Affiant further certifies that she read, or heard read, the full facts of this Affidavit and understands it context.
12. Further Affiant sayeth not.

Margaret S. Hankin
Margaret S. Hankin

4-1-2002
Date

STATE OF FLORIDA
COUNTY OF POLK

BEFORE ME, the undersigned authority, this day personally appeared Margaret S. Hankin who is personally known to me or has produced Margaret S. Hankin as identification and who did take an oath.



Kathleen M. Kent
MY COMMISSION # DD050438 EXPIRES
November 5, 2005
BONDED THRU TROY FARM INSURANCE, INC.

Kathleen M. Kent
KATHLEEN M. KENT
Notary Public
State of Florida
My Commission expires:

NUMBER
2

INCORPORATED UNDER THE LAWS OF
THE STATE OF FLORIDA

SHARES
50

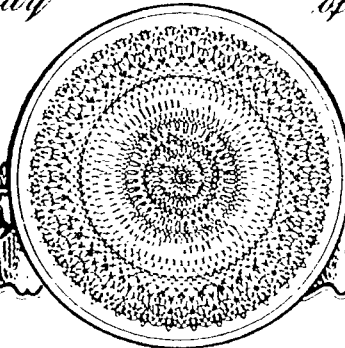
PINECREST RANCHES, INC.
AUTHORIZED CAPITAL STOCK
100 Shares of Common Stock Par Value \$1.00

This Certifies that Margaret S. Hankin *is the*
registered holder of Fifty and No/100 *Shares*
of the common stock, fully paid and non-assessable

transferable only on the books of the Corporation by the holder hereof in person or by attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 1st day of May A.D. 19 97

Margaret S. Hankin
SECRETARY



James Vaughn
PRESIDENT

NUMBER
1

INCORPORATED UNDER THE LAWS OF
THE STATE OF FLORIDA

SHARES
50

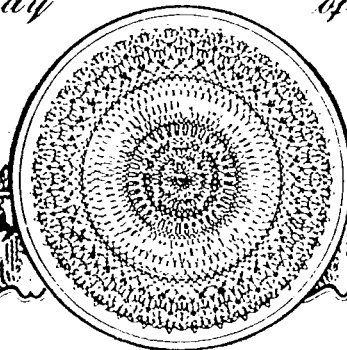
PINECREST RANCHES, INC.

AUTHORIZED CAPITAL STOCK
100 Shares of Common Stock Par Value \$1.00

This certifies that James O. Vaughn *is the*
registered holder of Fifty and No/100 *Shares*
of the common stock, fully paid and non-assessable
transferable only on the books of the Corporation by the holder hereof in
person or by attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 1st day of May A.D. 19 97

Marquet S. Hankin
SECRETARY



James O. Vaughn
PRESIDENT



FLORIDA DEPARTMENT OF REVENUE
RETURN FOR TRANSFERS OF INTEREST IN REAL PROPERTY
 (PLEASE READ INSTRUCTIONS ON THE BACK OF THIS FORM BEFORE COMPLETING)

PHOTOCOPIES OF
 THIS FORM NOT
 ACCEPTABLE

DR-219
 R. 07/98

Use black ink. Enter numbers as shown below. If typing, enter numbers as shown below.

0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9

1. Parcel Identification Number (If Parcel ID not available please call County Property Appraiser's Office) →

2. Mark (x) all that apply: Multi-parcel transaction? Transaction is a split or cutout from another parcel? Property was improved with building(s) at time of sale/transfer?

3. Grantor (Seller): Vaughn James O.
 Last First MI Corporate Name (if applicable)
P.O. Box 2898 Winter Haven FL 33883 ()
 Mailing Address City State Zip Code Phone No.

4. Grantee (Buyer): Pinecrest Ranches, Inc.
 Last First MI Corporate Name (if applicable)
P.O. Box 2898 Winter Haven FL 33883 ()
 Mailing Address City State Zip Code Phone No.

5. Date of Sale/Transfer: 04/01/2002 \$ 10,000.00 Sale/Transfer Price
 Month Day Year (Round to the nearest dollar.) Property Located In 63 County Code
 (County Codes on Reverse)

6. Type of Document: Contract/Agreement for Deed Other Warranty Deed Quit Claim Deed
 7. Are any mortgages on the property? If "Yes", outstanding mortgage balance: \$ 00
 (Round to the nearest dollar.)

