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MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

April 9, 2003
VIA HAND DELIVERY

Ms. Patti Daniel
Division of Regulatory Oversight
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: IRD Osprey, LLC d/b/a Aquarina Utilities; PSC Docket No. 020091-WS
Application for Transfer of Majority Organizational Control
Our File No. 36082.01

Dear Patti:

Attached per your request is a copy of the title opinion letter from Robert Frazier of Frazier, Hotte & Associates, P.A. This letter states the reasons behind the issuance of a Quit-Claim Deed in 1995 between Aquarina Developments, Inc. and the wholly owned subsidiary Utility. In addition, Mr. Frazier notes that from a review of all the developer, Utility and the County Public Records, that the Title to all of Utility land is okay in the Utility's name.

I am also attaching a copy of the regulatory assessment fee return prepared by the Utility today in order to bring its payment of regulatory assessment fees and including all interest and penalty, up to date. These will be mailed to the Commission either today or tomorrow, with full payment.

Finally, you had asked for the appropriate key contact at the Utility. After discussions with the Utility's counsel and Mr. Bates, they have noted for me that Mr. Bates is this key Officer of Service Management Systems, Inc. and is that entity's President, Secretary, and Treasurer. As such, he is that appropriate contact person and is the only officer, director or shareholder with regular active involvement with the Utility. I believe you already Mr. Bates' address and phone number, however, if you need anything further from me please do not hesitate to call.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

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

FMD/tms

cc: Blanca S. Bayo, Director
Adrienne Vining, Esq.

indian\4daniel.ltr

DOCUMENT NUMBER DATE

03322 APR-98

FPSC-COMMISSION CLERK

FRAZIER, HOTTE & ASSOCIATES, P.A.

ATTORNEYS AT LAW

ROBERT W. FRAZIER, Jr., Esq.
JOHN F. HOTTE, Esq.

Of Counsel:
Me DANIEL HOTTE*, L.L.C.
*admitted to practice
only in the Province
of Quebec, Canada

April 7, 2003

F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

VIA FAX: 850-656-4029

IN RE: IRD Osprey, LLC d/b/a Aquarina Utilities: PSC Docket No. 020091-WS;
Application for Staff Assisted Water and Sewer Rate Increase in Brevard
County: Your file number: 36082.01

Dear Marty:

Pursuant to your letter to Jim Bates of March 28, 2003 and our subsequent telephone conversations, I am writing this letter to explain why the ownership of the land upon which the Utility facilities are located was conveyed by Quit Claim Deed rather than Warranty Deed from the prior owner.

As you will recall, the original owner and developer of all of Aquarina, including the Utility, was a company by the name of Aquarina Developments, Inc. Subsequent to commencing operation of the Utility, it was of an accounting benefit to Aquarina Developments, Inc. that the real estate upon which the Utility was located be transferred to the operating entity. The operating entity of the Utility at that time, and remains to be, a Florida corporation by the name of Service Management Systems, Inc. At the time of conveyance from Aquarina Developments, Inc. to Service Management Systems, Inc., Service Management Systems, Inc. was a wholly-owned subsidiary of Aquarina Developments, Inc., and had the exact same shareholder structure as Aquarina Developments, Inc. Therefore, the transfer of the land upon which the Utility is located was accomplished by Quit Claim Deed because the transfer was purely lateral, for convenience, and without consideration. Therefore, the use of the Quit Claim Deed reflected such a transfer and the placement upon such Deed of documentary stamps reflecting the consideration was not necessary.

Accordingly, the property upon which the Utility is located is still owned by Service

F. Marshall Deterding

Page 2

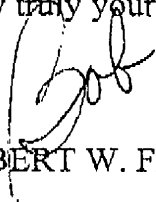
April 7, 2003

Management Systems, Inc. and my client, IRD Osprey, LLC, has applied for the transfer of majority organizational control of that company to it as IRD Osprey, LLC has purchased all of the issued and outstanding shares of Service Management Systems, Inc., pending PSC approval.

An examination of the Public Records of Brevard County, Florida reflects the foregoing to be true and accurate and that the real property upon which the Utility is owned by and titled in Service Management Systems, Inc., a Florida corporation.

If you require anything further regarding this matter or have any questions with respect to this letter, please do not hesitate to contact me.

Very truly yours,



ROBERT W. FRAZIER, JR., ESQ.

RWFJR:lrl:


cc: IRD Osprey, LLC

Q:\docs\lrl\aquarria\utilityplant\deterding5.wpd

2003 FOR PROFIT CORPORATION UNIFORM BUSINESS REPORT (UBR)

FILED Feb 17, 2003 8:00 am Secretary of State

02-17-2003 90178 003 ***150.00

DOCUMENT # H01080			
1. Entity Name SERVICE MANAGEMENT SYSTEMS, INC.			
Principal Place of Business 235 HAMMOCK SHORE DR MELBOURNE BEACH FL 32951		Mailing Address 235 HAMMOCK SHORE DR MELBOURNE BEACH FL 32951	
2. Principal Place of Business		3. Mailing Address	
Suite, Apt. #, etc.		Suite, Apt. #, etc.	
City & State		City & State	
Zip	Country	Zip	Country



CHECK HERE IF MAKING CHANGES

4. FEI Number 59-2408891		Applied For Not Applicable	
5. Certificate of Status Desired <input type="checkbox"/>		\$8.75 Additional Fee Required	

6. Name and Address of Current Registered Agent DAWN MCMULTY 235 HAMMOCK SHORE DR MELBOURNE BEACH FL 32951		7. Name and Address of New Registered Agent Name Street Address (P.O. Box Number is Not Acceptable) City FL Zip Code	
--	--	---	--

8. The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida. I am familiar with, and accept the obligations of registered agent.

SIGNATURE

Signature typed or printed name of registered agent and title if applicable.

(NOTE: Registered Agent signature required when reinstating)

DATE

FILE NOW!!! FEE IS \$150.00 After May 1, 2003, Fee will be \$550.00 Make Check Payable to Florida Department of State	9. Election Campaign Financing Trust Fund Contribution. <input type="checkbox"/> \$5.00 May Be Added to Fees
--	---

10. OFFICERS AND DIRECTORS		11. ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS IN 11	
TITLE NAME STREET ADDRESS CITY - ST - ZIP	D BATES, JAMES 235 HAMMOCK SHORE DR MELBOURNE BCH FL <input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition
TITLE NAME STREET ADDRESS CITY - ST - ZIP	PST BATES, JAMES 235 HAMMOCK SHORE DR MELBOURNE BEACH FL <input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition
TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition
TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition
TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition
TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY - ST - ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition

I hereby certify that the information supplied with this filing does not qualify for the exemption stated in Section 119.07(3)(i), Florida Statutes. I further certify that the information indicated on this report or supplemental report is true and accurate and that my signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes, and that my name appears in Block 10 or Block 11 if changed, or on an attachment with an address, with all other like empowered.

SIGNATURE: SIGNATURE REQUIRED

2-11-03 G-1-

TO AVOID PENALTY AND INTEREST CHARGES THE REGULATORY ASSESSMENT FEE RETURN MUST BE FILED ON OR BEFORE 03/31/2003

Water System Regulatory Assessment Fee Return

STATUS:

Actual Return
 Estimated Return

PERIOD COVERED:
 01/01/2002 TO 12/31/2002

Florida Public Service Commission

(See Filing Instructions on Back of Form)

WS571-02-W-R
 Service Management Systems, Inc.
 235 Hammock Shore Drive
 Melbourne Beach, FL 32951-3941

FOR PSC USE ONLY

Check# _____

\$ _____ 0604001
 _____ 003001

\$ _____ P
 _____ 0604001
 _____ 004010

\$ _____ I

Postmark Date _____

Initials of Preparer _____

Please Complete Below If Official Mailing Address Has Changed

(SYSTEM'S NAME)	(ADDRESS)	(CITY/STATE)	(ZIP)
Florida Public Service Commission Certificate	# _____	# _____	# <u>WS-571</u>
WATER OPERATING REVENUES	\$ _____	\$ _____	\$ <u>0</u>
1 Unmetered Water Revenues (460)			
MEASURED WATER REVENUES			
2 Residential Revenues (461 1)			<u>62651.02</u>
3 Commercial Revenues (461 2)			<u>7942.48</u>
4 Industrial Revenues (461 3)			<u>0</u>
5 Revenues from Public Authorities (461 4)			<u>0</u>
6 Multiple Family Dwelling Revenues (461 5)			<u>23110.70</u>
7 TOTAL METERED SALES	\$ _____	\$ _____	\$ <u>93704.20</u>
FIRE PROTECTION REVENUES			
8 Public Fire Protection (462 1)			<u>0</u>
9 Private Fire Protection (462 2)			<u>0</u>
10 TOTAL FIRE PROTECTION REVENUE	\$ _____	\$ _____	\$ <u>0</u>
11 Other Sales to Public Authorities (464)			<u>0</u>
12 Sales to Irrigation Customers (465)			<u>74817.18</u>
13 SALES FOR RESALE (466)			<u>0</u>
14 Interdepartmental Sales (467)			<u>0</u>
15 TOTAL WATER SALES (Lines 1+7+10+11+12+13+14)	\$ _____	\$ _____	\$ <u>168521.38</u>
OTHER WATER REVENUES			
16 Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (469)			<u>0</u>
17 Forfeited Discounts (470)			<u>0</u>
18 Miscellaneous Service Revenues (471)			<u>0</u>
19 Rents From Water Property (472)			<u>0</u>
20 Interdepartmental Rents (473)			<u>0</u>
21 Other Water Revenues (474) Describe			<u>0</u>
22 TOTAL OTHER WATER REVENUES (Lines 16+17+18+19+20+21)	\$ _____	\$ _____	\$ <u>0</u>
23 TOTAL WATER OPERATING REVENUES*(Lines 15+22)	\$ _____	\$ _____	\$ <u>168521.38</u>
24 LESS Expense for Purchased Water from FPSC-Regulated Utility	(_____)	(_____)	(<u>0</u>)
25 NET WATER OPERATING REVENUES (Line 23 Less Line 24)			<u>168521.38</u>
26 Regulatory Assessment Fee Due - (Multiply Line 25 by 0.045)			<u>0</u>
27 LESS Approved Prior-Period Credit			(<u>0</u>)
28 NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)	\$ _____	\$ _____	\$ <u>7583.46</u>
29 Penalty for Late Payment			<u>374.17</u>
30 Interest for Late Payment			<u>75.83</u>
31 TOTAL AMOUNT DUE	\$ _____	\$ _____	\$ <u>8038.46</u>

*These amounts must agree with Annual Report Schedule 1-3

If service was purchased from a regulated utility, please insert its name: _____
 AS PROVIDED IN SECTION 350.113, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$25

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

 (Signature of System Official)
JAMES H. BATES
 (Please Print Name)

PRESIDENT
 (Title)
4-9-03
 (Date)
 Telephone Number (321) 723-2522 Fax Number (321) 725-0804
 F F I No 59-2408891

TO AVOID PENALTY AND INTEREST CHARGES, THE REGULATORY ASSESSMENT FEE RETURN MUST BE FILED ON OR BEFORE 03/31/2003

Wastewater System Regulatory Assessment Fee Return

STATUS:

Actual Return
 Estimated Return

PERIOD COVERED:
 01/01/2002 TO 12/31/2002

Florida Public Service Commission

(See Filing Instructions on Back of Form)

WS571-02-S-R
 Service Management Systems, Inc.
 235 Hammock Shore Drive
 Melbourne Beach, FL 32951-3941

FOR PSC USE ONLY

Check# _____

\$ _____ 0601002
 000000

\$ _____ P
 0601002
 000000

\$ _____ 1

Postmark Date _____

Initials of Preparer _____

Please Complete Below If Official Mailing Address Has Changed


(System's Name)	(Address)	(City/State)	(Zip)
Florida Public Service Commission Certificate			# WS-571
WASTEWATER OPERATING REVENUES			
FLAT-RATE REVENUES			
1 Residential Revenues (521.1)	\$	\$	\$ 7448.40
2 Commercial Revenues (521.2)			0
3 Industrial Revenues (521.3)			0
4 Revenues from Public Authorities (521.4)			0
5 Multiple Family Dwelling Revenues (521.5)			0
6 Other Revenues (521.6)			0
7 TOTAL FLAT-RATE REVENUES	\$	\$	\$ 7448.40
MEASURED REVENUES			
8 Residential Revenues (522.1)			51953.11
9 Commercial Revenues (522.2)			3612.33
10 Industrial Revenues (522.3)			0
11 Revenues from Public Authorities (522.4)			0
12 Multiple Family Dwelling Revenues (522.5)			17245.30
13 TOTAL MEASURED REVENUES	\$	\$	\$ 72810.74
14 Revenues from Public Authorities (523)			0
15 Revenues from Other Systems (524)			0
16 Interdepartmental Revenues (525)			0
17 TOTAL (Lines 7+13+14+15+16)	\$	\$	\$ 80259.14
OTHER WASTEWATER REVENUES			
18 Guaranteed Revenues (Include Revenues from A J P I Charges (530)			0
19 Sales of Sludge (531)			0
20 Forfeited Discounts (532)			0
21 Rents From Wastewater Property (534)			0
22 Interdepartmental Rents (535)			0
23 Other Wastewater Revenues (536) Describe			0
24 TOTAL OTHER WASTEWATER REVENUES	\$	\$	\$ 0
(Lines 18+19+20+21+22+23)			
25 TOTAL WASTEWATER OPERATING REVENUES* (Lines 17+24)	\$	\$	\$ 80259.14
26 LESS Expense for Purchased Wastewater Treatment from FPSC-Regulated Utility	()	()	(0)
27 NET WASTEWATER OPERATING REVENUES (Line 25 less Line 26)			80259.14
28 Regulatory Assessment Fee Due - (Multiply Line 27 by 0.045)			3611.66
29 LESS Approved Prior-Period Credit			(0)
30 NET REGULATORY ASSESSMENT FEE (Line 28 Less Line 29)			3611.66
31 Penalty for Late Payment			180.58
32 Interest for Late Payment			36.12
33 TOTAL AMOUNT DUE	\$	\$	\$ 3829.36

* These amounts must agree with Annual Report Schedule F-3

If service was purchased from a regulated utility, please insert its name _____

AS PROVIDED IN SECTION 350.113, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$25

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 817.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.


 (Signature of System Official)
 Jayne H. Bates
 (Please Print Name)

President
 (Title)
 Telephone Number (321) 723-2522 Fax Number (321) 725-0804
 (Date) 4-9-03
 FEE No 59-2408891