

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of)
LITTLE SUMTER UTILITY COMPANY)
for extension of water and)
wastewater service in Marion and)
Sumter Counties, Florida.)
_____)

Docket No. 020909-WS

APPLICATION FOR AMENDMENT TO
CERTIFICATE OF AUTHORIZATION

LITTLE SUMTER UTILITY COMPANY, ("LSU"), by and through its undersigned attorneys, and pursuant to Section 367.045(2), Florida Statutes, and Rule 25-30.036, Florida Administrative Code, files this Application for Amendment of Certificates 500-S and 580-W to extend its water and wastewater service area, and in support thereof states:

1. The exact name of the Company and the address of its principal business office is:

LITTLE SUMTER UTILITY COMPANY
1100 Main Street
The Villages, Florida 32159
(352)753-2270

2. The name and address of the person authorized to receive notices and communications in respect to this application is:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
650 S. North Lake Boulevard, Suite 420
Altamonte Springs, FL 32701
(407)830-6331
(407)830-8522 fax
mfriedman@rsbattorneys.com

DOCUMENT NUMBER DATE

08828 AUG 21 8

FPSC-COMMISSION CLERK

3. To the best of Applicant's knowledge, the provision of water and wastewater service to this property by LSU is consistent with the Marion and Sumter County Comprehensive Plans at the time the application is filed, as approved by the Department of Community Affairs.

4. Attached as Composite Exhibit "A" are copies of the instruments confirming LSU's right to use the property upon which its water and wastewater plants are located.

5. A description of the territory proposed to be served, using township, range and section references is attached hereto as Exhibit "B".

6. LSU will serve this property with its existing water and wastewater treatment plants. The capacities of existing lines and treatment facilities is set forth on Exhibit "C" attached hereto.

7. A detailed map showing township, range and section with the proposed territory plotted thereon are attached as Exhibit "D".

8. A detailed map showing existing lines and facilities is attached hereto as Exhibit "E".

9. Attached as Exhibit "F" is a schedule of the water and wastewater permits issued to LSU.

10. LSU has both the financial and technical ability to render reasonably sufficient, adequate and efficient service. Attached as Exhibit "G" are copies of the most recent Financial Statements of LSU.

With response to its technical ability, LSU has an operations agreement with Operations Management International to operate, maintain and manage the utility facilities and equipment. There are no outstanding Consent Orders or Notices of Violation from DEP. Its regulatory accountants are Cronin, Jackson, Nixon & Wilson, CPAs, and its attorneys are the law firm of Rose, Sundstrom & Bentley, LLP, both of the whom are the preeminent firms in their respective disciplines in the regulation of water and wastewater utilities in Florida.

11. The construction of the collection system will be financed by internally generated funds and service availability charges. See Exhibit "H" attached hereto.

12. The territory to be served will consist of commercial development. The commercial development will consist of churches, offices, retail stores, and restaurants.

13. There will be no material impact as LSU's monthly rates or service availability charges in the short term. The addition of these new customers will allow additional economies of scale which will allow LSU to continue to operate under its existing rate structure.

14. Attached as Exhibit "I" to the original Application are the original and two copies of the revised tariff sheets reflecting the additional service area. A copy of the revised tariff sheets is attached to each copy of the Application.

15. Attached as Exhibit "J" is 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 territory proposed to be served is located;
- (2) the privately owned water utility that holds a certificate granted by the Public Service Commission and that is 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.

16. Late Filed Exhibit "K" will be 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 property owner in the proposed territory.

17. Late Filed Exhibit "L" will be an affidavit that the notice of application was published once a week 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 will accompany the affidavit.

18. In accordance with Section 367.045(2)(c), Florida Statutes, attached hereto as Exhibit "M" is an Affidavit that LSU has on file with the PSC a tariff and annual reports.

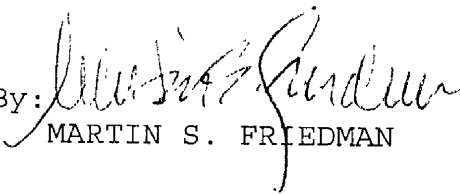
19. LSU's rates were last established based upon the application of the 2000 price index and pass-through on June 12, 2001, pursuant to file WS-01-0020. LSU's last general rate case (including establishment of service availability charges) was in connection with obtaining its original certificates in Docket No. 960305-WS resulting in Order No. PSC-96-1132-FOF-WS.

20. Original Certificates 500-S and 580-W were filed in Docket No. 020148-WS which was recently concluded, and the Certificates have not yet been returned to Applicant.

21. The extension will serve less than 500 water ERCs and less than 500 wastewater ERCs so the appropriate filing fee is \$1,000, which is attached.

Respectfully submitted on this
21st day of August, 2002, by:

ROSE, SUNDSTROM & BENTLEY, LLP
650 S. North Lake Boulevard
Suite 420
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By: 
MARTIN S. FRIEDMAN

lsu (Little Sumter)\extension.app
August 20, 2002

13.00
2.00 T.F.
70 Doc.
15.70

THIS DOCUMENT PREPARED BY/RETURN TO:
R. DEWEY BURNSED/attv
McLin, Burnsed, Morrice, Johnson, Newman & Roy, P.A.
Post Office Box 1299
Lady Lake, Florida 32159

SARA H. JASON
CLERK OF CIRCUIT COURT
FLORIDA

96 OCT 11 AM 10 13

RECORDED IN
PUBLIC RECORDS
SUMNER COUNTY, FLA.

301950

Notary Public
Renee B. Dix
Notary Public
State of Florida
My Commission Expires 10-19-99
Serial/Commission Number 4620166

WARRANTY DEED

THIS INDENTURE, made this 11th day of October, 1998, between THE VILLAGES OF LAKE-SUMNER, INC., a Florida corporation, whose post office address is 1100 Main Street, Lady Lake, Florida 32159, grantor, and LITTLE SUMNER UTILITY COMPANY, a Florida corporation, whose post office address is 1100 Main Street, Lady Lake, Florida 32158, grantee,

WITNESSETH, that said grantor, for and in consideration of the sum of TEN AND NO/100—(\$10.00)—Dollars, and other good and valuable considerations to said grantor in hand paid by grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate and being in Sumner County, Florida, to-wit:

Parcel ID No: D01-200

As set forth on attached Exhibit "A".

Subject to easements and reservations of record, if any, but this instrument shall not operate to reimpose the same.

and said grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered
in our presence:

The Villages of Lake-Summer, Inc.

Renee B. Dix
(Signature of Witness)

By: H. Gary Morza
H. Gary Morza, Vice President

Renee B. Dix
(Print Name of Witness)

Rebecca Billings
(Signature of Witness)

[CORPORATE SEAL]

Rebecca Billings
(Print Name of Witness)

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 7th day of October, 1998, by H. Gary Morza, the Vice President of The Villages of Lake-Summer, Inc., a Florida corporation.

Renee B. Dix
NOTARY PUBLIC - STATE OF FLORIDA
(Signature of Notary Public)

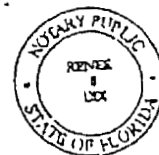
Renee B. Dix
(Print Name of Notary Public)

My Commission Expires: 10-19-99

Serial/Commission Number: 4620166

Personally Known or Produced Identification

Type of Identification Produced: _____



OFFICIAL NOTARY SEAL
COMMISSION NO. 4620166
COMMISSION EXP. OCT 19, 1999

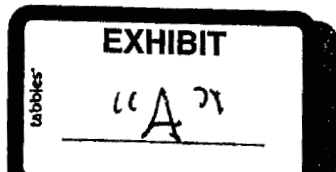
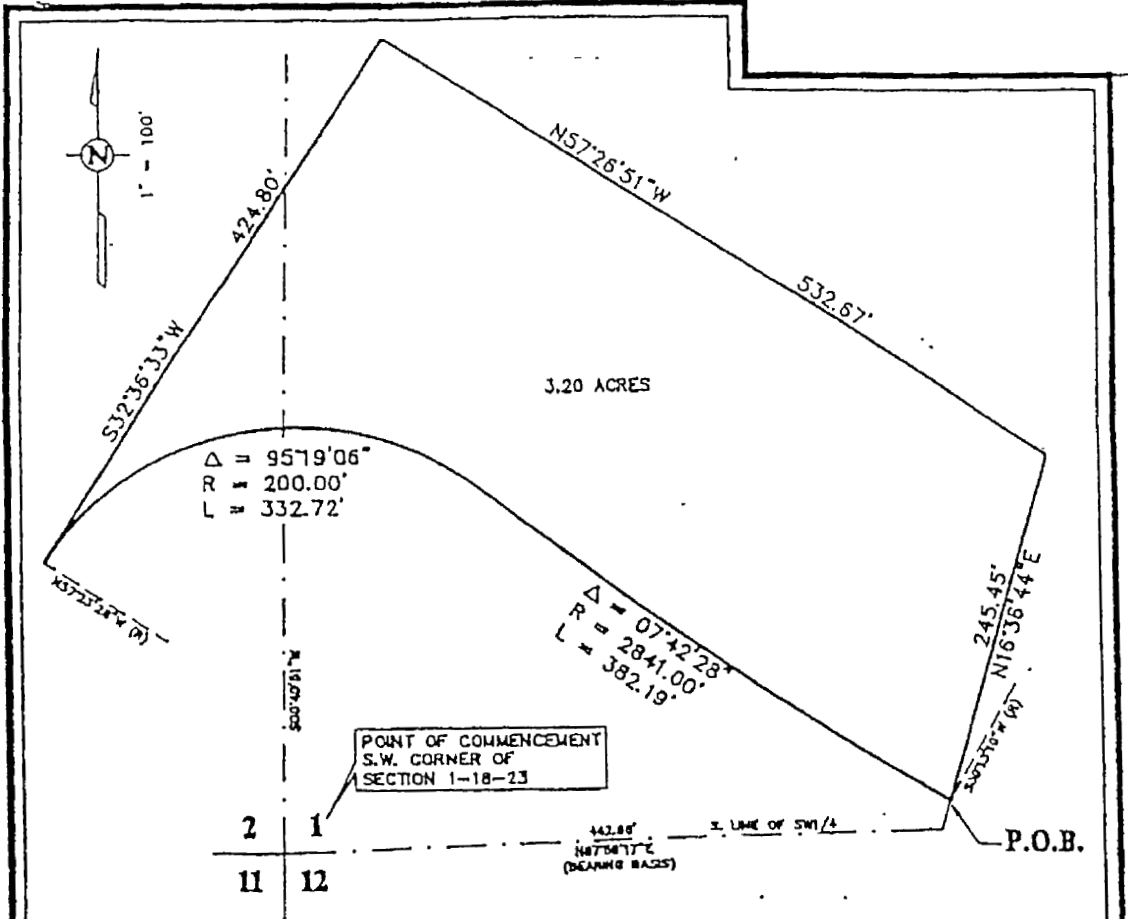


Exhibit "A"

RL 708 PAGE 764



SKETCH FOR DESCRIPTION

(NOT A FIELD SURVEY)

LITTLE SUMTER UTILITIES, INC.
WATER TREATMENT FACILITY

A PARCEL OF LAND IN SECTIONS 1 AND 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF AFORESAID SECTION 1; THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SECTION 1 RUN N67°55'17\"/>

NOTES

- UNLESS IT BEARS THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER, THIS MAP/REPORT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.
- BEARINGS ARE BASED ON AN ASSUMED MERIDIAN.

P.O.B.	POINT OF BEGINNING
(R)	RADIAL
Δ	CENTRAL ANGLE
L	ARC LENGTH
R	RADIUS
P.S.M.	PROFESSIONAL SURVEYOR/MAPPER

I HEREBY CERTIFY THIS SKETCH MEETS THE MINIMUM TECHNICAL STANDARDS OF THE FLORIDA ADMINISTRATIVE CODE RULE 81G17-8.

William S. Barley
 WILLIAM S. BARLEY, P.S.M., NO. 3318
 STATE OF FLORIDA

CLIENT	CRAMPTON & OZBURN
JOB NO.	821141.043
DATE	SEPT. 20, 1998
ACAD	MELLSTRÖM
DRAWN	KJ
CHECKED	WCB

FARNER BARLEY AND ASSOCIATES, INC.
 ENGINEERS
 SURVEYORS
 PLANNERS

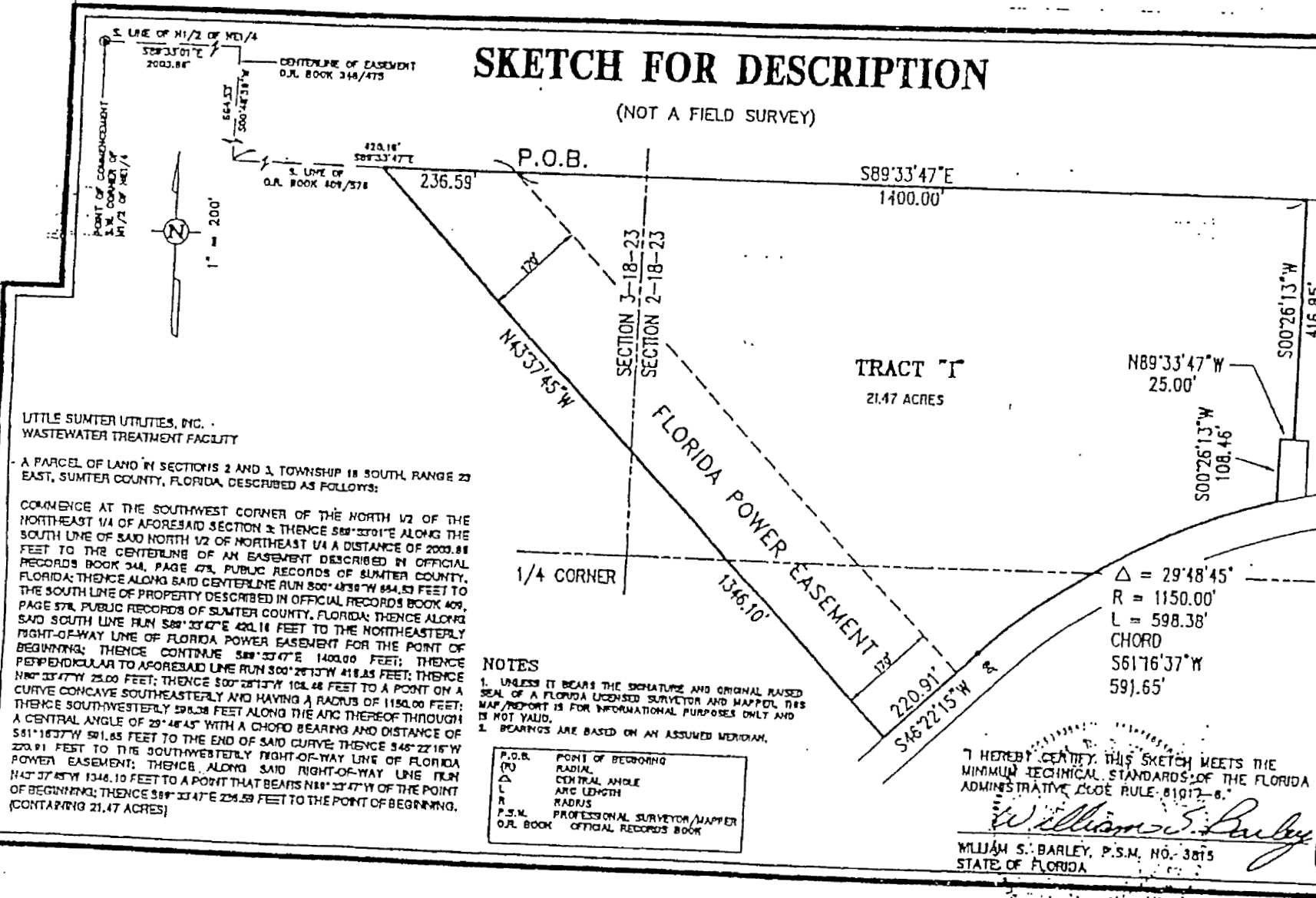
340 NORTH PENNSAVER AVENUE • TAVANEE, FL 32778 • (864) 343-8481

REC. 08 PAGE 765

Exhibit "A"

SKETCH FOR DESCRIPTION

(NOT A FIELD SURVEY)



LITTLE SUMNER UTILITIES, INC. WASTEWATER TREATMENT FACILITY

A PARCEL OF LAND IN SECTIONS 2 AND 3, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMNER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF AFORESAID SECTION 2; THENCE $S89^{\circ}33'01''E$ ALONG THE SOUTH LINE OF SAID NORTH 1/2 OF NORTHEAST 1/4 A DISTANCE OF 2000.81 FEET TO THE CENTERLINE OF AN EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 344, PAGE 478, PUBLIC RECORDS OF SUMNER COUNTY, FLORIDA; THENCE ALONG SAID CENTERLINE RUN $S00^{\circ}48'59''W$ 854.53 FEET TO THE SOUTH LINE OF PROPERTY DESCRIBED IN OFFICIAL RECORDS BOOK 409, PAGE 578, PUBLIC RECORDS OF SUMNER COUNTY, FLORIDA; THENCE ALONG SAID SOUTH LINE RUN $S89^{\circ}33'47''E$ 420.16 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF FLORIDA POWER EASEMENT FOR THE POINT OF BEGINNING; THENCE CONTINUE $S89^{\circ}33'47''E$ 1400.00 FEET; THENCE PERPENDICULAR TO AFORESAID LINE RUN $S00^{\circ}26'13''W$ 416.85 FEET; THENCE $N89^{\circ}33'47''W$ 25.00 FEET; THENCE $S00^{\circ}26'13''W$ 108.46 FEET TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1150.00 FEET; THENCE SOUTHWESTERLY 598.38 FEET ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF $29^{\circ}48'45''$ WITH A CHORD BEARING AND DISTANCE OF $S81^{\circ}18'37''W$ 501.85 FEET TO THE END OF SAID CURVE; THENCE $S48^{\circ}22'15''W$ 220.91 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF FLORIDA POWER EASEMENT; THENCE ALONG SAID RIGHT-OF-WAY LINE RUN $N45^{\circ}37'45''W$ 1346.10 FEET TO A POINT THAT BEARS $N18^{\circ}22'47''W$ OF THE POINT OF BEGINNING; THENCE $S89^{\circ}33'47''E$ 224.59 FEET TO THE POINT OF BEGINNING. (CONTAINING 21.47 ACRES)

NOTES

- UNLESS IT BEARS THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER, THIS MAP/REPORT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.
- BEARINGS ARE BASED ON AN ASSUMED MERIDIAN.

P.O.B.	POINT OF BEGINNING
(R)	RADIUS
Δ	CENTRAL ANGLE
L	ARC LENGTH
R	RADIUS
P.S.M.	PROFESSIONAL SURVEYOR/MAPPER
O.L. BOOK	OFFICIAL RECORDS BOOK

I HEREBY CERTIFY THIS SKETCH MEETS THE MINIMUM TECHNICAL STANDARDS OF THE FLORIDA ADMINISTRATIVE CODE RULE 81017-8.

William S. Barley
 WILLIAM S. BARLEY, P.S.M. NO. 3815
 STATE OF FLORIDA

ENGINEERS
 SURVEYORS
 PLANNERS

FARNEY BARLEY AND ASSOCIATES, INC.

300 NORTH BIRCHWOOD AVENUE • TAVANCO, FL 32778 • (904) 343-4444

CLIENT	GRANT & OZUNO
JOB NO.	23141.003
DATE	SEPT. 26, 1984
ACAD	WSP/LJM
DN. IN	KJ
CHECKED	WOB

THIS DOCUMENT PREPARED BY/RETURN TO:
Steven M. Roylger
McLin, Burns, Morrison, Johnson, Newman & Roy, P.A.
P. O. Box 491357
Lecsburg, FL 34749-1357

Parcel Identification No. D10-002

BY: *[Signature]*
CLERK OF CIRCUIT COURT
GLORIA R. HAYWARD

98 FEB 2 AM 8 30

RECORDED IN
PUBLIC RECORDS
SUMTER COUNTY, FLA.

323611

QUIT CLAIM DEED

THIS QUIT CLAIM DEED, executed this 29th day of January, 1998, by D. W. MATHEWS, as Trustee, whose post office address is 1100 Main Street, Lady Lake, Florida 32159, Grantor, to LITTLE SUMTER UTILITY COMPANY, a Florida corporation, whose post office address is 1100 Main Street, Lady Lake, Florida 32159, Grantee:

(Wherever used herein, the terms "Grantor" and "Grantee" shall include singular and plural, heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, wherever the context so admits or requires.)

WITNESSETH, That the said Grantor, for and in consideration of the sum of TEN AND NO/100----- (\$10.00)-----Dollars, in hand paid by the said Grantee, the receipt whereof is hereby acknowledged, does hereby remise, release and quit-claim unto the said Grantee forever, all the right, title, interest, claim and demand which the said Grantor has in and to the following described lot, piece or parcel of land, situate, lying and being in the County of Sumter, State of Florida, to-wit:

The East 410 feet of the South 200 feet of the South half of the Southeast quarter of the Southwest quarter of Section 10, Township 18 South, Range 23 East, Sumter County, Florida.

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 Grantor, either in law or in equity, to the only proper use, benefit and behoof of the said Grantee forever.

IN WITNESS WHEREOF, the said Grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered
in our presence:

[Signature: Martin L. Dzurko]

MARTIN L. DZURKO
Printed Name

By: *[Signature: D. W. Mathews]*

D. W. Mathews, Trustee

[Signature: Danielle E. Forward]

Danielle E. Forward
Printed Name

STATE OF FLORIDA
COUNTY OF LAKE

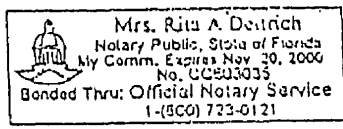
The foregoing instrument was acknowledged before me this 29th day of January, 1998, by D. W. Mathews, as Trustee, who did not take an oath.

[Signature: Mrs. Rita A. Deitrich]

NOTARY PUBLIC - STATE OF FLORIDA
(Signature of Notary Public)

[Signature: Mrs. Rita A. Deitrich]

(Print Name of Notary Public)
My Commission Expires: Nov. 20, 2000
Personally Known or Produced Identification
Type of Identification Produced: _____



6.15.00
7.17.00
21.00 DS
3.00 CC

DAVID R. ELLSPERMANN, Clerk of Circuit Court
FILE: 2000-055849
DATE: 06/15/00 16:14
OR BOOK/PAGE: 2805 / 1099
MARION COUNTY

THIS INSTRUMENT PREPARED BY/RETURN TO:
Steven M. Roy/ahs
McIn, Burns & Morrison, Johnson,
Newman & Roy, P.A.
Post Office Box 491357
Laudersburg, Florida 34749-1357

Deed Doc Stamps 21.00 PAID

06/15/00 MARION COUNTY - *Thak*

Parcel Identification No.

WARRANTY DEED

THIS INDENTURE made this 15 day of June 2000, between The Villages of Lake-Sumter, Inc., a Florida corporation, whose address is 1100 Main Street, The Villages, Florida 32159, grantor*, and Little Sumter Utility Company, a Florida corporation, whose address is 1100 Main Street, The Villages, Florida 32159 grantee*,

WITNESSETH, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable considerations to said grantor in hand paid by grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate and being in Marion County, Florida, to-wit:

SEE ATTACHED EXHIBIT "A"

Subject to restrictions, reservations, easements and limitations of record, if any, provided that this shall not serve to reimpose same, zoning ordinances, and taxes for the current year and subsequent years. Said grantor does hereby fully warrant the title to said land, and will defend that same against the lawful claims of all persons whomsoever.

"Grantor" and "grantee" are used for singular or plural, as context requires.

IN WITNESS WHEREOF, the grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

THE VILLAGES OF LAKE-SUMTER, INC.

Rebecca Billings

By: *Mark G. Morse*
Mark G. Morse, Vice President

Rebecca Billings

Printed Name

Doris A. Trygar

DORIS A. TRYGAR
Printed Name

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 15 day of June, 2000, by Mark G. Morse, Vice President, of The Villages of Lake-Sumter, Inc., a Florida corporation, on behalf of such corporation.

Rebecca Billings

(Notary Seal)

NOTARY PUBLIC - STATE OF FLORIDA
(Signature of Notary Public)

Rebecca Billings

(Print Name of Notary Public)

My Commission Expires: December 10, 2002
CC 766125

Serial/Commission Number

Personally Known or Produced Identification

Type of Identification Produced: _____

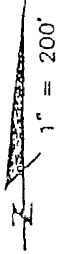


SKETCH OF DESCRIPTION

(NOT A FIELD SURVEY)

FILE: 2000-055849
OR BOOK/PAGE: 2805/1100

2 of 2

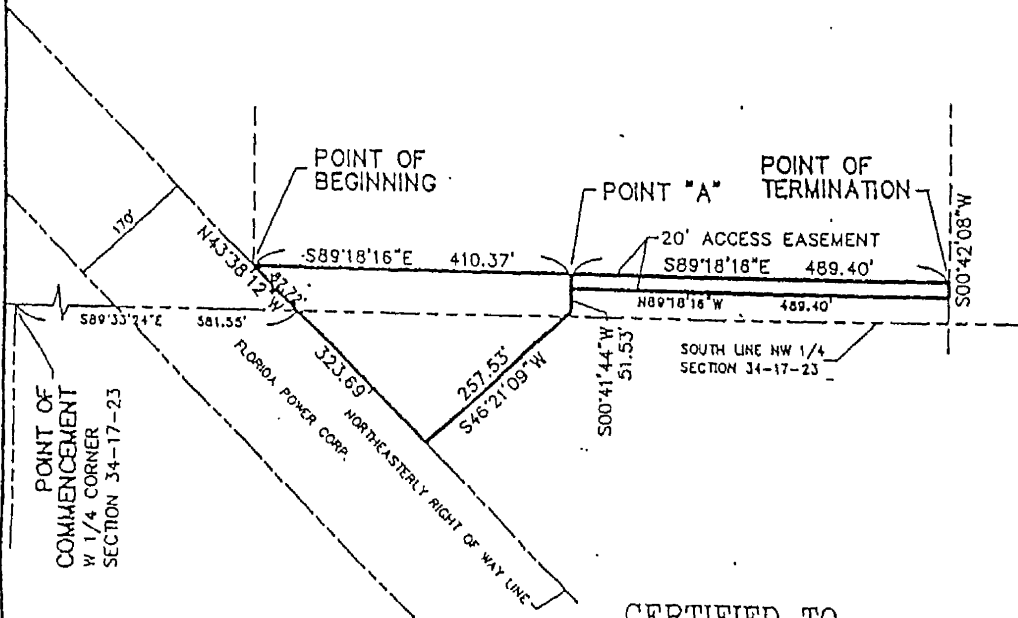


DESCRIPTION LITTLE SUMTER UTILITY MARION COUNTY WATER TREATMENT FACILITY

THAT PORTION OF THE WEST 1/2 OF SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE WEST 1/4 CORNER OF SECTION 34; THENCE S89°33'24"E ALONG THE SOUTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 34 FOR 581.55 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF FLORIDA POWER CORPORATION'S CENTRAL FLORIDA - SILVER SPRINGS TRANSMISSION LINE (170.00 FOOT RIGHT OF WAY); THENCE N43°38'12"W ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE FOR 82.72 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE S89°18'16"E FOR 410.37 FEET TO POINT "A"; THENCE S00°41'44"W FOR 51.53 FEET; THENCE S46°21'09"W FOR 257.53 FEET TO THE AFORESAID NORTHEASTERLY RIGHT OF WAY LINE; THENCE N43°38'12"W ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE FOR 323.69 FEET TO THE POINT OF BEGINNING; CONTAINING 1.20 ACRES, MORE OR LESS.

TOGETHER WITH A 20.00 FOOT WIDE EASEMENT FOR INGRESS/EGRESS LYING 20.00 FEET SOUTHERLY OF, WHEN MEASURED AT RIGHT ANGLES AND PARALLEL WITH, THE FOLLOWING DESCRIBED LINE: BEGIN AT THE AFORESAID POINT "A"; THENCE S89°18'16"E FOR 489.40 FEET TO THE POINT OF TERMINATION, SAID EASEMENT IS BOUNDED ON THE WEST BY A LINE WHICH BEARS S00°41'44"W AND ON THE EAST BY A LINE WHICH BEARS S00°42'08"W.



CERTIFIED TO
THE VILLAGES OF LAKE-SUMTER, INC.

NOTES

1. REPRODUCTIONS OF THIS SKETCH ARE NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
2. CERTIFICATION IS LIMITED TO PARTIES NAMED HEREON.
3. THE SURVEYOR HAS NOT ABSTRACTED THE LANDS SHOWN HEREON FOR RIGHTS OF WAY, EASEMENTS OR OTHER MATTERS OF RECORD.
4. THE DESCRIPTION WAS CREATED AT THE CLIENT'S REQUEST.
5. BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST 1/4 OF SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA, AS BEING S89°33'24"E, AN ASSUMED MERIDIAN.
6. THIS DRAWING DOES NOT CONSTITUTE A BOUNDARY SURVEY.

Kate M. Jameson
KATE M. JAMESON, P.S.M. NO. 7912
LICENSED BUSINESS NO. 470
STATE OF FLORIDA

CLIENT: THE VILLAGES OF LAKE-SUMTER, INC.
JOB NO: 921141.170 ACAD DRAWING NO: LSTRAGT.DWG
DATE: NOVEMBER 2, 1999
REVISIONS: REVISE DESCRIPTION TITLE 11-5-99
REVISE BOUNDARY & DESCRIPTION 11-10-99

**FARNER
BEARLEY
AND ASSOCIATES, INC.**

330 NORTH BRIGLAR AVENUE • TAVARES, FL 32778 • (352) 343-8441

- ▲ ENGINEERS
- ▲ SURVEYORS
- ▲ PLANNERS

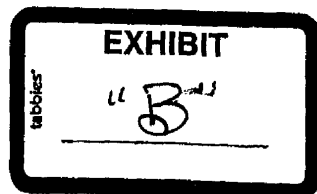
AREA "A"

LEGAL DESCRIPTION

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 17 SOUTH, RANGE 23 EAST, AND RUN THENCE, S89°35'44"E, 448.00 FEET TO THE POINT OF BEGINNING. FROM THE POINT OF BEGINNING THUS DESCRIBED, CONTINUE, S89°35'44"E, 40.00 FEET; THENCE N00°02'19"W, 266.55 FEET, TO A REBAR & CAP; THENCE S89°35'44"E, 164.00 FEET TO A REBAR & CAP; THENCE S00°02'19"E, 266.55 FEET; THENCE S89°35'45"E, 673.52 FEET; THENCE N00°22'12"E, ALONG TH EAST BOUNDARY OF THE WEST 1/2 OF THE SAID NORTHWEST 1/2 OF THE SAID NORTHWEST 1/4, 1290.90 FEET. TO AN INTERSECTION WITH THE SOUTH BOUNDARY OF CHARLES & VICKI COUTURE EXTENDED, AND THE EAST BOUNDARY OF THE WEST 1/2; THENCE S88°47'32"W, 878.62 FEET TO A 4X4 CONCRETE MONUMENT; THENCE S00°02'19" E, 1266.19 FEET TO THE POINT OF BEGINNING.

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 24.76 ACRES, MORE OR LESS.

SUBJECT TO THE RIGHTS OF PUBLIC OVER THE SOUTH 34.5 FEET AND THE EAST 25.0 FEET.



AREA "B"

LEGAL DESCRIPTION

BEGIN AT THE SOUTHEAST CORNER OF THE SE1/4 OF THE SW1/4 OF THE SE1/4 OF SECTION 29, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA; THENCE RUN WESTERLY TO THE SOUTHWEST CORNER OF SAID SE1/4 OF THE SW1/4 OF THE SE1/4; THENCE RUN NORTHERLY TO THE NORTHWEST CORNER OF SAID SE1/4 OF THE SW1/4 OF THE SE1/4; THENCE RUN EASTERLY TO THE NORTHEAST CORNER OF SAID SE1/4 OF THE SW1/4 OF THE SE1/4; THENCE RUN SOUTHERLY TO THE POINT OF BEGINNING.

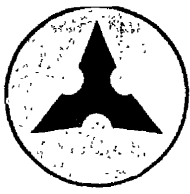
AREA "C"

LEGAL DESCRIPTION

THAT PORTION OF THE NORTHEAST 1/4 OF SECTION 1, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, ALL LYING EASTERLY OF THE NORTHEASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 27 AND 441 (A 200 FOOT RIGHT-OF-WAY), BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE 1/4 SECTION CORNER OF THE NORTH BOUNDARY OF SAID SECTION 1 AND RUN S89°51'03"E, ALONG THE NORTH LINE THEREOF 1034.53 FEET; THENCE S48°12'55"W, 1332.19 FEET TO THE SAID RIGHT-OF-WAY FOR U.S. 441-27 AND THE POINT OF BEGINNING; RUN THENCE N48°12'55"E, A DISTANCE OF 1160.64 FEET; THENCE S41°44'34"E, A DISTANCE OF 101.69 FEET; THENCE S89°49'44"E, A DISTANCE OF 158.84 FEET; THENCE S00°08'32"W, A DISTANCE OF 79.46 FEET; THENCE S89°50'58"E, A DISTANCE OF 714.60 FEET; THENCE S00°05'19"W, A DISTANCE OF 660.95 FEET; THENCE N89°46'03"W, A DISTANCE OF 19.19 FEET; THENCE S00°11'47"W, A DISTANCE OF 255.24 FEET; THENCE N89°45'03"W, A DISTANCE OF 32.48 FEET; THENCE S48°13'08"W, A DISTANCE OF 1006.70 FEET; THENCE S28°13'08"W, A DISTANCE OF 44.02 FEET TO A POINT OF CURVATURE, CONCAVE NORTHWESTERLY AND TO THE RIGHT-OF-WAY, SAID CURVE HAVING A RADIUS OF 175.00 FEET; A CENTRAL ANGLE OF 20°00'33", A CHORD BEARING OF S38°13'31"W, A CHORD DISTANCE OF 60.80 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 61.11 FEET TO A NON-TANGENT POINT ON THE AFORESAID RIGHT-OF-WAY LINE U.S. 441-27; THENCE N41°44'34"W, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 1417.40 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 45.500 ACRES, MORE OR LESS.



VIA HAND DELIVERY
July 22, 2002

Mr. Trey Arnett
GRANT AND DZURO
1100 Main Street
The Villages, Florida 32159

RE: LITTLE SUMTER UTILITY COMPANY - PSC RESPONSE
(FBA #921141.185)

Dear Mr. Arnett:

Enclosed please find the following with regards to the above-referenced service area expansion:

Question No. 9

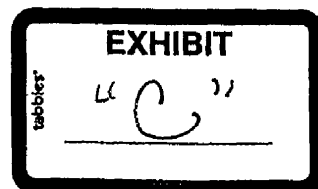
A statement describing the capacity of the existing lines, capacity of the treatment facilities and design capacity of the proposed extension.

The existing water and wastewater service lines located adjacent to the expansion area have sufficient capacity to service the anticipated flows generated by the new service area.

A capacity analysis of the existing water and wastewater treatment facilities are tabulated below:

LSU WATER SYSTEM

CURRENT FLOWS MAX. DAY DEMAND (MGD)	CURRENT PERMITTED CAPACITY (MGD)	% OF CURRENT CAPACITY UTILIZED	NEW SERVICE AREA FLOW MAX. DAY DEMAND (MGD)
6.442	12.900	50%	0.091



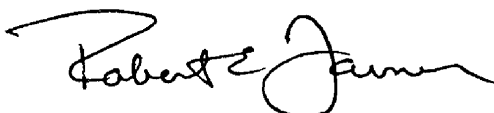
LSU WASTEWATER TREATMENT FACILITY

CURRENT FLOW THREE MONTH AVG. (MGD)	CURRENT PERMITTED CAPACITY (MGD)	% OF CURRENT CAPACITY	NEW SERVICE AREA FLOW (MGD)
0.852	1.80	47%	0.069

Based on the fact that the present Little Sumter Utility Company Service Area Population represents 57% of the anticipated total population and the current potable water system and wastewater treatment systems are only at 50% and 47% of their permitted capacity respectively, it is evident that sufficient water and wastewater system capacity is available to service the new service area expansion.

Should you have any questions regarding this matter, please feel free to contact our office.

Sincerely,
FARNER, BARLEY & ASSOCIATES, INC.

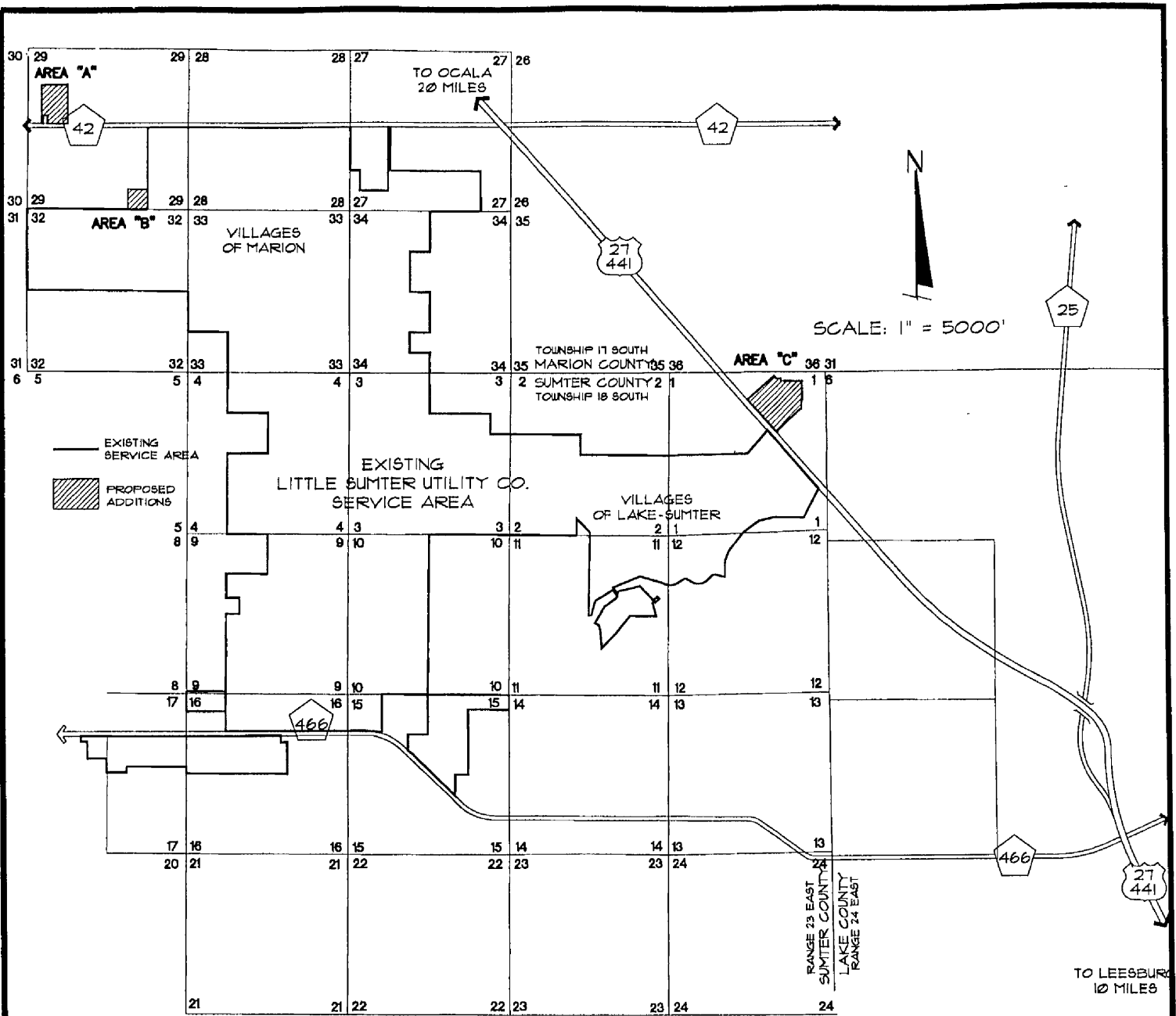


Robert E. Farner, P.E.
bfarner@farnbarley.com

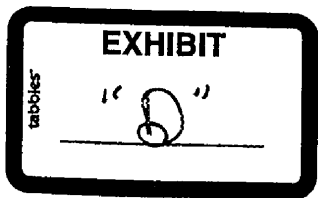
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Enclosures

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LITTLE SUMTER UTILITY COMPANY FLORIDA PUBLIC SERVICE COMMISSION SERVICE AREA

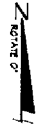


FARNER BARLEY
AND ASSOCIATES, INC.
380 North Sinder Avenue • Tequesta, Florida 32778 • (352) 343-8461

- ▲ ENGINEERS
- ▲ SURVEYORS
- ▲ PLANNERS

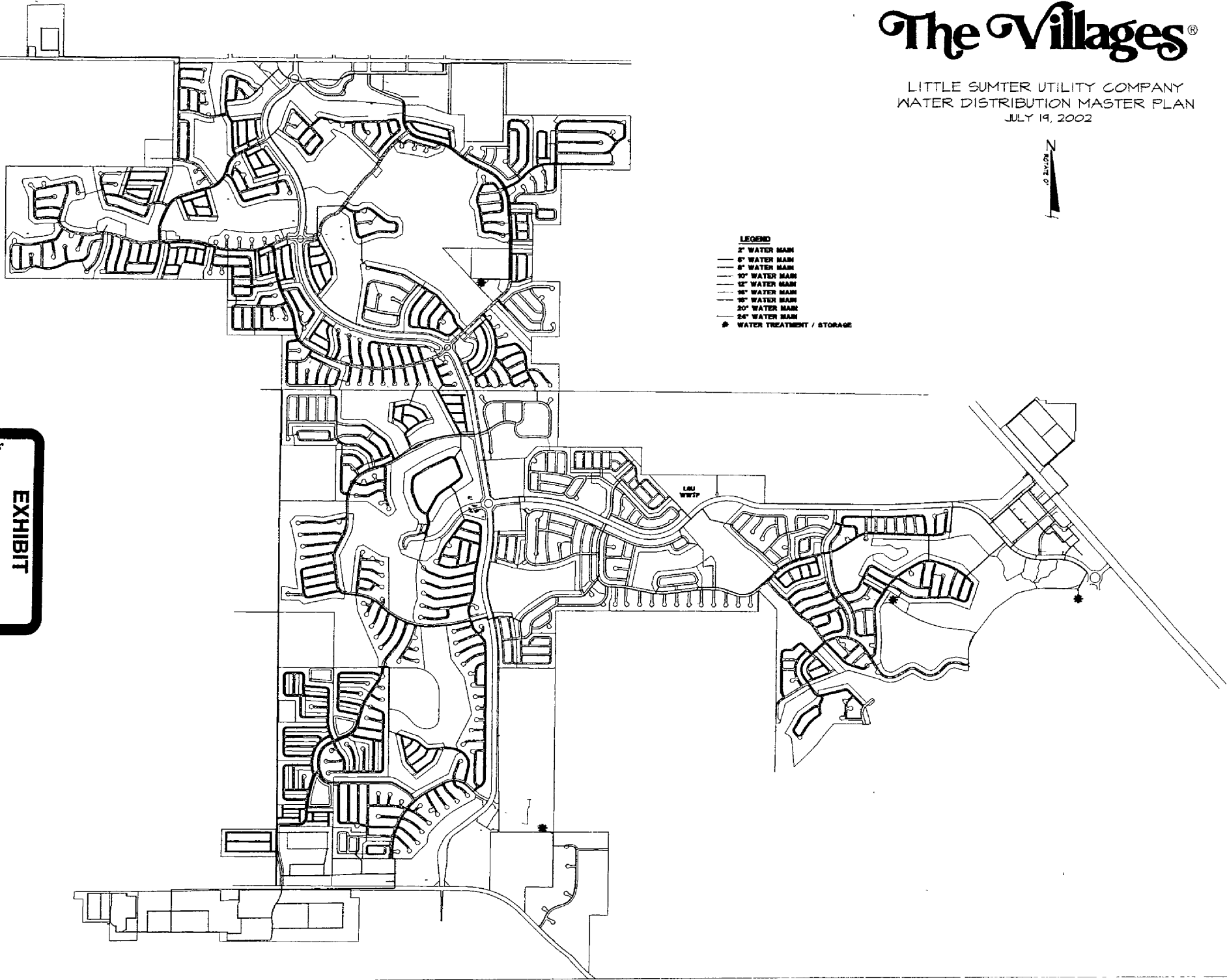
The Villages®

LITTLE SUMNER UTILITY COMPANY
WATER DISTRIBUTION MASTER PLAN
JULY 19, 2002



LEGEND

- 2" WATER MAIN
- 6" WATER MAIN
- 8" WATER MAIN
- 10" WATER MAIN
- 12" WATER MAIN
- 16" WATER MAIN
- 18" WATER MAIN
- 20" WATER MAIN
- 24" WATER MAIN
- WATER TREATMENT / STORAGE

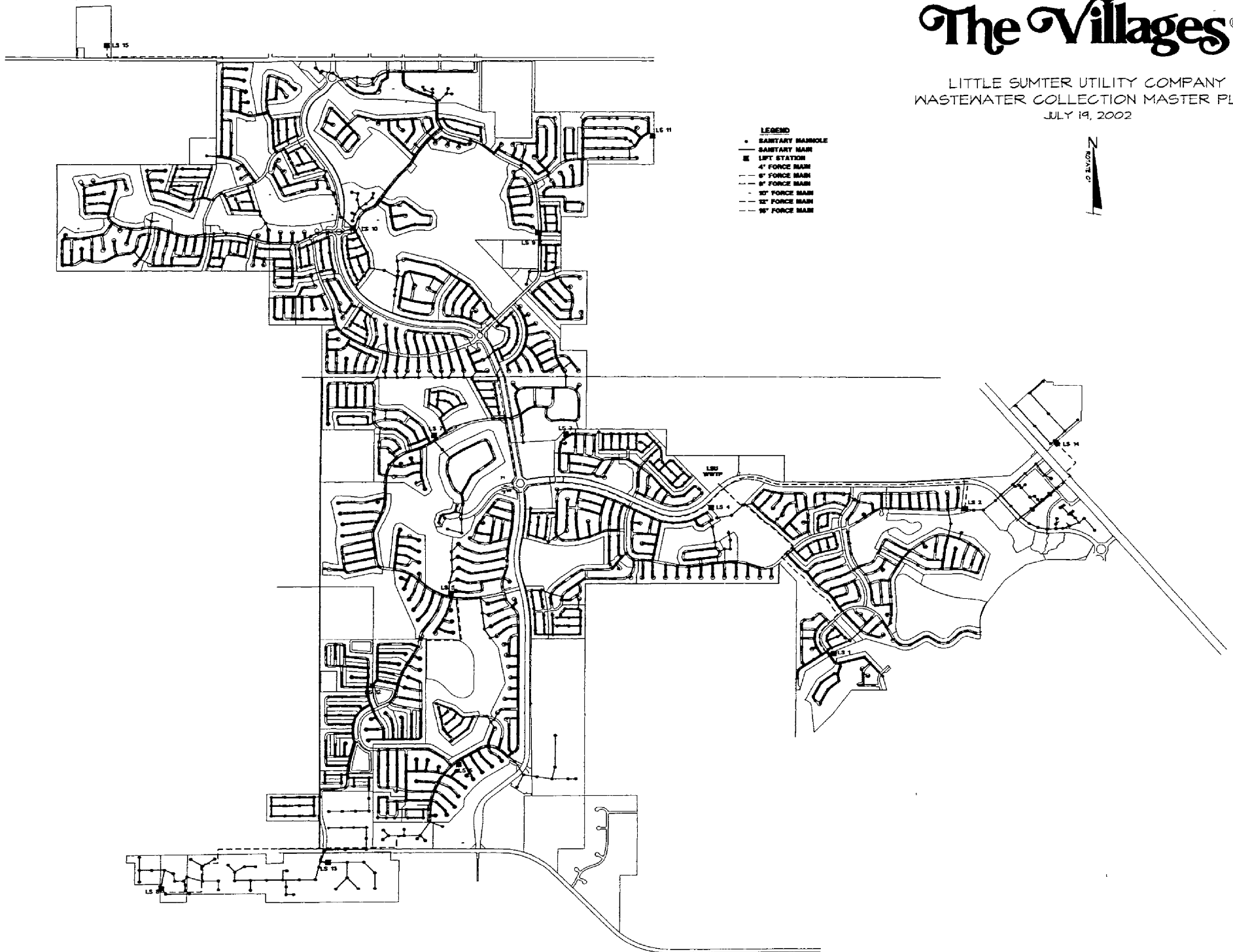


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EXHIBIT
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The Villages®

LITTLE SUMTER UTILITY COMPANY
WASTEWATER COLLECTION MASTER PLAN
JULY 19, 2002

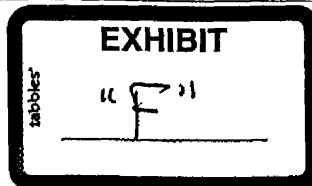
- LEGEND**
- SANITARY MANHOLE
 - SANITARY MAIN
 - LIFT STATION
 - 4" FORCE MAIN
 - 6" FORCE MAIN
 - 8" FORCE MAIN
 - 10" FORCE MAIN
 - 12" FORCE MAIN
 - 16" FORCE MAIN



Little Sumter Utility Company
Water & Wastewater Permit Summary

LSU Water Treatment Facilities	Permit Number	Date of Issue
Elevated Storage Tank	DS60-293616	09/26/96
Water Treatment Facility #1	WC60-303298	05/15/97
Water Treatment Facility #2	142667-001-WC17	08/03/98
Water Treatment Facility #1 Capacity Increased	0126878-011-WCTO	04/07/99
Water Treatment Facility #3	126878-036	02/22/00
Water Treatment Facility #4 (PA #126878-044)	0126878-044	09/06/00

Water Distribution	Permit Number	Date of Issue
El Camino Real/Buena Vista Boulevard	WD35-292346	08/19/96
Villages of Sumter - Unit 18	WD35-293538	09/11/96
Villages of Sumter - Unit 19	WD35-293543	09/11/96
Villages of Sumter - Unit 20	WD35-293546	09/11/96
Villa Vera Cruz	WD35-293551	09/12/96
Villages of Sumter - Unit 21	WD35-293548	09/13/96
ACLF	WD35-299940	02/14/97
Glen Hollow Farms "Dry Line"	WC60-298206	02/19/97
El Diablo Golf Course (f/k/a El Santiago Golf Course)	WD35-301929	03/25/97
Villages of Sumter - Unit 24	WD35-302488	04/07/97
Villa De Leon	WD35-302491	04/07/97
D.W. Mathews Polo Fields "Dry Line"	DS60-303641	04/23/97
Villages of Sumter - Unit 23 Phase I	WD35-304722	05/12/97
Villages of Sumter - Unit 22	WD35-306108	05/28/97
Unit 22 Modification (PATS #0080513-007)	" "	12/16/97
Villa Del Canto	WD35-306894	06/23/97
Villa Santo Domingo	WD35-306946	06/26/97
Villa De La Ramona	WD35-307066	06/27/97
Villages of Sumter - Unit 25	WD35-307880	07/11/97
Unit 25 Mod. (PATS #0080513-006)	" "	12/16/97
Villages of Sumter - Unit 26	WD35-307875	07/11/97
Unit 26 Modification	" "	No Revised Permit
El Camino R.V. Storage Complex	WD308080	07/14/97
Villages of Sumter - Unit 23	WD35-307110	07/24/97
Temp Villages Medical Center	WD35-0080513-005-DS	10/27/97
Villages of Sumter - Unit 27	126878-002-DSC	12/15/97
Villages of Sumter - Unit 28	126878-002-DSC	12/15/97
Unit 28 Modification (PA #0126878-010-DSC)	0126878-002A-DSC	08/05/98
Villages of Sumter - Unit 29	126878-002-DSC	12/15/97
Villa San Leandro	126878-002-DSC	12/15/97
Villa San Leandro Mod. (PA #0126878-010-DSC)	0126878-002A-DSC	08/05/98
Villa La Crescenta	126878-002-DSC	12/15/97
Convenience Store (@ Buenos Aires Blvd.)**	WD35-0080513-010	01/27/98
El Santiago Clubhouse & Recreation Center	126876-003	01/28/98
The Villages Regional Medical Center - Phases II & III	WD35-0080513-013	03/04/98
The Villages of Sumter - Unit 32	0126878-005-DSC	05/07/98
The Villages of Sumter - Unit 31	0126878-004-DSC	05/07/98
The Villages of Sumter - Spanish Plains	WD35-0080513-016	05/29/98
D.W. Mathews Polo Fields "Dry Line" Transfer to LSU*	0126878-008-WCTO	05/12/98
Glen Hollow Farms Water System Transfer to LSU	App. 0126878-006	Withdrawn
The Villages of Sumter - Unit 30 & Villa Escandido	0126878-007-DSC	06/11/98
The Villages - Units 33 & 34	0126878-009-DSC	07/10/98
The Villages - Unit 36 "Dry Line"	0126878-012-DSC	09/22/98
Unit 36 "Dry Line" Mod. (PA #0126878-018-WCMM)	0126878-012-DSC-A	04/02/99
The Villages - Unit 35	0126878-013-DSC	10/16/98
The Villages - Villa Berea (137 Lots)(Dry Line)	0126878-015-DSC	02/05/99
The Villages - Units 37 & 38	0126878-014-DSC	03/02/99
The Villages of Sumter - Talley Ridge Drive***	0126878-016-DSC	03/08/99
Talley Ridge Extension (Mod. PA #0126878-027)	0126878-016-DSC-A	06/24/99
The Villages Regional Medical Center - Phase IV	0126878-017-DSC	03/23/99



Little Sumter Utility Company
Water & Wastewater Permit Summary

Water Distribution (Continued)	Permit Number	Date of Issue
The Savannah Center (f/k/a Buena Vista Center)	0126878-019-DSC	04/07/99
Saddlebrook Club	0126878-020-DSC	05/12/99
Walgreens Drug Store	0126878022-DSC	04/29/99
Talley Circle Raw Water Transmission Main	0126878-021-DSC	05/18/99
Glenview Golf & Country Club	0126878-023-DSC	04/28/99
Villa Valdosta	0126878-024-DSC	07/15/99
The Villages - Unit 40	0126878-025-DSC	07/19/99
The Villages - Unit 41 (Dry Line)	0126878-026-DSC	07/06/99
Albertson's @ The Villages	0126878-029-DSC	08/04/99
The Villages Sales Center	0126878-028-DSC	07/28/99
Sales Center Modification (PA #0126878-050)	0126878-028-DSC-A	08/29/00
The Villages - Villa Natchez	0126878-030-DSC	08/10/99
Villa St. Simons @ The Villages	0126878-031-DSC	08/10/99
Charter School @ The Villages	0126878-032-DSC	10/7/99
Charter School Modification (No PATS #)	" "	No Revised Permit
Charter School Modification (App. 6/15/01)		
The Villages - Unit 39	0126878-033-DSC	11/23/99
The Villages - Unit 43	0126878-034-DSC	12/17/99
Sunbury Place (The Villages - Unit 42)	0126878-035-DSC	12/29/99
The Villages - Unit 41 Resubmittal	0126878-037-DSC	01/21/00
The Villages - Villa Alexandria	0126878-038-DSC	02/16/00
Brooks, Wiley, Young, Padgett & Kleiser, P.A.**	0126878-039-DSGP	02/25/00
The Villages - Villa Mizner	0126878-040-DSC	03/22/00
Citizens First Bank @ Spanish Plaines	0126878-041-DSC	05/25/00
VRMC Hospital	0126878-043-DSC	06/29/00
First Village Realty @ Spanish Plaines**	0126878-045-DSGP	06/27/00
Buena Vista Blvd. & Belle Meade Circle****	0126878-042-DSC	06/28/00
Buena Vista/Belle Meade Mod. (PA #126878-051)	0126878-042-DSC-A	10/16/00
The Villages - Unit 41-A	0126878-046-DSC	08/22/00
The Villages - Fairlawn Villas	0126878-047-DSC	09/28/00
The Villages - Pinecrest Villas (Dry Line)	0126878-049-DSC	09/14/00
The Villages - Unit 47	0126878-048-DSC	09/05/00
Belle Meade Circle & Bonnybrook**** (Dry Line)	0126878-052-DSC	11/15/00
Buena Vista/Belle Meade Mod. (PA #126878-60)	0126878-052A-DSC	03/27/01
Construction & Center District Offices	0126878-053-DSC	10/31/00
The Villages - Unit 49 (Dry Line)	0126878-055-DSC	01/31/01
The Villages - Carriage Houses at Glenview	0126878-057-DSC	01/31/01
Bonnybrook Golf Maintenance Facility	0126878-056-DSC	01/31/01
The Villages - Ivystone Villas (Dry Line)	0126878-058-DSC	02/07/01
Nancy's Legacy Golf & Country Club (Dry Line)	0126878-059-DSC	03/21/01
The Villages - Unit 55	0126878-062-DSC	04/23/01
The Villages - Greenbriar Villas	0126878-061-DSC	04/23/01
The Villages - Unit 58	0126878-063-DSC	06/28/01
Villas of Waverly	0126878-064-DSC	08/13/01
Villas of Chadwick	0126878-065-DSC	08/13/01
Marion County Sheriff's Office & Fire Station (Annex)	0126878-066-DSC	08/13/01
The Villages - Unit 46	0126878-068-DSC	08/16/01
The Villages - Unit 53 (Dry Line)	0126878-067-DSC	08/16/01
Cottages @ Summerchase	0126878-069-DSC	08/16/01
The Villages - Unit 48	0126878-070-DSC	09/17/01
The Villages - Unit 44	0126878-071-DSC	09/17/01
The Villages - Quail Ridge Villas	0126878-073-DSC	09/20/01
The Villages - Unit 54	0126878-072-DSC	09/19/01
District 4 - Ph II Mass Grading & Collector Roads	0126878-074	10/29/01
District 4 - Ph II Mass Grad. & Collector Roads Mod. (P.A. 0126878-088-DS/MM)		07/02/02
The Villages - Unit 50	0126878-075-DSC	10/03/01
The Villages - Unit 51	0126878-078-DSC	10/25/01
The Villages - Unit 52 (Dry Line)	0126878-077-DSC	10/19/01
Villas of Sunnyside	0126878-076-DSC	10/03/01
Villas of Bromley	0126878-081-DSC	12/19/01
Villas of Huntingdon (renamed to Villas of Cameron)	0126878-079	11/09/01

Little Sumter Utility Company
Water & Wastewater Permit Summary

Water Distribution (Continued)	Permit Number	Date of Issue
The Villages - Unit 60	0126878-080	11/09/01
Villages Publix @ Mulberry Grove Plaza	0126878-082	11/09/01
SE 165th Mulberry Lane	0126878-083-DS/C	1/7/02
The Villages - Unit 59	0126878-084-DS/C	02/11/02
The Villages - Unit 66	0126878-085-DS/C	02/11/02
Villas of Sherwood	0126878-086-DSC	12/26/01
The Villages - Unit 57	0126878-087-DS/C	02/11/02
Villas of Morningview	0126878-088-DS/C	01/11/02
The Villages - Unit 45	0126878-089-DS/C	02/11/02
Chatham Square Recreation Center	0126878-092-DS/C	01/15/02
The Villages - Unit 56	0126878-091-DS/C	01/28/02
Villas of Merryoak	0126878-090-DS/C	01/28/02
The Villages - Unit 62	0126878-093-DS/C	01/28/02
The Villages - Unit 61	0126878-094-DS/C	02/05/02
Charter K-2 Expansion	0126878-095-DS/C	02/20/02
The Villages - Unit 63	0126878-097-DS/C	02/21/02
The Villages - Unit 65	0126878-096-DS/C	02/20/02
Mulberry Grove Recreation Center	0126878-098-DS/C	02/20/02
The Villages - Unit 64	0126878-100-DC/C	04/02/02
Villas of Greenwood	0126878-101-DS/C	04/16/02
Villas of Ashleigh	0126878-102-DS/C	04/16/02
Citizens First Bank @ C.R. 42 (Mulberry Grove)	0126878-103-DS/C	05/14/02
C.R. 42 - Phase III	0126878-104-DS/C	06/28/02
Village of Mayfield	0126878-105-DS/C	06/28/02

- * Permitted under Glen Hollow Farms Water Treatment Plant - transferred over to LSU system.
- ** Notice of Intent to Use General Permit
- *** For Belle Aire Postal Facility Water Services
- **** Belle Meade Circle was constructed in two phases (half of circle was constructed with BVB, then completed during construction of Bonnybrook roadway - Bonnybrook Road was renamed to Legacy Lane)

Little Sumter Utility Company
Water & Wastewater Permit Summary

LSU Wastewater Treatment Facilities	Permit Number	Date of Issue
Wastewater Treatment Facility	FLA017133	05/05/97
LSU WWTP Expansion	FLA017133-002-DW1P	05/30/00
LSU WWTP Expansion Mod.	FLA017133-002-DW1P	09/10/01

Wastewater Collection	Permit Number	Date of Issue
El Camino Real/Buena Vista Boulevard	CS35-292345	08/21/96
Villages of Sumter - Unit 18	CS35-293541	08/26/96
Villages of Sumter - Unit 19	CS35-293544	08/26/96
Villages of Sumter - Unit 20	CS35-293545	08/26/96
Villages of Sumter - Unit 21	CS35-293549	08/26/96
Villa Vera Cruz	CS35-293552	08/26/96
ACLF	CS35-299941	02/05/97
El Diablo Golf Course (f/k/a El Santiago Golf Course)	CS35-301925	03/11/97
Villa De Leon	CS35-302490	03/27/97
Villa De Leon Modification	" "	05/01/97
Villages of Sumter - Unit 24	CS35-302489	04/04/97
Unit 24 Modification	" "	05/01/97
Villages of Sumter - Unit 23 Phase I (For Future Dev.)	CS35-304724	05/01/97
Villages of Sumter - Unit 22	CS35-306188	06/09/97
Villa Del Canto	CS35-306914	06/12/97
Villa Santo Domingo	CS35-306947	06/12/97
Villages of Sumter - Unit 23 (Actual that Ph I ties into)	CS35-307175	06/12/97
Villa De La Ramona	CS35-307065	06/12/97
Villages of Sumter - Unit 25	CS35-307878	07/15/97
Villages of Sumter - Unit 26	CS35-307872	07/15/97
Temp Villages Medical Center	CS35-0130725-01	10/17/97
Villages of Sumter - Unit 27	CS60-0132382	12/18/97
Villages of Sumter - Unit 28	CS60-0132382	12/18/97
Villages of Sumter - Unit 29	CS60-0132382	12/18/97
Villa San Leandro	CS60-0132382	12/18/97
Villa La Crescenta	CS60-0132382	12/18/97
El Santiago Clubhouse & Recreation Center	CS60-0135059	02/12/98
The Villages of Sumter - El Camino Real, Phase II	CS60-0136798	03/30/98
The Villages Regional Medical Center - Phases II & III	CS60-0136264	03/18/98
The Villages of Sumter - Units 32	CS60-0137426	04/29/98
Unit 32 Modification (PA #60-0134730-006)	CS60-0137426-A	10/14/98
The Villages of Sumter - Unit 31	CS60-0137385	04/29/98
The Villages of Sumter - Unit 30 & Villa Escandido	CS60-0134730-001	06/02/98
The Villages of Sumter - Spanish Plaines	CS60-0134730-002	06/11/98
The Villages - Units 33 & 34	CS60-0134730-003	09/30/98
The Villages - Unit 35	CS60-0134730-005	10/09/98
The Villages - Unit 36	CS60-0134730-004	10/09/98
The Villages - Villa Berea	CS60-0134730-008	02/05/99
The Villages - Units 37 & 38	CS60-0134730-007	02/17/99
The Villages Regional Medical Center - Phase IV	CS60-0134730-010	02/17/99
The Villages of Sumter - Talley Ridge Drive*	CS60-0134730-009	03/04/99
The Villages -Saddlebrook (Dry Line)	CS60-0134730-012	05/12/99
The Villages - The Savannah Center (f/k/a Buena Vista)	CS60-0134730-011	04/15/99
Walgreen's Drug Store @ The Villages	CS60-0134730-016	04/28/99
The Villages - Future Unit 41 (Dry Line to Tie Into U41)	CS60-0134730-013	05/05/99
Talley Ridge Drive (North) Extension	CS60-0134730-014	04/15/99
Glenview Golf & Country Club (Dry Line)	CS60-0134730-015	04/28/99
Talley Ridge Drive (North) Extension #2	CS60-0134730-017	05/26/99
The Villages - Villa Valdosta	CS60-0134730-018	07/14/99
The Villages - Unit 40	CS60-0134730-019	07/09/99
The Villages - Unit 41 (Dry Line)	CS60-0134730-020	07/21/99
Albertson's @ The Villages	CS60-0134730-022	07/26/99
The Villages Sales Center	CS60-0134730-021	07/26/99
The Villages - Villa Natchez	CS60-0134730-023	08/12/99

Little Sumter Utility Company
Water & Wastewater Permit Summary

Wastewater Collection (Continued)	Permit Number	Date of Issue
Villa St. Simons @ The Villages	CS60-0134730-024	08/04/99
Charter School @ The Villages	CS60-0134730-025	10/05/99
Charter School Modification (No PATS #)	" "	No Revised Permit
Charter School Modification (App. 6/15/01)		
The Villages - Unit 39	CS60-0134730-026	11/23/99
The Villages - Unit 43	CS60-0134730-027	12/06/99
Sunbury Place (The Villages - Unit 42)	CS60-0134730-028	12/21/99
The Villages - Unit 41 Resubmittal	CS60-0134730-029	02/14/00
The Villages - Villa Alexandria	CS60-0134730-030	02/14/00
The Villages - Villa Mizner	CS60-0134730-031	03/23/00
VRMC - Hospital	CS60-0134730-033	06/26/00
Buena Vista Blvd. & Belle Meade Circle**	CS60-0134730-032	06/26/00
The Villages - Unit 41-A	CS60-0134730-034	08/14/00
The Villages - Fairlawn Villas	CS60-0134730-037	09/22/00
The Villages - Pinecrest Villas	CS60-0314730-035	09/14/00
The Villages - Unit 47	CS60-0134730-036	09/01/00
Belle Meade Circle & Bonnybrook** (Dry Line)	CS60-0134730-038	11/15/00
Belle Meade Circle & Bonnybrook Mod. (PATS -045)	CS60-0134730-038A	03/29/01
Construction & Center District Offices	CS60-0134730-039	10/31/00
The Villages - Unit 49	CS60-0134730-040	01/29/01
The Villages - Carriage Houses at Glenview	CS60-0134730-043	02/01/01
Bonnybrook Golf Maintenance Facility (Dry Line)	CS60-0134730-041	03/15/01
The Villages - Ivystone Villas	CS60-0134730-042	02/23/01
Nancy's Legacy Golf & Country Club (Dry Line)	CS60-0134730-044	03/09/01
The Villages - Unit 55	CS60-0134730-047	04/23/01
The Villages - Greenbriar Villas	CS60-0134730-046	04/16/01
The Villages - Unit 58	CS60-0134730-048	07/06/01
Villas of Waverly	CS60-0134730-049	06/29/01
Villas of Chadwick	CS60-0134730-050	06/25/01
Marion County Sheriff's Office & Fire Station (Annex)	CS60-0134730-051	07/25/01
The Villages - Unit 46	CS60-0134730-052	07/26/01
The Villages - Unit 53	CS60-0134730-053	08/06/01
Cottages @ Summerchase	CS60-0134730-054	07/23/01
Cottages @ Summerchase Mod. (App. 07/03/02)		
The Villages - Unit 48	CS60-0134730-055	09/10/01
The Villages - Unit 44	CS60-0134730-056	09/10/01
The Villages - Quail Ridge Villas	CS60-0134730-058	09/05/01
The Villages - Unit 54	CS60-0134730-057	09/05/01
District 4 - Phase II Mass Grading & Collector Roads	CS60-0134730-059	10/19/01
District 4 - Phase II Mass Grading Mod. (Unit 60)	CS60-0134730-059A	11/07/01
District 4 - Phase II Mass Grading Mod. (Legacy Ext)	(P.A. CS60-0134730-084)	04/08/02
The Villages - Unit 50	CS60-0134730-060	10/22/01
The Villages - Unit 51	CS60-0134730-062	10/25/01
The Villages - Unit 52	CS60-0134730-063	10/22/01
Villas of Sunnyside	CS60-0134730-061	10/23/01
Villas of Bromley	CS60-0134730-064	11/07/01
Villas of Huntingdon (renamed to Villas of Cameron)	CS60-0134730-066	10/31/01
Villages Publix @ Mulberry Grove Plaza	CS60-0134730-067	11/09/01
SE 165th Mulberry Lane	CS60-0134730-068	12/03/01
The Villages - Unit 59	CS60-0134730-069	01/22/02
The Villages - Unit 66	CS60-0134730-070	12/28/01
Villas of Sherwood	CS60-0314730-071	01/16/02
The Villages - Unit 57	CS60-0314730-072	01/22/02
Villas of Morningview	CS60-0314730-073	01/22/02
The Villages - Unit 45	CS60-0134730-074	01/22/02
Chatham Square Recreation Center	CS60-0134730-077	02/07/02
The Villages - Unit 56	CS60-0134730-076	02/07/02
Villas of Merryoak	CS60-0134730-075	02/07/02
The Villages - Unit 62	CS60-0134730-78	02/26/02
The Villages - Unit 61	CS60-0134730-079	03/08/02
Charter K-2 Expansion	CS60-0134730-080	03/04/02
The Villages - Unit 65	CS60-0134730-081	03/04/02

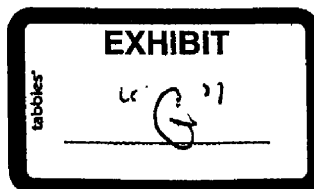
Little Sumter Utility Company
Water & Wastewater Permit Summary

Wastewater Collection (Continued)	Permit Number	Date of Issue
The Villages - Unit 63	CS60-0134730-082	03/04/02
Mulberry Grove Recreation Center	CS60-0134730-083	03/04/02
The Villages - Unit 64	CS60-0134730-085	05/07/02
Villas of Greenwood	CS60-0134730-087	05/07/02
Villas of Ashleigh	CS60-0134730-086	05/06/02
C.R. 42 - Phase III	CS60-0134730-088	05/24/02

* For Belle Aire Postal Facility Wastewater Services

** Belle Meade Circle was constructed in two phases (half of circle was constructed with BVB, then completed during construction of Bonnybrook roadway - Bonnybrook Road was renamed to Legacy Lane)

Little Sumter Utility Company
Financial Statements
December 31, 2001 and 2000
With Independent Auditors'
Report Thereon



Cronin, Jackson, Nixon & Wilson

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
CHRISTINE R. CHRISTIAN, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
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Independent Auditors' Report

February 14, 2002

To the Stockholders
Little Sumter Utility Company
Lady Lake, Florida

We have audited the accompanying balance sheets of Little Sumter Utility Company as of December 31, 2001 and 2000, and the related statements of operations and accumulated deficit, comprehensive income, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Little Sumter Utility Company as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cronin Jackson Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

Little Sumter Utility Company
Balance Sheet
December 31,

	2001	2000
<u>Assets</u>		
Utility plant:		
Utility plant in service (Note 3)	\$ 27,940,700	\$ 20,036,397
Construction work in progress (Note 3)	1,902,565	2,995,147
	29,843,265	23,031,544
Current assets:		
Cash (Note 7)	232,125	640,912
Accounts receivable and unbilled revenue	500,347	253,863
Inventory	10,555	21,926
Prepaid insurance	5,887	5,178
Accrued interest receivable	12,908	80,469
	761,822	1,002,348
Other assets:		
Restricted funds held by trustee for capital projects and repayment of debt (Note 4)	2,869,475	9,918,267
Deferred loss on abandoned plant, net of accumulated amortization of \$55,340	719,422	
Debt issuance costs, net of accumulated amortization of \$107,353 in 2001 and \$75,375 in 2000	553,326	585,304
	4,142,223	10,503,571
	\$ 34,747,310	\$ 34,537,463
<u>Stockholders' Deficit, Liabilities, and Other Credits</u>		
Stockholders' deficit:		
Common stock, \$1 par value, 10,000 shares authorized, 100 shares issued and outstanding	\$ 100	\$ 100
Accumulated other comprehensive income	25,877	18,683
Accumulated deficit	(2,142,363)	(1,968,388)
Total stockholders' deficit	(2,116,386)	(1,949,605)
Liabilities:		
Long-term debt (Note 5)	22,215,000	22,510,000
Current liabilities:		
Current portion of long-term debt (Note 5)	295,000	190,000
Accounts payable	130,629	347,427
Accrued expenses	151,408	432,465
Accrued interest payable	397,975	451,755
Due to The Villages of Lake-Sumter, Inc. (Note 6)	861,876	4,141,904
	1,836,888	5,563,551
Total liabilities	24,051,888	28,073,551
Other credits:		
Contributions in aid of construction, net of accumulated amortization of \$724,834 in 2001 and \$400,673 in 2000	12,811,808	8,413,517
	\$ 34,747,310	\$ 34,537,463

The accompanying notes are an integral part of these financial statements

Little Sumter Utility Company
Statement of Operations and Accumulated Deficit
For the Years Ended December 31,

	2001	2000
Operating revenue:		
Water	\$ 1,300,134	\$ 913,740
Wastewater	1,440,147	907,907
	2,740,281	1,821,647
Operating expenses:		
Operation and maintenance	925,252	649,760
Depreciation and amortization	574,480	417,636
Taxes	300,169	259,173
	1,799,901	1,326,569
Net operating income loss	940,380	495,078
Other (income) expense:		
Interest income	(287,570)	(250,098)
Interest expense	1,369,947	1,078,249
Amortization of debt issuance cost	31,978	23,073
	1,114,355	851,224
Net loss	173,975	356,146
Accumulated deficit at beginning of year	1,968,388	1,612,242
Accumulated deficit at end of year	\$ 2,142,363	\$ 1,968,388

The accompanying notes are an integral
part of these financial statements

Little Sumter Utility Company
Statement of Comprehensive Income
For the Years Ended December 31,

	<u>2001</u>	<u>2000</u>
Net loss	\$ 173,975	\$ 356,146
Other comprehensive income:		
Unrealized gains on certain investments in debt securities	<u>(25,877)</u>	<u>(18,683)</u>
Comprehensive loss	<u>\$ 148,098</u>	<u>\$ 337,463</u>

The accompanying notes are an integral
part of these financial statements

Little Sumter Utility Company
Statement of Cash Flows
For the Years Ended December 31,

	2001	2000
Cash flows from operating activities:		
Cash received from customers	\$ 2,493,797	\$ 1,686,179
Cash paid to suppliers	(1,453,784)	(190,496)
Cash paid for taxes	(258,830)	(225,899)
Cash received for interest	355,131	188,641
Cash paid for interest expense	(1,423,727)	(879,632)
Cash paid for debt issuance costs	(238,530)	(238,530)
Net cash provided by (used in) operating activities	(287,413)	340,263
Cash flows from investing activities:		
Investment in utility plant and construction work in progress	(8,404,834)	(5,641,993)
Cash paid to abandon plant	(24,950)	
(Purchase) proceeds from sale of restricted investments	7,055,986	(8,343,768)
Net cash used in investing activities	(1,373,798)	(13,985,761)
Cash flows from financing activities:		
Payment of bond principal	(190,000)	(175,000)
Proceeds from bond issuance		8,500,000
(Repayments to) advances from The Villages of Lake-Sumter, Inc.	(3,280,028)	2,231,269
Receipt of contributions in aid of construction	4,722,452	3,317,748
Net cash provided by financing activities	1,252,424	13,874,017
Net increase in cash	(408,787)	228,519
Cash at beginning of year	640,912	412,393
Cash at end of year	\$ 232,125	\$ 640,912
Reconciliation of net loss to net cash used in operating activities:		
Net loss	\$ (173,975)	\$ (356,146)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	519,140	417,636
Amortization of debt issuance costs	31,978	23,073
Amortization of deferred loss on abandoned plant	55,340	
Increase in accounts receivable	(246,484)	(135,468)
(Increase) decrease in inventory	11,371	(14,180)
Increase in prepaid insurance	(709)	(605)
Increase in debt issuance costs		(238,530)
(Decrease) increase in accounts payable	(216,798)	288,935
(Decrease) increase in accrued expenses	(334,837)	417,005
(Increase) decrease in accrued interest receivable	67,561	(61,457)
Net cash provided by (used in) operating activities	\$ (287,413)	\$ 340,263

The accompanying notes are an integral part of these financial statements

Little Sumter Utility Company
Notes to Financial Statements
December 31, 2001 and 2000

Note 1 - Organization:

Little Sumter Utility Company ("the Company") provides water and wastewater utility services within its service territory to the residents of The Villages. The Villages was developed by The Villages of Lake-Sumter, Inc. ("The Villages"). The Company and The Villages are under common control and are related parties. At December 31, 2001, the Company has 6,561 water and 6,194 wastewater customers.

The Company is regulated by the Florida Public Service Commission, which establishes the rates and other charges the Company is permitted to bill its customers.

Note 2 - Summary of significant accounting policies:

A summary of the major accounting and reporting policies followed by the Company in the preparation of the accompanying financial statements is set forth below:

A. Regulatory authority

The accounting records of the Company are maintained in accordance with the Uniform System of Accounts prescribed by the National Association of Regulatory Utility Commissioners, as adopted by the Florida Public Service Commission, and conform in all material respects to generally accepted accounting principles.

B. Utility plant

Utility plant constructed by the Company is recorded at the original cost of construction. Such cost includes labor, materials, and indirect charges, such as engineering. In addition, the Company capitalizes interest costs on borrowings used for the construction of utility plant at the rate approved by the PSC, which was 10.6 percent in 2001 and 2000.

Water distribution lines and wastewater collection lines have been purchased from The Villages. These lines are recorded at the cost to the Company.

For financial reporting purposes, depreciation of utility plant is computed on a straight-line method using estimated average service lives ranging from 5 to 45 years.

The cost of repairs and maintenance is charged to expense while the cost of renewals and betterments is capitalized. When assets are retired or otherwise disposed of, the original cost of such assets and the related cost of removal, less salvage, are charged to accumulated depreciation.

C. Short-term, long-term, and restricted investments

Investments consist primarily of United States government obligations. Investments in debt and equity securities are classified and accounted for as follows:

<u>Type of Security</u>	<u>Accounting Treatment</u>
Securities held to maturity	Amortized cost
Trading securities	Fair market value with unrealized gains and losses included in earnings
Securities available for sale	Fair market value with unrealized gains and losses, reported separately in shareholders' equity

At December 31, 2001 and 2000, all investments were classified as securities available for sale.

Note 2 - Summary of significant accounting policies (continued):

D. Income taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares.

E. Contributions in aid of construction

Contributions in aid of construction (CIAC) consist of service availability charges required to connect to the water or wastewater system. CIAC is amortized using the straight-line method over the useful lives of the related assets and recorded as a reduction of utility plant depreciation expense.

F. Revenue

The Company bills for services on a monthly cycle basis and accrues for services rendered but unbilled based on estimated usage from the latest billing to the end of the year.

G. Deferred charges

Debt issuance costs are amortized over the life of the related debt using the interest method.

H. Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

I. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Note 3 - Utility plant in service:

Utility plant in service consists of the following at December 31:

	<u>2001</u>	<u>2000</u>
Land	\$ 125,611	\$ 125,611
Distribution and water plant	12,633,630	9,018,191
Collection and treatment plant	17,262,930	12,235,168
Office furniture and equipment	<u>42,357</u>	<u>42,357</u>
	30,064,528	21,421,327
Less accumulated depreciation	<u>(2,123,828)</u>	<u>(1,384,930)</u>
	<u>\$ 27,940,700</u>	<u>\$ 20,036,397</u>

Interest cost of \$232,152 and \$111,022 was capitalized to plant and work in progress during 2001 and 2000, respectively.

Construction work in progress of \$1,902,565 and \$2,995,147 at December 31, 2001 and 2000, relates to a water treatment plant, wells, and water and wastewater lines being installed.

Note 4 - Restricted funds:

The Company's restricted funds at December 31, 2001, are invested in U.S. Treasury Money Market Funds and U.S. government obligations. These investments are classified as available for sale securities and are restricted for the following purposes:

	<u>Cost</u>	<u>Fair Market Value</u>
Construction reserve	\$ 415,829	\$ 415,829
Interest reserve	456,051	456,051
Principal reserve	<u>1,971,718</u>	<u>1,997,595</u>
	<u>\$ 2,843,598</u>	<u>\$ 2,869,475</u>

The estimated fair value of debt securities at December 31, 2001, by contractual maturity are shown below.

	<u>Cost</u>	<u>Fair Market Value</u>
Debt securities:		
Due in 2002	<u>\$ 714,600</u>	<u>\$ 740,477</u>

Note 5 - Long-term debt:

Long-term debt consists of the following at December 31:

	<u>2001</u>	<u>2000</u>
1997 Series Industrial Development Revenue Bonds at an annual interest rate of 7.25%, payable through October 2027	\$ 8,235,000	\$ 8,345,000
1998 Series Industrial Development Revenue Bonds at an annual interest rate of 6.75%, payable through October 2027	5,775,000	5,855,000
2001 Series Industrial Development Revenue Bonds at an annual interest rate of 7.08%, payable through October 2020	3,615,000	3,615,000
2001 Series Industrial Development Revenue Bonds at an annual interest rate of 7.15%, payable through October 2030	<u>4,885,000</u>	<u>4,885,000</u>
	22,510,000	22,700,000
Amount due in one year	<u>(295,000)</u>	<u>(190,000)</u>
Amount due after one year	<u>\$ 22,215,000</u>	<u>\$ 22,510,000</u>

All Company assets, revenue, and receipts are pledged as collateral under the mortgage indenture of the Industrial Development Revenue Bonds. The Villages of Lake-Sumter, Inc., a developer and affiliated company, has entered into a Payment Agreement with the Trustee under the indenture and an Operating Expense Agreement with the Company, which are collectively referred to as the Guaranty. Under the Payment Agreement, the Developer has guaranteed the payment of deficits of principal, premium, and interest on the Bonds and any amounts necessary to satisfy the Reserve Fund Requirement. Pursuant to the Operating Expense Payment Agreement, the Developer has guaranteed the payment of operational deficits of the Utility.

Note 5 - Long-term debt (continued):

The principal maturities of long-term debt outstanding at December 31, 2001, are as follows:

2002	\$	295,000
2003		325,000
2004		345,000
2005		365,000
2006		395,000
Thereafter		<u>20,785,000</u>
		<u>\$ 22,510,000</u>

The Series 1997, 1998, and 2000 Bonds maturing after October 1, 2004, are subject to optional redemption upon the exercise by the Company of its election to prepay all or a part of the loan installments, pursuant to the Loan Agreement in whole on any date and in part on any interest payment date, at the redemption price of 100 percent.

Note 6 - Related party transactions:

The Company has entered into an operating agreement with The Villages. Stockholders of the Company are stockholders and/or employees of The Villages. The Villages provides accounting services to the Company in the form of customer billing and general financial recordkeeping. During 2001 and 2000, the expense related to this agreement totalled \$187,200 and \$103,200, respectively. As explained in Note 5, The Villages has also entered into an Operating Expense Agreement with the Company guaranteeing the payment of its operational deficits.

The Villages is developing a retirement community known as The Villages. The Company's utility service area includes a portion of this development. As The Villages completes its water distribution and wastewater collection systems, they are sold to the Company. During 2001 and 2000, collection and distribution lines aggregating \$3,762,435 and \$2,248,954, respectively, were sold to the Company by The Villages.

The Company provides water and wastewater services to The Villages. During 2001 and 2000, the Company billed The Villages \$234,423 and \$161,064, respectively, for these services.

The Company is authorized by the FPSC to collect service availability fees from its new customers. These fees are recorded as contributions in aid of construction. During 2001 and 2000, fees totaling \$1,117,463 and \$625,705, respectively, were collected by the Company from The Villages.

One of the stockholders in the Company is also a member of the law firm advising the Company. During 2001 and 2000, attorney fees of \$1,355 and \$14,525 were paid to this firm.

Note 7 - Restricted cash:

Water rates set by the Florida Public Service Commission have been designed to conserve water usage. As a result, the Company is required to charge an additional \$.85 per 1,000 gallons for residential water received in excess of 10,000 gallons per month. This additional charge is escrowed by the Company and is to be used for water conservation programs approved by the Florida Public Service Commission. At December 31, 2001 and 2000, the escrow balance was \$28,095 and \$343,246, respectively.

Note 8 - Commitments:

The Company has entered into a management contract with Operations Management International (OMI) through September 2002, to operate, maintain, and manage all utility facilities and equipment of the Company. Compensation to OMI for 2001 and 2000 was \$636,290 and \$495,583. Compensation from January through September 2002, will be \$509,994, and compensation thereafter will be negotiated in August 2002, or will be based on a base fee adjustment formula tied to the Consumer Price Index.



Little Sumter Utility Company

1100 Main Street • The Villages, Florida 32159
352/753-6690

July 18, 2002

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Reference: Proposed Method of Financing – Expansion of Territory
(County Crossings Subdivision, Baptist Church and Catholic Church)

Dear Sir,

Little Sumter Utility Company (“LSU”) intends to finance the anticipated costs involved with the referenced expansion of territory through internally generated funds and the CIAC to be collected from the developers of the property being added. The existing LSU water plant and wastewater plant currently have sufficient capacity to serve the referenced expansion of territory. The additional costs incurred by LSU will involve connecting the customers within the expansion territory to the existing system. The operations and CIAC collections of LSU will cover the costs of these connections.

Please contact me should you have any questions.

Very truly yours,

John F. Wise
Treasurer

JFW/lct
L0135

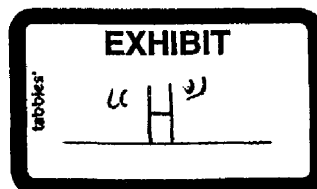


EXHIBIT "I"

TARIFFS ARE LOCATED IN THE ORIGINAL APPLICATION

EXHIBIT "J"

WILL BE LATE FILED

(Affidavit of Notice of Application)

EXHIBIT "K"

WILL BE LATE FILED

(Affidavit of Property Owners Notice)

EXHIBIT "L"

WILL BE LATE FILED

(Affidavit of Newspaper Publication)

AFFIDAVIT

STATE OF FLORIDA
COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared MICHELE PARKS, who, after being duly sworn on oath, did depose on oath and say that she is the secretary of Martin S. Friedman, attorney for Little Sumter Utility Company and that on August 20, 2002, she did call the Public Service Commission and Jovon Snipes confirmed that Little Sumter Utility Company had a tariff on file with the Public Service Commission and Karen Peacock confirmed that Little Sumter Utility Company had a current Annual Report on file.

FURTHER AFFIANT SAYETH NAUGHT.


MICHELE PARKS

Sworn to and subscribed before me this 20th day of August, 2002, by Michele Parks, who is personally known to me.



Martin S. Friedman
MY COMMISSION # CC928326 EXPIRES
August 16, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

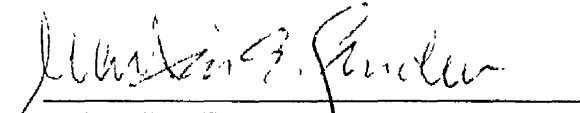

NOTARY PUBLIC
My Commission Expires:

EXHIBIT "M"