8. To the best of your knowledge, were there unusual circumstances or conditions to the sale/transfer such as: Forced sale by court order? Foreclosure pending? Distress Sale? Title defects? Corrective Deed? Mineral rights? Sale of a partial or undivided interest? Related to seller by blood or marriage? YES / NO

9. Was the sale/transfer financed? YES / NO If "Yes", please indicate type or types of financing:
 Conventional Seller Provided Agreement or Contract for Deed Other

10. Property Type: Residential Commercial Industrial Agricultural Institutional/Miscellaneous Government Vacant Acreage Timeshare

11. To the best of your knowledge, was personal property included in the sale/transfer? If "Yes", please state the amount attributable to the personal property. (Round to nearest dollar.) YES / NO \$ 00 Cents

12. Amount of Documentary Stamp Tax → \$ 70

13. If no tax is due in number 12, is deed exempt from Documentary Stamp Tax under s. 201.02(6), Florida Statutes? YES / NO

Under penalties of perjury, I declare that I have read the foregoing return and that the facts stated in it are true. If prepared by someone other than the taxpayer, his/her declaration is based on all information of which he/she has any knowledge.

Signature of Grantor or Grantee or Agent: [Signature] Date: 4/1/02

WARNING: FAILURE TO FILE THIS RETURN OR ALTERNATIVE FORM APPROVED BY THE DEPARTMENT OF REVENUE SHALL RESULT IN A PENALTY OF \$25.00 IN ADDITION TO ANY OTHER PENALTY IMPOSED BY THE REVENUE LAW OF FLORIDA

(To be completed by the Clerk of the Circuit Court's Office)	Clerks Date Stamp
O. R. Book and Page Number and File Number	
Date Recorded	

PREPARED BY AND RETURN TO:
BRANDON J. RAFOOL, ESQUIRE
Post Office Box 7286
Winter Haven, Florida 33883-7286

QUIT CLAIM DEED

THIS QUIT CLAIM DEED, Executed this 1st day of April, 2002, by JAMES O. VAUGHN and MARGARET S. HANKIN, d/b/a CITRUS HIGHLANDS, first party, whose address is Post Office Box 2898, Winter Haven, Florida 33883-2898, to PINECREST RANCHES, INC., second party, whose address is Post Office Box 2898, Winter Haven, Florida 33883-2898.

WITNESSETH, That the said first party, for and in consideration of the sum of Ten Dollars (\$10.00), in hand paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quit-claim unto the said second party in and to the following described property lying and being in POLK County, Florida:


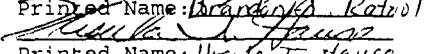
All of the dedicated utility easements and all equipment located therein and thereon, including without limitation, all water utility equipment pipes, pumps and wells, shown on the plat of Citrus Highland Phase II, Plat Book 83, Page 23 and Citrus Highland Phase III, Plat Book 87, Page 13 and Citrus Highland Phase IV, Plat Book 88, Page 45 together with all personal property of all kinds presently in the possession of Pinecrest Ranches, Inc. which is associated with the operation of Pinecrest Ranches, Inc. water supply system in those subdivisions.

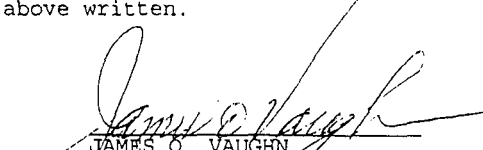
THIS INSTRUMENT WAS PREPARED FROM INFORMATION FURNISHED BY THE PARTIES, NO TITLE ASSURANCE WAS REQUESTED NOR GIVEN.


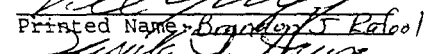
TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever of the said first party, either in law or equity, to the only proper use, benefit and behoof of the said second party forever.

IN WITNESS WHEREOF, The Said first party has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:


Printed Name: Brandon J. Rafool

Printed Name: Ursula T. Hause


JAMES O. VAUGHN

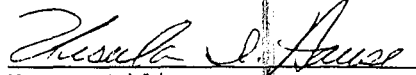

Printed Name: Brandon J. Rafool

Printed Name: Ursula T. Hause


MARGARET S. HANKIN

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me this 1st day of April, 2002, by JAMES O. VAUGHN, who is personally known to me or who has produced _____ as identification and who did (did not) take an oath.



Ursula T. Hause
MY COMMISSION # CC989562 EXPIRES
February 14, 2005
BONDED THRU TROY FARM INSURANCE, INC.


Notary Public
My Commission Expires:

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me this 1st day of April, 2002, by MARGARET S. HANKIN, who is personally known to me or who has produced FLDL as identification and who did (did not) take an oath.


Ursula T. Hause
MY COMMISSION # CC989562 EXPIRES
February 14, 2005
BONDED THRU TROY FARM INSURANCE, INC.


Notary Public
My Commission Expires: