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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD

July 11, 2005

BY HAND DELIVERY

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED - FPSC
JUL 11 PM 12:23
COMMISSION
CLERK

Re: Docket No. 050323-SU; Joint Application for Authority to Transfer the Facilities of Coolidge-Ft. Myers Realty Limited Partnership d/b/a Heron's Glen Utilities and Certificate No. 456-S in Lee County, Florida, to North Ft. Myers Utility, Inc., Cancellation of Certificate No. 456-S, and Amendment of Certificate No. 247-S, and Limited Proceeding for Authority to Charge the Customers of Heron's Glen Utilities its Authorized Rates, Fees and Charges
Our File No.: 16319.66

Dear Ms. Bayo:

CMP _____ The Applicant, North Fort Myers Utility, Inc., provides the following information in
COM _____ response to the letter dated June 10, 2005, from Commission Staff:

CTR _____ Deficiencies:

ECR _____
GCL _____ (a) The 2004 rate base, weighted average cost of capital, revenue, expenses and net operating income for the Applicant is set out in the Financial Section of the Applicant's 2004 Annual Report, a copy of which is attached hereto as Exhibit "A".
OPC _____

MMS _____ (b) The additional rate base transferred to the Applicant from Heron's Glen is as set out in Exhibit "B".
RCA _____

SCR _____ (c) The number of customers and total plant capacity charges expected to be collected

SEC 1
OTH _____

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

in the future from new connections are:

1,000 existing connections
1,900 new connections
\$1,206,500 in plant capacity charges ($\$635 \times 1,900 = \$1,206,500$).

- (d) The estimated cost to interconnect the Heron's Glen system is \$1,500,000.
- (e) The Applicant believes that there would have been a marginal decrease in the cost of operating the Heron's Glen system had the Applicant operated this system and charged its current approved rates for the services. As shown in Heron's Glen's 2004 Annual Report, the Heron's Glen system was operating at a loss because the approved rates were insufficient to compensate the utility for its operating costs. It is likely that had Heron's Glen been charging compensable rates, such rates would have been greater than the current rates of the Applicant.
- (f) The Applicant expects that cost savings will result from the interconnection with Heron's Glen due to the following factors:
1. The elimination of the cost of running the existing Heron's Glen plant, plus the plant expansions necessary to serve the entire service area at buildout;
 2. The distribution of the fixed cost of operating the Del Prado wastewater treatment plant, which will serve the customers of Heron's Glen, over a larger customer base; and
 3. The aesthetic value to the community of eliminating the wastewater treatment plant.

Additional Information:

1. Financing of Purchase. Describe the terms of the industrial revenue bond issue. In addition, please give more detail regarding the balance of the purchase price that will be provided by "system capacity fees (\$600,000.00), which the Seller will pay on closing."

Attached as Exhibit "C" is a copy of the Official Statement, which explains the terms of the industrial revenue bonds.

The balance of the purchase price to be provided by "system capacity fees (\$600,000.00), which the Seller will pay on closing" is actually \$603,250, which is half of the total system capacity fees calculated per Item (c) above. The other half is due and payable in 12 months, as provided in the Agreement for Purchase and Sale of Assets. This amount provides cash flow to cover the cost of constructing the necessary lines and mains to connect the Heron's Glen system to the Applicant's systems. These system capacity fees will be treated as CIAC.

2. Closing. The agreement for purchase and sale of wastewater assets was signed by the parties in May of 2005. According to Paragraph 12.1 of that Agreement, the closing is to take place on or before July 10, 2005. Has the closing date been determined?

The closing took place on June 22, 2005.

3. Schedules Missing. The agreement for purchase and sale of wastewater assets provided in the transfer application package is missing the following schedules: A, B, D, E, F, G AND H. Please provide copies of the missing schedules.

The following Schedules are attached hereto as Exhibit "D":

- "A" – Real property
- "B" – Easements, Licenses, etc.
- "C" – Treatment Plants, etc.
- "D" – Certificates, Permits, etc.
- "E" – Inventory
- "F" – Developer Agreements Assumed by Purchaser
- "G" – Purchase Price Allocation
- "H" – Permitted Encumbrances

4. Exhibits Missing. The agreement for purchase and sale of wastewater assets provided in the transfer application package is missing the following exhibits: A of Schedule I, A of Schedule J, and A and B of Schedule K. Please provide copies of the missing exhibits.

The following Exhibits to the Schedules are attached hereto as Exhibit "E":

"A" (Wastewater Connection Point) of Schedule I (Bulk Wastewater Service Agreement)

“A” (Description of Property) of Schedule J (Form of Lease Agreement)
“A” (Description of Property) and “B” (Map showing point of delivery for reclaimed water transfer pipe) of Schedule K (Reclaimed Water Service Agreement)

5. Customer meeting. Has the buyer or seller conducted a customer meeting to discuss the proposed sale and implementation of NFMU’s current rates and charges?

To the Applicant’s knowledge, the Seller has not conducted a customer meeting for this purpose. In addition, the Applicant has not, nor does it intend to, conduct any customer meeting for this purpose. However, the Applicant has had several telephone conferences with the attorney for the homeowners’ association to discuss this Application.

The Applicant provided the required notices pursuant to Rule 25-30-030(6) and (7), F.A.C. In addition, the Applicant plans to send letters to all customers in the proposed service area notifying them of the purchase and what to expect during the transition. These letters will be sent before the end of July, 2005.

6. Books and Records. Please provide a statement that NFMU books and records are maintained in compliance with NARUC USOA.

The books and records of the Applicant are maintained in accordance with the standards set out in the NARUC Uniform System of Accounts, and currently comply with such standards.

7. Continuing Records. Please provide a statement that NFMU has or will obtain the Heron’s Glen supporting documentation for all rate base additions since the last time rate base was set for all assets that will be transferred to NFMU.

The Applicant has obtained the supporting documentation for all rate base additions since the last time rate base was set for all assets to be transferred to the Applicant from Heron’s Glen Utilities. Please refer to Exhibit “B”.

8. Reclaimed Water. According to the reclaimed water service agreement, NFMU is to provide reclaimed water to Coolidge-Ft. Myers Realty Limited Partnership (partnership) at no cost. Currently NFMU’s tariff rate for “effluent for spray irrigation to Pine Lakes Country Club” is \$0.25 per thousand gallons. The Heron’s Glen tariff rate for “reclaimed water service” is \$0.05 per thousand gallons.

- a. Does NFMU currently provide reclaimed water service to any customer in addition to Pine Lakes Country Club?

The Applicant has two wastewater treatment plants: the Pine Lakes/Lake Fairways plant and the Del Prado plant. Each has its own tariff. The \$0.25 per thousand gallon rate is the rate for customers served by the Pine Lakes/Lake Fairways plant, which serves the Pine Lakes Country Club. The Del Prado plant, which will serve Heron's Glen, does not have a reclaimed water service rate. It currently does not charge for reclaimed water.

- b. Are all reclaimed water service customers of NFMU charged the tariff rate for the service?

Only the customers who receive reclaimed water service from the Pine Lakes/Lake Fairways plant are charged for this service at the currently established rate set out in the tariff. All others receiving reclaimed water service from the Del Prado plant are not charged because the Applicant does not have an approved rate for service from this plant.

- c. Is the golf course described in the Reclaimed Water Service Agreement already constructed and receiving irrigation water from Heron's Glen? If so, what rate is it being charged?

The Effluent Water Agreement dated June 1, 1999, between the Seller and Heron's Glen Recreation District, receives reclaimed water from the existing Heron's Glen wastewater treatment plant and pays the established tariff rate (\$0.05/1,000 gallons) for such service. Reclaimed water service to this facility will be provided by the existing plant at Heron's Glen until decommissioning in late 2005. The Applicant assumed this Agreement as part of the transaction with the Seller.

The Reclaimed Water Service Agreement dated May 10, 2005, which is attached to the Purchase and Sale Agreement as Schedule "K", provides for reclaimed water service to The Club at Heron's Glen. It is under construction.

In the future, reclaimed water service to The Club at Heron's Glen will be provided from the Del Prado plant. The individual customers will not be charged for this service because this service is for the benefit of common property only and the Homeowner's Association will be responsible for payment.

- d. Is NFMU proposing to charge for reclaimed water used in the Central Lot Irrigation System? If so, what rate does NFMU propose to charge? Will the individual customers pay this charge?

At the present time, the Del Prado plant, which will serve Heron's Glen, does not have a reclaimed water service rate. It currently does not charge for reclaimed water. In the future, however, reclaimed water service will be provided to the Homeowner's Association for the benefit of the common areas at a rate to be determined at that time. Reclaimed water service will be master-metered. Individual customers will not be charged directly from this service.

The Applicant proposes to charge reclaimed water service customers the existing approved tariff rate of \$0.05 per thousand gallons until such time as the Heron's Glen plant has been decommissioned. The Applicant will amend its tariff to include a reclaimed water service rate for reclaimed water from the Del Prado plant at some time in the future.

9. Why was the decision made to dismantle the Heron's Glen treatment plant rather than use it as a back-up facility for NFMU?

The Heron's Glen wastewater treatment plant is already at its committed capacity and does not have the ability to serve the additional 1,900 new customers to be added soon. Major renovations are required to increase its capacity and ensure continued environmental compliance. The Applicant believes that existing and future customers will be better served in the near term and in the long term by interconnection with the Applicant's existing systems. In addition, the Applicant intends to use the tanks at the Heron's Glen plant to store reclaimed water rather than dismantle them.

10. Why is the purchase price \$3,000,000 when the previous transfer set rate base at \$640,512 and the existing treatment plant and land will not be transferred to NFMU because the treatment plant will be decommissioned?

The purchase price of \$3,000,000 was the result of arm's length negotiations between the Applicant and the Seller. It reflects, among other matters, the value to the Applicant of an immediate increase of 1,000 customers to its customer base, the acquisition of the right to serve another 1,900 customers in the future and the rights to the Seller's easements, lines and other facilities to provide service.

Ms. Blanca Bayo
July 11, 2005
Page 7

11. Tariff Modifications. The revised tariff sheets are attached hereto as Exhibit "F".

Should you have any questions regarding this matter, please do not hesitate to give me a call.

Very truly yours,



VALERIE L. LORD
For the Firm

VLL/mp
Enclosures

cc: Stanley Rieger, Division of Economic Regulation (via hand delivery)(w/enclosures)
Mr. Jack Schenkman (w/o enclosures)
Dr. Joel Schenkman (w/o enclosures)
Dr. Michael Schenkman (w/o enclosures)
Mr. Tony Reeves (w/enclosures)

M:\1 ALTAMONTE\NFMU\(.66) HERONS GLEN - PSC TRANSFER PROCEEDING\PSC Clerk 07.ltr.wpd

EXHIBIT "A"

**to response of North Fort Myers Utility, Inc. to letter from Public Service
Commission dated June 10, 2005**

FINANCIAL

SECTION

BVch
A

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 29,076,229	\$ 28,556,801
108-110	Less: Accumulated Depreciation and Amortization	F-8	(10,514,230)	(9,874,199)
Net Plant			18,561,999	18,682,602
114-115	Utility Plant Acquisition Adjustments (Net)	F-7	1,472,801	1,626,268
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			20,034,800	20,308,870
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10	434,079	459,397
Total Other Property and Investments			434,079	459,397
CURRENT AND ACCRUED ASSETS				
131	Cash		119,116	41,222
132	Special Deposits	F-9	32,211	32,211
133	Other Special Deposits	F-9	416,112	413,892
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	449,528	408,986
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		196,926	175,861
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			1,213,893	1,072,172

* Not Applicable for Class B Utilities

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT December 31, 2004
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COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 990,485	\$ 1,163,219
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	320,179	339,703
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits		1,310,664	1,502,922
	TOTAL ASSETS AND OTHER DEBITS		\$ 22,993,436	\$ 23,343,361

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 1,000	\$ 1,000
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital		14,590,478	14,515,478
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(16,466,905)	(15,950,609)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			(1,875,427)	(1,434,131)
LONG TERM DEBT				
221	Bonds	F-15	14,590,000	15,000,000
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17		660,552
Total Long Term Debt			14,590,000	15,660,552
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		279,770	247,143
232	Notes Payable	F-18	1,195,000	
233	Accounts Payable to Associated Co.	F-18	(10,647)	(9,254)
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		55,481	57,270
236	Accrued Taxes		81,310	159,268
237	Accrued Interest	F-19	22,923	34,186
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	85,196	46,805
Total Current and Accrued Liabilities			1,709,033	535,418

* Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits (Contributed Taxes)	F-21	1,100,306	1,142,734
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			<u>1,100,306</u>	<u>1,142,734</u>
OPERATING RESERVES				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	10,941,650	10,632,105
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(3,472,126)	(3,193,317)
Total Net C.I.A.C.			<u>7,469,524</u>	<u>7,438,788</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
TOTAL EQUITY CAPITAL AND LIABILITIES			<u>\$ 22,993,436</u>	<u>\$ 23,343,361</u>

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 3,504,049	\$ 3,771,035
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			3,504,049	3,771,035
401	Operating Expenses	F-3(b)	2,078,165	2,307,132
403	Depreciation Expense	F-3(b)	917,757	926,329
	Less: Amortization of CIAC	F-22	(273,805)	(278,809)
Net Depreciation Expense			643,952	647,520
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)	19,524	19,524
408	Taxes Other Than Income	W/S-3	264,514	344,843
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			3,006,155	3,319,019
Net Utility Operating Income			497,894	452,016
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			7,995
Total Utility Operating Income [Enter here and on Page F-3(c)]			497,894	460,011

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 394,694 N/A	\$ 3,376,341	N/A
394,694	3,376,341	-
474,392	1,832,741	
47,580 (14,451)	878,749 (264,358)	
33,129	614,391	-
	19,524	
33,536	311,306	
541,057	2,777,962	
(146,363)	598,379	
	7,995	
(146,363)	606,374	N/A

* Total of Schedules W-3/S-3 for all rate groups

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 497,894	\$ 460,011
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		9,273	4,706
421	Miscellaneous Nonutility Revenue		42,428	42,428
426	Miscellaneous Nonutility Expenses		(153,467)	(301,448)
Total Other Income and Deductions			(101,766)	(254,314)
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income				
INTEREST EXPENSE				
427	Interest Expense	F-19	609,646	465,209
428	Amortization of Debt Discount & Expense	F-13	1,400,566	256,784
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			2,010,212	721,993
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(1,614,084)	(516,296)

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 2,006,198	\$ 26,734,227
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(1,119,056)	(9,395,174)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(578,321)	(10,363,329)
252	Advances for Construction	F-20		
Subtotal			308,821	6,975,724
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	286,427	3,185,699
Subtotal			595,248	10,161,423
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		59,299	229,093
	Other (Specify): Completed Construction not Classified		-	-
RATE BASE			\$ 654,547	\$ 10,390,516
NET UTILITY OPERATING INCOME			\$ (146,363)	\$ 598,379
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-- %	5.76 %

NOTES:

- (1) Estimated if not known.
 - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
 - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (2) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ -	%	%	%
Preferred Stock		%	- %	%
Long Term Debt	15,785,000	99.65 %	4.56 %	4.5440 %
Customer Deposits	55,481	0.35 %	6.00 %	0.0210 %
Tax Credits - Zero Cost		%	- %	%
Tax Credits - Weighted Cost		%	- %	%
Deferred Income Taxes		%	- %	%
Other (Explain)		%	- %	%
Note Payable - Associated Company		%	%	%
Total	\$ 15,840,481	100.00 %		4.57 %

(1) Should equal amounts on Schedule F-6, Column (g).

(2) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.
The current leverage formula is being used pending receipt of the transfer order
Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>Unknown</u> %
Commission order approving Return on Equity:	_____

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>8.40</u> %
Commission order approving AFUDC rate:	<u>PSC-92-0862-FOF-SU</u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME: North Fort Myers Utility, Inc.

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (g)
Common Equity	\$ (1,875,900)	\$ -	\$ -	\$ 1,875,900	\$ -	\$ -
Preferred Stock	-	-	-	-	-	-
Long Term Debt	15,785,000	-	-	-	-	15,785,000
Customer Deposits	55,481	-	-	-	-	55,481
Tax Credits - Zero Cost	-	-	-	-	-	-
Tax Credits - Weighted Cost	-	-	-	-	-	-
Deferred Income Taxes	-	-	-	-	-	-
Other (Explain):	-	-	-	-	-	-
Notes Payable - Assoc Co	-	-	-	-	-	-
Total	\$ 13,964,581	\$ -	\$ -	\$ 1,875,900	\$ -	\$ 15,840,481

(1) Explain below all adjustments made in Columns (e) and (f)

Remove Negative Equity.

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 2,006,198	\$ 26,734,227	N/A	\$ 28,740,425
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress		335,804		335,804
106	Completed Construction Not Classified				
Total Utility Plant		\$ 2,006,198	\$ 27,070,031	N/A	\$ 29,076,229

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ -	\$ 292,423	\$ -	\$ 292,423
		683,407	1,326,613		2,010,020
		-	-		-
					-
					-
Total Plant Acquisition Adjustment		\$ 683,407	\$ 1,619,036	\$ -	\$ 2,302,443
115	Accumulated Amortization	\$ -	\$ (183,680)	\$ -	\$ (183,680)
		(219,602)	(426,360)		(645,962)
		-	-		-
					-
					-
Total Accumulated Amortization		\$ (219,602)	\$ (610,040)	\$ -	\$ (829,642)
Total Acquisition Adjustments		\$ 463,805	\$ 1,008,996	\$ -	\$ 1,472,801

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 1,071,480	\$ 8,802,719	N/A	\$ 9,874,199
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	47,580	878,749		926,329
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
Salvage		5,841		5,841
Other Credits (specify) : Reclass		63,075		63,075
Total credits	47,580	947,665		995,245
Debits during year:				
Book cost of plant retired		(240,972)		(240,972)
Cost of removal		(113,886)		(113,886)
Misc. adjustments	(4)	(352)		(356)
Total debits	(4)	(355,210)		(355,214)
Balance end of year	\$ 1,119,056	\$ 9,395,174	N/A	\$ 10,514,230

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
to Account 110.2 (2)				
Other Accounts (specify):				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None		\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): Utility Security Deposits	\$ 32,211
Total Special Deposits	\$ 32,211
OTHER SPECIAL DEPOSITS (Account 133): Bond Repair & Replacement Fund	\$ 326,728
Construction Funds	7,675
Deep Well Security CD	81,709
Total Other Special Deposits	\$ 416,112

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (ACCT. 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (ACCT. 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (ACCTS. 126 & 127) Bond Sinking Fund	\$ -	\$ 434,079
Total Special Funds		\$ 434,079

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 466,229	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 466,229
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Miscellaneous	\$ 276	
Total Other Accounts Receivable		\$ 276
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		466,505
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year	16,977	
Collections of accounts previously written off	-	
Utility accounts		
Others		
Total Additions		16,977
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		16,977
Total Accounts and Notes Receivable - Net		\$ 449,528

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT December 31, 2004
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**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
None	\$ -
Total	\$ -

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
Bond Closing Costs - Series A & B; 2002	\$ 140,317	\$ 742,355
Bond Closing Costs - Series 2003	32,417	247,250
Bond Closing Costs - Series 2005		880
Bond Service fees - Bank of New York & Suntrust	84,050	
Total Unamortized Debt Discount and Expense	\$ 256,784	\$ 990,485
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
Total Extraordinary Property Losses	\$ -

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (15,950,609)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____
	Total Credits	_____
	Debits: _____	_____
	Total Debits	_____
435	Balance transferred from Income	(516,296)
436	Appropriations of Retained Earnings: _____	_____
	Total appropriations of Retained Earnings	_____
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____
	Total Dividends Declared	_____
	Year end Balance	(16,466,905)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	_____
	Total Retained Earnings (Deficit)	\$ (16,466,905)
Notes to Statement of Retained Earnings:		

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT December 31, 2004
--

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232):			
Sun Trust Line of Credit - Issued 1-04; renewable annually	4.08 %	VARIABLE*	\$ 1,195,000
Variable rate based on LIBOR + 1.8%	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ 1,195,000
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Payables (receivables) for operational advances - Old Bridge Park, LLC	\$ (10,647)
Total	\$ (10,647)

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Industrial Revenue Bonds	\$ 34,186	427.1	\$ 428,146	\$ 439,409	\$ 22,923
Sun Trust		427.1	31,113	31,113	
Colonial Bank			3,309	3,309	
Total Account No. 237.1	34,186		462,568	473,831	22,923
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Customer Deposits	-	427.4	2,641	2,641	-
Total Account 237.2	-		2,641	2,641	
Total Account 237 (1)	\$ 34,186		\$ 465,209	\$ 476,472	\$ 22,923
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 465,209		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 465,209		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest
(2) Must agree to F-3(c), Current Year Interest Expense

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION (a)	BALANCE END OF YEAR (b)
None	
Total Miscellaneous Current and Accrued Liabilities	\$ -

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
Total	\$ -		\$ -	\$ -	\$ -

* Report advances separately by reporting group, designating water or wastewater in column (a)

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

OTHER DEFERRED CREDITS
ACCOUNT 253

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
Excess Tax Impact	\$ 42,428	\$ 1,100,306
Total Regulatory Liabilities	\$ 42,428	\$ 1,100,306
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ 42,428	\$ 1,100,306

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT
December 31, 2004

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 578,321	\$ 10,053,784	N/A	\$ 10,632,105
Add credits during year:	-	309,545		309,545
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 578,321	\$ 10,363,329		\$ 10,941,650

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 271,976	\$ 2,921,341	N/A	\$ 3,193,317
Debits during year:	14,451	264,358		278,809
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 286,427	\$ 3,185,699		\$ 3,472,126

UTILITY NAME: North Fort Myers Utility, Inc.

YEAR OF REPORT December 31, 2004
--

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year (loss)	<u>F-3 (c)</u>	\$ <u>(516,296)</u>
Reconciling items for the year:		
Taxable income not reported on the books:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Income recorded on books not included in return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income (loss)		\$ <u>(516,296)</u>
Computation of tax: The Company is a Sub-Chapter S Corporation; therefore, this Schedule is not applicable.		

EXHIBIT "B"

**to response of North Fort Myers Utility, Inc. to letter from Public Service
Commission dated June 10, 2005**

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
PAUL E. DECHARIO, C.P.A.
ROBERT H. JACKSON, C.P.A.
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June 29, 2005

Martin S. Friedman, Esq.
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Blvd., Suite 160
Altamonte Springs, Florida 32701

RE: North Fort Myers Utility, Inc.
Herons Glen Acquisition

Dear Marty:

We were engaged by North Fort Myers Utility to examine the plant balances of Herons Glen Utility.

In the course of that examination, we discovered that certain plant additions from 1998 were not reported in the Utility's annual report. The unreported assets are summarized as follows:

Phase 1a – Unit 1b	\$ 20,954
Phase 1a – Unit 2	142,460
Phase 1b -- Unit 3	<u>185,075</u>
Total unreported collection system	<u>\$ 348,489</u>

Other connections and sub-account reclassifications were also discovered. The total net effect of the results of our examination is an increase, net of an unrecorded reduction of \$113,000 to agree land to the 1996 PSC balance, in total plant in service as follows:

Plant in service @ December 31, 2004	\$ 3,586,149
Plant in service per 2004 Annual Report	<u>3,328,131</u>
	<u>\$ 258,018</u>

As we discussed, we will not be revising the 2004 Annual Report for these adjustments. They will be incorporated into 2005 reporting.

Martin S. Friedman, Esq.
Rose, Sundstrom & Bentley, LLP
June 29, 2005
Page Two

I am attaching two sets of schedules. The schedule entitled "Depreciation Detail" lists specific asset detail by NARUC sub-account, as well as depreciation on those assets through 2004.

The schedule entitled "Sewer Additions by Year" shows the plant 'balance' (as adjusted) at the end of each year, 'Additions' as reported in the annual report, 'Retirements' as reported in the annual report, and 'Adjustments' based on our examination for the year impacted.

Please call me if you have any questions.

Very truly yours,

CRONIN, JACKSON, NIXON & WILSON



Paul E. DeChario

cc: Tony Reeves w/enclosures
Debbie Evans w/enclosures

PED/dd
Enclosures

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
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June 29, 2005

Mr. Tony Reeves
North Fort Myers Utility, Inc.
5660 Bayshore Road, Suite 36
North Fort Myers, Florida 33917

RE: Herons Glen Acquisition
Plant in Service Examination

Dear Tony:

Attached is a letter and supporting schedules for the examination of the reported plant balances of Herons Glen we performed last month. Marty asked that I provide this information to him so that he could inform the PSC prior to their transfer audit.

The depreciation detail schedule shows total plant. I know that you will not be acquiring the sewer treatment facilities, but I wasn't sure about reuse lines. Hopefully, this will provide you with enough information for the acquisition.

Please call if you have any questions.

Very truly yours,

CRONIN, JACKSON, NIXON & WILSON



Paul E DeChario

cc: Marty Friedman ✓

PED/dd
Enclosures

Depreciation Detail

FYE: 12/31/2004

Asset	Property Description	Location	Vendor	Book Method	Book Period	Date In Service	*	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	
Group: 351.1 ORGANIZATION CKOSTS													
1	Organization costs			S/L	40.0	6/30/91		14,524.52	4,538.88	363.11	4,901.99	9,622.53	
								351.1 ORGANIZATION CKOSTS	14,524.52	4,538.88	363.11	4,901.99	9,622.53
Group: 353.2 LAND & LAND RIGHTS													
14	STP land	STP site	Developer Contributed	Land	0.0	6/30/92		7,497.89	0.00	0.00	0.00	7,497.89	
15	Land Improvements	STP site	Developer Contributed	Land	0.0	6/30/92		20,238.39	0.00	0.00	0.00	20,238.39	
78	Easement Filing	Phase 1b-Unit 3	Remcon Development C	Land	0.0	6/30/98		1,693.62	0.00	0.00	0.00	1,693.62	
								353.2 LAND & LAND RIGHTS	29,429.90	0.00	0.00	0.00	29,429.90
Group: 354.4 STRUCTURES & IMPROV													
2	Sewer plant	STP site		S/L	32.0	6/30/91		343,611.38	134,223.25	10,737.86	144,961.11	198,650.27	
3	STP land improvements	STP site		S/L	32.0	6/30/91		79,458.13	31,038.37	2,483.07	33,521.44	45,936.69	
11	Fencing	STP site	Zimmer Construction	S/L	32.0	6/30/91		9,712.59	3,794.00	303.52	4,097.52	5,615.07	
16	Additional charges	STP site	Zimmer Construction	S/L	32.0	6/30/92		4,208.00	1,512.25	131.50	1,643.75	2,564.25	
98	Base pad construction	STP site	Mack Concrete	S/L	32.0	6/30/02		29,595.83	1,387.30	924.87	2,312.17	27,283.66	
99	Set & Seal precast concrete	STP site	Mack Concrete	S/L	32.0	6/30/02		72,663.14	3,406.08	2,270.72	5,676.80	66,986.34	
102	Construction Interest	STP site	Mack Concrete	S/L	32.0	6/30/02		20,665.96	968.72	645.81	1,614.53	19,051.43	
103	Chain Link Fence/Slat gate	STP site	Mack Concrete	S/L	32.0	6/30/02		5,925.00	277.74	185.16	462.90	5,462.10	
104	Install Seawall Shoring	STP site	Mack Concrete	S/L	32.0	6/30/02		5,000.00	234.38	156.25	390.63	4,609.37	
105	Sewer permit	STP site	Mack Concrete	S/L	32.0	6/30/02		500.00	23.44	15.63	39.07	460.93	
106	Progress Report	STP site	Mack Concrete	S/L	32.0	6/30/02		330.00	15.47	10.31	25.78	304.22	
								354.4 STRUCTURES & IMPROV	571,670.03	176,881.00	17,864.70	194,745.70	376,924.33
Group: 360.2 COLL SEWERS-FORCE													
4	Unit 1a	Phase 1a	Zimmer Construction	S/L	30.0	6/30/91		21,312.26	8,880.12	710.41	9,590.53	11,721.73	
17	Unit 1a	Phase 1a	Zimmer Construction	S/L	30.0	6/30/92		125,540.50	48,123.82	4,184.68	52,308.50	73,232.00	
28	12" PVC DR18 2100lf	Phase 1a/Unit 2	Remcon Development C	S/L	30.0	6/30/98		45,050.19	8,259.19	1,501.67	9,760.86	35,289.33	
29	12" PVC DR14 130lf	Phase 1a/Unit 2	Remcon Development C	S/L	30.0	6/30/98		3,082.38	565.12	102.75	667.87	2,414.51	
30	Connect force main	Phase 1a/Unit 2	Remcon Development C	S/L	30.0	6/30/98		1,129.08	207.02	37.64	244.66	884.42	
54	4" PVC DR18 5lf	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		50.81	9.30	1.69	10.99	39.82	
55	12" PVC DR18 95lf	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		2,037.98	373.62	67.93	441.55	1,596.43	
56	12" PVC DR14 44lf	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		1,043.27	191.29	34.78	226.07	817.20	
57	Air release valve assy 1ea	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		3,240.45	594.06	108.01	702.07	2,538.38	
66	4" PVC DR18 6lf CO#3	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		60.97	11.17	2.03	13.20	47.77	
67	12" PVC DR18 6lf (CO#3)	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		128.71	23.60	4.29	27.89	100.82	
68	12" PVC DR14 4lf (CO#3)	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		94.84	17.38	3.16	20.54	74.30	
69	Connect 12" Main @ Palo Duro (C	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		1,542.32	282.76	51.41	334.17	1,208.15	
70	Relocate 12" Main (CO#5)	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		3,488.85	639.65	116.30	755.95	2,732.90	
71	Phase 1b TV inspect (CO#5)	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		1,083.91	198.72	36.13	234.85	849.06	
72	Instakk FM & IM at STP (CO#5)	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		11,290.77	2,069.98	376.36	2,446.34	8,844.43	
73	Adj Cost Palo Duro Connect (CO#	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		994.72	182.38	33.16	215.54	779.18	
75	12 FM 62lf (CO#8)	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		1,330.05	243.87	44.34	288.21	1,041.84	
76	10" FM 30lf	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98		507.75	93.11	16.93	110.04	397.71	
80	Lines	Phase 1b-Unit 7	Remcon Development C	S/L	30.0	6/30/01		56,054.00	4,671.17	1,868.47	6,539.64	49,514.36	
113	Lines	Phase 1b-Unit 5	Remcon Development C	S/L	30.0	6/30/04		11,999.00	0.00	199.98	199.98	11,799.02	
114	Lines	Phase 1b-Unit 11 & 12	Remcon Development C	S/L	30.0	6/30/04		33,313.00	0.00	555.22	555.22	32,757.78	
								360.2 COLL SEWERS-FORCE	324,375.81	75,637.33	10,057.34	85,694.67	238,681.14

Depreciation Detail

FYE: 12/31/2004

Asset	Property Description	Location	Vendor	Book Method	Book Period	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value
Group: 361.2 COLL SEWERS-GRAVITY											
5	Unit 1a	Phase 1a	Zimmer Construction	S/L	45.0	6/30/91	456,835.19	126,898.63	10,151.89	137,050.52	319,784.67
20	8" DR26 551lf	Phase 1a/Unit1b	Florida State Undergrou	S/L	45.0	6/30/98	11,350.60	1,387.32	252.24	1,639.56	9,711.04
31	8" PVC 0-6ft 1477lf	Phase 1a/Unit 2	Remcon Development C	S/L	45.0	6/30/98	28,350.00	3,465.00	630.00	4,095.00	24,255.00
32	8" PVC 6-10ft 130lf	Phase 1a/Unit 2	Remcon Development C	S/L	45.0	6/30/98	3,963.06	484.38	88.07	572.45	3,390.61
35	Manhole connect existing	Phase 1a/Unit 2	Remcon Development C	S/L	45.0	6/30/98	677.45	82.78	15.05	97.83	579.62
43	8" PVC 0-6ft 146lf	Phase 1b-Unit 3	Remcon Development C	S/L	45.0	6/30/98	2,802.37	342.49	62.27	404.76	2,397.61
44	8" PVC 6-8ft 221lf	Phase 1b-Unit 3	Remcon Development C	S/L	45.0	6/30/98	6,737.20	823.46	149.72	973.18	5,764.02
45	8" PVC 8-10ft 387lf	Phase 1b-Unit 3	Remcon Development C	S/L	45.0	6/30/98	12,671.64	1,548.75	281.59	1,830.34	10,841.30
46	8" PVC 10-12ft 478lf	Phase 1b-Unit 3	Remcon Development C	S/L	45.0	6/30/98	16,730.67	2,044.85	371.79	2,416.64	14,314.03
47	8" PVC 12-14ft 63lf	Phase 1b-Unit 3	Remcon Development C	S/L	45.0	6/30/98	2,418.48	295.57	53.74	349.31	2,069.17
51	Manhole connect existing	Phase 1b-Unit 3	Remcon Development C	S/L	45.0	6/30/98	1,693.62	207.02	37.64	244.66	1,448.96
81	Lines	Phase 1b-Unit 4	Remcon Development C	S/L	45.0	6/30/01	38,054.00	2,114.10	845.64	2,959.74	35,094.26
83	Lines	Phase 1b-Unit 7	Remcon Development C	S/L	45.0	6/30/01	28,150.00	1,563.90	625.56	2,189.46	25,960.54
85	Lines	Phase 1b-Unit 8	Remcon Development C	S/L	45.0	6/30/01	15,860.00	881.10	352.44	1,233.54	14,626.46
87	Lines	Phase 1b-Unit 9	Remcon Development C	S/L	45.0	6/30/01	33,300.00	1,850.00	740.00	2,590.00	30,710.00
115	Lines	Phase 1b-Unit 5	Remcon Development C	S/L	45.0	6/30/04	99,221.00	0.00	1,102.46	1,102.46	98,118.54
116	Lines	Phase 1b-Unit 10	Remcon Development C	S/L	45.0	6/30/04	60,138.00	0.00	668.20	668.20	59,469.80
117	Lines	Phase 1b-Unit 11 & 12	Remcon Development C	S/L	45.0	6/30/04	310,977.00	0.00	3,455.30	3,455.30	307,521.70
118	Lines	Phase 1b-Unit 13	Remcon Development C	S/L	45.0	6/30/04	68,226.00	0.00	758.07	758.07	67,467.93
361.2 COLL SEWERS-GRAVITY							1,198,156.28	143,989.35	20,641.67	164,631.02	1,033,525.26

Group: 361.21 MANHOLES

21	Manholes 3ea	Phase 1a/Unit1b	Florida State Undergrou	S/L	30.0	6/30/98	3,338.90	612.15	111.30	723.45	2,615.45
33	Manhole 4' 0-6ft 5ea	Phase 1a/Unit 2	Remcon Development C	S/L	30.0	6/30/98	8,468.08	1,552.48	282.27	1,834.75	6,633.33
34	Manhole 4' 6-8ft 1ea	Phase 1a/Unit 2	Remcon Development C	S/L	30.0	6/30/98	1,919.43	351.89	63.98	415.87	1,503.56
48	Manhole 4' 6-8ft 2ea	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98	3,983.39	730.29	132.78	863.07	3,120.32
49	Manhole 4' 10-12ft 3ea	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98	8,417.27	1,543.19	280.58	1,823.77	6,593.50
50	Manhole 4' 12-14ft 1ea	Phase 1b-Unit 3	Remcon Development C	S/L	30.0	6/30/98	3,360.13	616.00	112.00	728.00	2,632.13
82	Manholes	Phase 1b-Unit 4	Remcon Development C	S/L	30.0	6/30/01	4,828.00	402.33	160.93	563.26	4,264.74
84	Manholes	Phase 1b-Unit 7	Remcon Development C	S/L	30.0	6/30/01	41,056.00	3,421.33	1,368.53	4,789.86	36,266.14
86	Manholes	Phase 1b-Unit 8	Remcon Development C	S/L	30.0	6/30/01	8,534.00	711.17	284.47	995.64	7,538.36
88	Manholes	Phase 1b-Unit 9	Remcon Development C	S/L	30.0	6/30/01	14,840.00	1,236.67	494.67	1,731.34	13,108.66
361.21 MANHOLES							98,745.20	11,177.50	3,291.51	14,469.01	84,276.19

Group: 363.2 SEWER SERVICES

6	Unit 1a	Phase 1a	Zimmer Construction	S/L	38.0	6/30/91	5,141.76	1,691.37	135.31	1,826.68	3,315.08
22	Cleanout-double 3ea	Phase 1a/Unit1b	Florida State Undergrou	S/L	38.0	6/30/98	316.65	45.82	8.33	54.15	262.50
23	Cleanout-single 3ea	Phase 1a/Unit1b	Florida State Undergrou	S/L	38.0	6/30/98	299.70	43.39	7.89	51.28	248.42
24	Service Laterals 178lf	Phase 1a/Unit1b	Florida State Undergrou	S/L	38.0	6/30/98	1,838.20	266.04	48.37	314.41	1,523.79
25	Road cut & patch 180lf	Phase 1a/Unit1b	Florida State Undergrou	S/L	38.0	6/30/98	3,600.00	521.07	94.74	615.81	2,984.19
26	Cap existing lateral	Phase 1a/Unit1b	Florida State Undergrou	S/L	38.0	6/30/98	210.00	30.41	5.53	35.94	174.06
27	Laterals 4lf	Phase 1a/Unit1b	Florida State Undergrou	S/L	38.0	6/30/98	40.40	5.83	1.06	6.89	33.51
36	Service-Double 13ea	Phase 1a/Unit 2	Remcon Development C	S/L	38.0	6/30/98	5,137.30	743.55	135.19	878.74	4,258.56
52	Single Service 4ea	Phase 1b-Unit 3	Remcon Development C	S/L	38.0	6/30/98	1,580.71	228.80	41.60	270.40	1,310.31
53	Double Service 19ea	Phase 1b-Unit 3	Remcon Development C	S/L	38.0	6/30/98	8,044.68	1,164.35	211.70	1,376.05	6,668.63
63	Single Service 1ea CO#1	Phase 1b-Unit 3	Remcon Development C	S/L	38.0	6/30/98	395.18	57.20	10.40	67.60	327.58
64	Double Service 4ea (CO#1)	Phase 1b-Unit 3	Remcon Development C	S/L	38.0	6/30/98	1,693.62	245.13	44.57	289.70	1,403.92
65	Sewer Laterals CO#3	Phase 1b-Unit 3	Remcon Development C	S/L	38.0	6/30/98	4,064.68	588.33	106.97	695.30	3,369.38
89	Services	Phase 1b-Unit 4	Remcon Development C	S/L	38.0	6/30/01	3,787.00	249.15	99.66	348.81	3,438.19
90	Services	Phase 1b-Unit 7	Remcon Development C	S/L	38.0	6/30/01	7,925.00	521.38	208.55	729.93	7,195.07
91	Services	Phase 1b-Unit 8	Remcon Development C	S/L	38.0	6/30/01	2,000.00	131.58	52.63	184.21	1,815.79
92	Services	Phase 1b-Unit 9	Remcon Development C	S/L	38.0	6/30/01	2,575.00	169.40	67.76	237.16	2,337.84

Depreciation Detail

FYE: 12/31/2004

Asset	Property Description	Location	Vendor	Book Method	Book Period	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value
Group: 363.2 SEWER SERVICES (continued)											
119	Services	Phase 1b-Unit 5	Remcon Development C	S/L	38.0	6/30/04	31,564.00	0.00	415.32	415.32	31,148.68
120	Services	Phase 1b-Unit 10	Remcon Development C	S/L	38.0	6/30/04	24,100.00	0.00	317.11	317.11	23,782.89
121	Services	Phase 1b-Unit 11 & 12	Remcon Development C	S/L	38.0	6/30/04	76,076.00	0.00	1,001.00	1,001.00	75,075.00
122	Services	Phase 1b-Unit 13	Remcon Development C	S/L	38.0	6/30/04	32,604.00	0.00	429.00	429.00	32,175.00
363.2 SEWER SERVICES							212,993.88	6,702.80	3,442.69	10,145.49	202,848.39
Group: 371.3 LIFT STATIONS											
7	Station 1	Via Verde	Zimmer Construction	S/L	18.0	6/30/91	38,877.81	26,998.50	2,159.88	29,158.38	9,719.43
13	Station 2	Palo Dero	Zimmer Construction	S/L	18.0	6/30/91	38,877.80	26,998.50	2,159.88	29,158.38	9,719.42
18	Final charges	Via Verde	Zimmer Construction	S/L	18.0	6/30/92	28,757.05	18,372.52	1,597.61	19,970.13	8,786.92
37	Influent bar screen	Phase 1a/Unit 2	Remcon Development C	S/L	18.0	6/30/98	6,098.15	1,863.34	338.79	2,202.13	3,896.02
58	Station 3	Avenida Del Vera	Remcon Development C	S/L	18.0	6/30/98	57,289.86	17,505.24	3,182.77	20,688.01	36,601.85
74	Influent Screen Support (CO#8)	Phase 1b-Unit 3	Remcon Development C	S/L	18.0	6/30/98	722.61	220.77	40.14	260.91	461.70
77	Additional materials at WTP (CO#1)	Phase 1b-Unit 3	Remcon Development C	S/L	18.0	6/30/98	10,161.70	3,104.97	564.54	3,669.51	6,492.19
93	Station 4-Unit 4	Mystic Way	Remcon Development C	S/L	18.0	6/30/01	10,000.00	1,388.90	555.56	1,944.46	8,055.54
94	Station 5-Unit 7	Odyssey Court	Remcon Development C	S/L	18.0	6/30/01	88,344.00	12,270.00	4,908.00	17,178.00	71,166.00
95	Station 6-Unit 9	Wheellock	Remcon Development C	S/L	18.0	6/30/01	80,925.00	11,239.58	4,495.83	15,735.41	65,189.59
123	Station 7-Unit 11 & 12	Via Montana	Remcon Development C	S/L	18.0	6/30/04	72,226.00	0.00	2,006.28	2,006.28	70,219.72
124	Station 8-Unit 5	Dennisport	Remcon Development C	S/L	18.0	6/30/04	52,000.00	0.00	1,444.44	1,444.44	50,555.56
371.3 LIFT STATIONS							484,279.98	119,962.32	23,453.72	143,416.04	340,863.94
Group: 371.4 PUMPING EQUIP											
101	Ebara Pump	STP site	Mack Concrete	S/L	18.0	6/30/02	6,748.53	562.38	374.92	937.30	5,811.23
111	Dosing pump-Hydrumatic 5hp	STP site		S/L	18.0	6/30/03	3,019.00	83.86	167.72	251.58	2,767.42
112	Final dosing pump	STP site		S/L	18.0	6/30/03	1,354.33	37.62	75.24	112.86	1,241.47
371.4 PUMPING EQUIP							11,121.86	683.86	617.88	1,301.74	9,820.12
Group: 375.6 REUSE DIST MAINS											
38	10" PVC DR18 1700lf	Phase 1a/Unit 2	Remcon Development C	S/L	43.0	6/30/98	28,772.28	3,680.16	669.12	4,349.28	24,423.00
39	10" PVC DR14 1301f	Phase 1a/Unit 2	Remcon Development C	S/L	43.0	6/30/98	2,495.26	319.16	58.03	377.19	2,118.07
40	10" Gate Valve 1ea	Phase 1a/Unit 2	Remcon Development C	S/L	43.0	6/30/98	1,779.43	227.59	41.38	268.97	1,510.46
41	Fire Hydrant, 6" gate valve	Phase 1a/Unit 2	Remcon Development C	S/L	43.0	6/30/98	2,454.61	313.94	57.08	371.02	2,083.59
42	Tap existing main	Phase 1a/Unit 2	Remcon Development C	S/L	43.0	6/30/98	3,083.51	394.40	71.71	466.11	2,617.40
59	10" PVC DR18 1201f	Phase 1b-Unit 3	Remcon Development C	S/L	43.0	6/30/98	1,815.56	232.21	42.22	274.43	1,541.13
60	10" PVC DR14 201f	Phase 1b-Unit 3	Remcon Development C	S/L	43.0	6/30/98	383.89	49.11	8.93	58.04	325.85
61	10" Gate Valve 2ea	Phase 1b-Unit 3	Remcon Development C	S/L	43.0	6/30/98	3,445.94	440.77	80.14	520.91	2,925.03
62	10" PVC 4771f (unit 2) CO#1	Phase 1b-Unit 3	Remcon Development C	S/L	43.0	6/30/98	8,073.16	1,032.62	187.75	1,220.37	6,852.79
375.6 REUSE DIST MAINS							52,303.64	6,689.96	1,216.36	7,906.32	44,397.32
Group: 380.4 TREAT & DISP EQUIP											
12	Treatment equip	STP site	Zimmer Construction	S/L	18.0	6/30/91	149,853.04	104,064.62	8,325.17	112,389.79	37,463.25
79	American Sigma 8451 Residual Cl2	STP site	Alpha Valve & Control	S/L	18.0	3/25/99	2,622.00	691.93	145.67	837.60	1,784.40
96	Reject Pond Liner	STP site	Mack Concrete	S/L	18.0	6/30/01	21,811.51	3,029.38	1,211.75	4,241.13	17,570.38
97	Filter Modifications	STP site	Mack Concrete	S/L	18.0	6/30/02	38,671.80	3,222.65	2,148.43	5,371.08	33,300.72
107	Reject Pond Liner	STP site	Mack Concrete	S/L	18.0	6/30/02	60,200.00	5,016.66	3,344.44	8,361.10	51,838.90
108	Tank Liner	STP site	Mack Concrete	S/L	18.0	6/30/02	100,700.00	8,391.66	5,594.44	13,986.10	86,713.90
109	Chlorinator	STP site	Mack Concrete	S/L	18.0	6/30/02	2,971.59	247.63	165.09	412.72	2,558.87

Depreciation Detail

FYE: 12/31/2004

Asset	Property Description	Location	Vendor	Book Method	Book Period	Date In Service	*	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value
Group: 380.4 TREAT & DISP EQUIP (continued)												
110	Polyurea coating sewer tank	STP site		S/L	18.0	6/30/03		23,000.00	638.89	1,277.78	1,916.67	21,083.33
125	Blower-WWTP	STP site		S/L	18.0	6/30/04		1,229.02	0.00	34.14	34.14	1,194.88
126	Permit-Sewer Construction	STP site		S/L	18.0	6/30/04		500.00	0.00	13.89	13.89	486.11
127	Permit-STP Construction	STP site		S/L	18.0	6/30/04		200.00	0.00	5.56	5.56	194.44
380.4 TREAT & DISP EQUIP								<u>401,758.96</u>	<u>125,303.42</u>	<u>22,266.36</u>	<u>147,569.78</u>	<u>254,189.18</u>
Group: 380.5-REUSE TREAT/DISP EQ												
128	Permit-Reuse	STP site		S/L	18.0	6/30/04		100.00	0.00	2.78	2.78	97.22
129	Pressure Tank-Reuse	STP site		S/L	18.0	6/30/04		1,387.94	0.00	38.55	38.55	1,349.39
380.5-REUSE TREAT/DISP EQ								<u>1,487.94</u>	<u>0.00</u>	<u>41.33</u>	<u>41.33</u>	<u>1,446.61</u>
Group: 381.4 PLANT SEWERS												
100	Install piping & Equipment	STP site	Mack Concrete	S/L	35.0	6/30/02		57,190.05	2,451.00	1,634.00	4,085.00	53,105.05
381.4 PLANT SEWERS								<u>57,190.05</u>	<u>2,451.00</u>	<u>1,634.00</u>	<u>4,085.00</u>	<u>53,105.05</u>
Group: 389.4 OTHER PLANT/MISC EQ												
8	Sewer Tank Slab/Foundation	STP site	Zimmer Construction	S/L	15.0	6/30/91		72,262.15	60,218.50	4,817.48	65,035.98	7,226.17
9	Sewer Tank Piping	STP site	Zimmer Construction	S/L	15.0	6/30/91		2,398.53	1,998.75	159.90	2,158.65	239.88
10	750,000 gal tank	STP site	Zimmer Construction	S/L	15.0	6/30/91		53,449.89	44,541.62	3,563.33	48,104.95	5,344.94
389.4 OTHER PLANT/MISC EQ								<u>128,110.57</u>	<u>106,758.87</u>	<u>8,540.71</u>	<u>115,299.58</u>	<u>12,810.99</u>
Grand Total								<u>3,586,148.62</u>	<u>780,776.29</u>	<u>113,431.38</u>	<u>894,207.67</u>	<u>2,691,940.95</u>

Heron's Glen Utilities
Sewer Additions by Year
12/31/2004

Account Sewer	Balance 12/31/1991	1992 Additions	1992 Retirements	1992 Adjustments	Balance 12/31/1992	1993 Additions	1993 Retirements	1993 Adjustments	Balance 12/31/1993	1994 Additions	1994 Retirements	1994 Adjustments	Balance 12/31/1994	1995 Additions	1995 Retirements	1995 Adjustments	Balance 12/31/1995	1996 Additions	1996 Retirements	1996 Adjustments	
364.20 Flow Meters					-				-				-				-				
366.60 Reuse Services					-				-				-				-				
371.30 Lift Stations					-				-				-				-				
Unit 4					-				-				-				-				
Unit 7					-				-				-				-				
Unit 9					-				-				-				-				
Unit 11 & 12					-				-				-				-				
Lift Stations	77,755.61	28,757.05			106,512.66				106,512.66				106,512.66				106,512.66				
Unit 5					-				-				-				-				
Unit 2					-				-				-				-				
Unit 3					-				-				-				-				
371.40 Pumping Equipment					-				-				-				-				
Dosing Pump-Hydro Shp					-				-				-				-				
Final Dosing Pump					-				-				-				-				
Ebara Pump					-				-				-				-				
371.50 Reuse Pumping Equipment					-				-				-				-				
374.50 Reuse Dist Reservoirs					-				-				-				-				
375.60 Reuse Trans & Dist Mains					-				-				-				-				
Unit 2					-				-				-				-				
Unit 3					-				-				-				-				
380.40 Treatment & Disposal Equip					-				-				-				-				
SP equipment	149,853.04				149,853.04				149,853.04				149,853.04				149,853.04				
Reject Pond Liner					-				-				-				-				
Tank Liner					-				-				-				-				
Chlorinator					-				-				-				-				
Blower-WWTP					-				-				-				-				
Permit-Sewer Construction					-				-				-				-				
WWTP Permit					-				-				-				-				
American Sigma 8451 Cl2 monitor					-				-				-				-				
Filter Modifications					-				-				-				-				
Polyurea Coating-Sewer Tank					-				-				-				-				
380.50 Reuse Treat & Disp Equip					-				-				-				-				
Reuse Permit					-				-				-				-				
Pressure tank-reuse					-				-				-				-				
381.40 Plant Sewers					-				-				-				-				
Intsall Piping & Equipment					-				-				-				-				
381.50 Reuse Plant Sewers					-				-				-				-				
382.40 Outfall Sewer Lines					-				-				-				-				
389.40 Other Plant/Misc Equip					-				-				-				-				
Sewer tank slab/foundation pi	72,262.15				72,262.15				72,262.15				72,262.15				72,262.15				
Sewer tank Piping	2,398.53				2,398.53				2,398.53				2,398.53				2,398.53				
Sewer Tank	53,449.89				53,449.89				53,449.89				53,449.89				53,449.89				
390.70 Office Furn & Equip					-				-				-				-				
391.70 Transportation Equipment					-				-				-				-				
393.70 Tools, Shop & Garage Equip					-				-				-				-				
397.70 Miscellaneous Equip					-				-				-				-				
	<u>1,286,315.05</u>	<u>186,241.83</u>	<u>-</u>	<u>-</u>	<u>1,472,556.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,556.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,556.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,556.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Account Sewer	Balance	1997			Balance	1998			Balance	1999			Balance	2000			Balance	2001		
	12/31/1996	Additions	Retirements	Adjustments	12/31/1997	Additions	Retirements	Adjustments	12/31/1998	Additions	Retirements	Adjustments	12/31/1999	Additions	Retirements	Adjustments	12/31/2000	Additions	Retirements	Adjustments
351.10 Organization Costs	14,524.52				14,524.52				14,524.52				14,524.52				14,524.52			
352.10 Franchises	-				-				-				-				-			
353.20 Land & Land Rights	-				-				-				-				-			
STP Land	7,497.89				7,497.89				7,497.89				7,497.89				7,497.89			
Land Improvements	20,238.39				20,238.39				20,238.39				20,238.39				20,238.39			
Easement Unit 2	-				-			1,693.62	-				-				-			
354.40 Structures & Improvements	-				-	14,524.00		(14,524.00)	-				-				-			
Sewer Plant	347,819.38				347,819.38				347,819.38				347,819.38				347,819.38			21,811.51
Filter Modifications	-				-				-				-				-			(21,811.51)
Base pad construction	-				-				-				-				-			
Set #6 Seak Precast Concrete	-				-				-				-				-			
Install Piping & Equipment	-				-				-				-				-			
Ebara Pump	-				-				-				-				-			
Construction Interest	-				-				-				-				-			
chain link fence/slat gate	-				-				-				-				-			
Install Seawall/Shoring	-				-				-				-				-			
Sewer permit	-				-				-				-				-			
Water Permit	-				-				-				-				-			
Progress report	-				-				-				-				-			
Tank Liner	-				-				-				-				-			
Sewer Plant Land Improve	79,458.13				79,458.13				79,458.13				79,458.13				79,458.13			
Sewer-Fencing	9,712.59				9,712.59				9,712.59				9,712.59				9,712.59			
354.50 Reuse Struct & Improve	-				-				-				-				-			
355.40 Power Generation Equip	-				-				-				-				-			
355.50 Reuse Power Gen Equip	-				-				-				-				-			
360.20 Collection Sewers-Force	-				-				-				-				-			
Collection Sewers-Force	146,852.76				146,852.76				146,852.76				146,852.76				146,852.76			
Unit 2	-				-				-				-				-			
Unit 3	-				-			49,261.65	49,261.65				49,261.65				49,261.65			
Unit 5	-				-			26,895.41	26,895.41				26,895.41				26,895.41			
Unit 7	-				-			-	-			-					-			
Unit 11 & 12	-				-			-	-			-					-			56,054.00
361.20 Collection Sewers-Gravity	-				-				-				-				-			
Collection Sewers-Gravity	456,835.19				456,835.19				456,835.19				456,835.19				456,835.19			
Unit 1b-Gravity Lines	-				-				-				-				-			
Unit 1b-Manholes	-				-			11,350.60	11,350.60				11,350.60				11,350.60			
Unit 2	-				-			3,338.90	3,338.90				3,338.90				3,338.90			
Unit 3	-				-			43,378.02	43,378.02				43,378.02				43,378.02			
Unit 4-Gravity Lines	-				-			58,814.77	58,814.77				58,814.77				58,814.77			
Unit 4-Manholes	-				-			-	-			-					-			38,054.00
Unit 5	-				-			-	-			-					-			4,828.00
Unit 7-Gravity Lines	-				-			-	-			-					-			28,150.00
Unit 7-Manholes	-				-			-	-			-					-			41,056.00
Unit 8-Gravity Lines	-				-			-	-			-					-			15,860.00
Unit 8-Manholes	-				-			-	-			-					-			8,534.00
Unit 9-Gravity Lines	-				-			-	-			-					-			33,300.00
Unit 9-Manholes	-				-			-	-			-					-			14,840.00
Unit 10	-				-			-	-			-					-			
Unit 11 & 12	-				-			-	-			-					-			
Unit 13	-				-			-	-			-					-			
362.20 Special Collecting Struct	-				-				-				-				-			
363.20 Services to Customers	-				-				-				-				-			
Services to Customers	5,141.76				5,141.76				5,141.76				5,141.76				5,141.76			
Unit 1b	-				-				-				-				-			
Unit 2	-				-			6,304.95	6,304.95				6,304.95				6,304.95			
Unit 3	-				-			5,137.30	5,137.30				5,137.30				5,137.30			
Unit 4	-				-			15,778.86	15,778.86				15,778.86				15,778.86			
Unit 5	-				-			-	-			-					-			
Unit 7	-				-			-	-			-					-			3,787.00
Unit 8	-				-			-	-			-					-			7,925.00
Unit 9	-				-			-	-			-					-			2,000.00
Unit 10	-				-			-	-			-					-			2,575.00
Unit 11 & 12	-				-			-	-			-					-			
Unit 13	-				-			-	-			-					-			

Account Sewer	Balance 12/31/1996	1997 Additions	1997 Retirements	1997 Adjustments	Balance 12/31/1997	1998 Additions	1998 Retirements	1998 Adjustments	Balance 12/31/1998	1999 Additions	1999 Retirements	1999 Adjustments	Balance 12/31/1999	2000 Additions	2000 Retirements	2000 Adjustments	Balance 12/31/2000	2001 Additions	2001 Retirements	2001 Adjustments
364.20 Flow Meters	-				-				-				-				-			
366.60 Reuse Services	-				-				-				-				-			
371.30 Lift Stations	-				-				-				-				-			
Unit 4	-				-				-				-				-			
Unit 7	-				-				-				-				-		10,000.00	
Unit 9	-				-				-				-				-		88,344.00	
Unit 11 & 12	-				-				-				-				-		80,925.00	
Lift Stations	106,512.66				106,512.66				106,512.66				106,512.66				106,512.66			
Unit 5	-				-				-				-				-			
Unit 2	-				-			6,820.76	6,820.76				6,820.76				6,820.76			
Unit 3	-				-			67,451.56	67,451.56				67,451.56				67,451.56			
371.40 Pumping Equipment	-				-				-				-				-			
Dosing Pump-Hydro Shp	-				-				-				-				-			
Final Dosing Pump	-				-				-				-				-			
Ebara Pump	-				-				-				-				-			
371.50 Reuse Pumping Equipment	-				-				-				-				-			
374.50 Reuse Dist Reservoirs	-				-				-				-				-			
375.60 Reuse Trans & Dist Mains	-				-				-				-				-			
Unit 2	-				-			46,658.25	46,658.25				46,658.25				46,658.25			
Unit 3	-				-			5,645.39	5,645.39				5,645.39				5,645.39			
380.40 Treatment & Disposal Equip	-				-				-				-				-			
SP equipment	149,853.04				149,853.04				149,853.04				149,853.04				149,853.04			
Reject Pond Liner	-				-				-				-				-			
Tank Liner	-				-				-				-				-			21,811.51
Chlorinator	-				-				-				-				-			
Blower-WWTP	-				-				-				-				-			
Permit-Sewer Construction	-				-				-				-				-			
WWTP Permit	-				-				-				-				-			
American Sigma 8451 C12 mc	-				-				-				-				-			
Filter Modifications	-				-				-		2,622		2,622.00				2,622.00			
Polyurea Coating-Sewer Tank	-				-				-				-				-			
380.50 Reuse Treat & Disp Equip	-				-				-				-				-			
Reuse Permit	-				-				-				-				-			
Pressure tank-reuse	-				-				-				-				-			
381.40 Plant Sewers	-				-				-				-				-			
Intsall Piping & Equipment	-				-				-				-				-			
381.50 Reuse Plant Sewers	-				-				-				-				-			
382.40 Outfall Sewer Lines	-				-				-				-				-			
389.40 Other Plant/Misc Equip	-				-				-				-				-			
Sewer tank slab/foundation pi	72,262.15				72,262.15				72,262.15				72,262.15				72,262.15			
Sewer tank Piping	2,398.53				2,398.53				2,398.53				2,398.53				2,398.53			
Sewer Tank	53,449.89				53,449.89				53,449.89				53,449.89				53,449.89			
390.70 Office Furn & Equip	-				-				-				-				-			
391.70 Transportation Equipment	-				-				-				-				-			
393.70 Tools, Shop & Garage Equip	-				-				-				-				-			
397.70 Miscellaneous Equip	-				-				-				-				-			
	<u>1,472,556.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,557</u>	<u>14,524.00</u>	<u>-</u>	<u>334,006.04</u>	<u>1,821,087</u>	<u>-</u>	<u>-</u>	<u>2,622</u>	<u>1,823,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,823,708.92</u>	<u>458,043.51</u>	<u>-</u>	<u>-</u>

Account Sewer	Balance 12/31/01	2002			Balance 12/31/02	2003			Utility Plant in Service				Balance 12/31/2004	
		Additions	Retirements	Adjustments		Additions	Retirements	Adjustments	2004 12/31/03	2004 Additions	2004 Retirements	2004 Adjustments		
351.10 Organization Costs	14,524.52	-	-	-	14,524.52	-	-	-	14,524.52	-	-	-	-	14,524.52
352.10 Franchises	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353.20 Land & Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STP Land	7,497.89	-	-	-	7,497.89	-	-	-	7,497.89	-	-	-	-	7,497.89
Land Improvements	20,238.39	-	-	-	20,238.39	-	-	-	20,238.39	-	-	-	-	20,238.39
Easement Unit 2	1,693.62	-	-	-	1,693.62	-	-	-	1,693.62	-	-	-	-	1,693.62
354.40 Structures & Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Plant	347,819.38	-	-	-	347,819.38	-	-	-	347,819.38	-	-	-	-	347,819.38
Filter Modifications	-	7,745.47	-	(7,745.47)	-	-	-	-	-	-	-	-	-	-
Base pad construction	-	29,595.83	-	-	29,595.83	-	-	-	29,595.83	-	-	-	-	29,595.83
Set & Seak Precast Concrete	-	72,663.14	-	-	72,663.14	-	-	-	72,663.14	-	-	-	-	72,663.14
Install Piping & Equipment	-	57,190.05	-	(57,190.05)	-	-	-	-	-	-	-	-	-	-
Ebara Pump	-	6,748.53	-	(6,748.53)	-	-	-	-	-	-	-	-	-	-
Contruction Interest	-	20,665.96	-	-	20,665.96	-	-	-	20,665.96	-	-	-	-	20,665.96
chain link fence/slat gate	-	5,925.00	-	-	5,925.00	-	-	-	5,925.00	-	-	-	-	5,925.00
Install Seawall Shoring	-	5,000.00	-	-	5,000.00	-	-	-	5,000.00	-	-	-	-	5,000.00
Sewer permit	-	500.00	-	-	500.00	-	-	-	500.00	-	-	-	-	500.00
Water Permit	-	500.00	-	(500.00)	-	-	-	-	-	-	-	-	-	-
Progress report	-	330.00	-	-	330.00	-	-	-	330.00	-	-	-	-	330.00
Tank Liner	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Plant Land improve	79,458.13	-	-	-	79,458.13	-	-	-	79,458.13	-	-	-	-	79,458.13
Sewer-Fencing	9,712.59	-	-	-	9,712.59	-	-	-	9,712.59	-	-	-	-	9,712.59
354.50 Reuse Struct & Improve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355.40 Power Generation Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355.50 Reuse Power Gen Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-
360.20 Collection Sewers-Force	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection Sewers-Force	146,852.76	-	-	-	146,852.76	-	-	-	146,852.76	-	-	-	-	146,852.76
Unit 2	49,261.65	-	-	-	49,261.65	-	-	-	49,261.65	-	-	-	-	49,261.65
Unit 3	26,895.41	-	-	-	26,895.41	-	-	-	26,895.41	-	-	-	-	26,895.41
Unit 5	-	-	-	-	-	-	-	-	-	11,999.00	-	-	-	11,999.00
Unit 7	56,054.00	-	-	-	56,054.00	-	-	-	56,054.00	-	-	-	-	56,054.00
Unit 11 & 12	-	-	-	-	-	-	-	-	-	33,313.00	-	-	-	33,313.00
361.20 Collection Sewers-Gravity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection Sewers-Gravity	456,835.19	-	-	-	456,835.19	-	-	-	456,835.19	-	-	-	-	456,835.19
Unit 1b-Gravity Lines	11,350.60	-	-	-	11,350.60	-	-	-	11,350.60	-	-	-	-	11,350.60
Unit 1b-Manholes	3,338.90	-	-	-	3,338.90	-	-	-	3,338.90	-	-	-	-	3,338.90
Unit 2	43,378.02	-	-	-	43,378.02	-	-	-	43,378.02	-	-	-	-	43,378.02
Unit 3	58,814.77	-	-	-	58,814.77	-	-	-	58,814.77	-	-	-	-	58,814.77
Unit 4-Gravity Lines	38,054.00	-	-	-	38,054.00	-	-	-	38,054.00	-	-	-	-	38,054.00
Unit 4-Manholes	4,828.00	-	-	-	4,828.00	-	-	-	4,828.00	-	-	-	-	4,828.00
Unit 5	-	-	-	-	-	-	-	-	-	99,221.00	-	-	-	99,221.00
Unit 7-Gravity Lines	28,150.00	-	-	-	28,150.00	-	-	-	28,150.00	-	-	-	-	28,150.00
Unit 7-Manholes	41,056.00	-	-	-	41,056.00	-	-	-	41,056.00	-	-	-	-	41,056.00
Unit 8-Gravity Lines	15,860.00	-	-	-	15,860.00	-	-	-	15,860.00	-	-	-	-	15,860.00
Unit 8-Manholes	8,534.00	-	-	-	8,534.00	-	-	-	8,534.00	-	-	-	-	8,534.00
Unit 9-Gravity Lines	33,300.00	-	-	-	33,300.00	-	-	-	33,300.00	-	-	-	-	33,300.00
Unit 9-Manholes	14,840.00	-	-	-	14,840.00	-	-	-	14,840.00	-	-	-	-	14,840.00
Unit 10	-	-	-	-	-	-	-	-	-	60,138.00	-	-	-	60,138.00
Unit 11 & 12	-	-	-	-	-	-	-	-	-	310,977.00	-	-	-	310,977.00
Unit 13	-	-	-	-	-	-	-	-	-	68,226.00	-	-	-	68,226.00
362.20 Special Collecting Struct	-	-	-	-	-	-	-	-	-	-	-	-	-	-
363.20 Services to Customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services to Customers	5,141.76	-	-	-	5,141.76	-	-	-	5,141.76	-	-	-	-	5,141.76
Unit 1b	6,304.95	-	-	-	6,304.95	-	-	-	6,304.95	-	-	-	-	6,304.95
Unit 2	5,137.30	-	-	-	5,137.30	-	-	-	5,137.30	-	-	-	-	5,137.30
Unit 3	15,778.86	-	-	-	15,778.86	-	-	-	15,778.86	-	-	-	-	15,778.86
Unit 4	3,787.00	-	-	-	3,787.00	-	-	-	3,787.00	-	-	-	-	3,787.00
Unit 5	-	-	-	-	-	-	-	-	-	31,564.00	-	-	-	31,564.00
Unit 7	7,925.00	-	-	-	7,925.00	-	-	-	7,925.00	-	-	-	-	7,925.00
Unit 8	2,000.00	-	-	-	2,000.00	-	-	-	2,000.00	-	-	-	-	2,000.00
Unit 9	2,575.00	-	-	-	2,575.00	-	-	-	2,575.00	-	-	-	-	2,575.00
Unit 10	-	-	-	-	-	-	-	-	-	24,100.00	-	-	-	24,100.00
Unit 11 & 12	-	-	-	-	-	-	-	-	-	76,076.00	-	-	-	76,076.00
Unit 13	-	-	-	-	-	-	-	-	-	32,804.00	-	-	-	32,804.00

Account Sewer	Utility Plant In Service												
	Balance 12/31/01	2002 Additions	2002 Retirements	2002 Adjustments	Balance 12/31/02	2003 Additions	2003 Retirements	2003 Adjustments	Balance 12/31/03	2004 Additions	2004 Retirements	2004 Adjustments	Balance 12/31/2004
364.20 Flow Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
366.60 Reuse Services	-	-	-	-	-	-	-	-	-	-	-	-	-
371.30 Lift Stations	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit 4	10,000.00	-	-	-	10,000.00	-	-	-	10,000.00	-	-	-	10,000.00
Unit 7	88,344.00	-	-	-	88,344.00	-	-	-	88,344.00	-	-	-	88,344.00
Unit 9	80,925.00	-	-	-	80,925.00	-	-	-	80,925.00	-	-	-	80,925.00
Unit 11 & 12	-	-	-	-	-	-	-	-	-	72,226.00	-	-	72,226.00
Lift Stations	106,512.66	-	-	-	106,512.66	-	-	-	106,512.66	-	-	-	106,512.66
Unit 5	-	-	-	-	-	-	-	-	-	52,000.00	-	-	52,000.00
Unit 2	6,820.76	-	-	-	6,820.76	-	-	-	6,820.76	-	-	-	6,820.76
Unit 3	67,451.56	-	-	-	67,451.56	-	-	-	67,451.56	-	-	-	67,451.56
371.40 Pumping Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Dosing Pump-Hydro Slip	-	-	-	-	-	-	-	3,019.00	3,019.00	-	-	-	3,019.00
Final Dosing Pump	-	-	-	-	-	-	-	1,354.33	1,354.33	-	-	-	1,354.33
Ebara Pump	-	-	-	6,748.53	6,748.53	-	-	-	6,748.53	-	-	-	6,748.53
371.50 Reuse Pumping Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
374.50 Reuse Dist Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
375.60 Reuse Trans & Dist Mains	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit 2	46,658.25	-	-	-	46,658.25	-	-	-	46,658.25	-	-	-	46,658.25
Unit 3	5,645.39	-	-	-	5,645.39	-	-	-	5,645.39	-	-	-	5,645.39
380.40 Treatment & Disposal Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
SP equipment	149,853.04	-	-	-	149,853.04	-	-	-	149,853.04	-	-	-	149,853.04
Reject Pond Liner	21,811.51	43,244.35	-	16,955.65	82,011.51	-	-	-	82,011.51	-	-	-	82,011.51
Tank Liner	-	100,700.00	-	-	100,700.00	-	-	-	100,700.00	-	-	-	100,700.00
Chlorinator	-	-	-	2,971.59	2,971.59	-	-	-	2,971.59	-	-	-	2,971.59
Blower-WWTP	-	-	-	-	-	-	-	-	-	-	1,229.02	-	1,229.02
Permit-Sewer Construction	-	-	-	-	-	-	-	-	-	-	500.00	-	500.00
WWTP Permit	-	-	-	-	-	-	-	-	-	-	200.00	-	200.00
American Sigma 8451 Cl2 mc	2,622.00	-	-	-	2,622.00	-	-	-	2,622.00	-	-	-	2,622.00
Filter Modifications	-	-	-	38,671.80	38,671.80	-	-	-	38,671.80	-	-	-	38,671.80
Polyurea Coating-Sewer Tank	-	-	-	-	-	-	23,000.00	-	23,000.00	-	-	-	23,000.00
380.50 Reuse Treat & Disp Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Reuse Permit	-	-	-	-	-	-	-	-	-	-	100.00	-	100.00
Pressure tank-reuse	-	-	-	-	-	-	-	-	-	-	1,387.94	-	1,387.94
381.40 Plant Sewers	-	-	-	-	-	-	-	-	-	-	-	-	-
Intsail Piping & Equipment	-	-	-	57,190.05	57,190.05	-	-	-	57,190.05	-	-	-	57,190.05
381.50 Reuse Plant Sewers	-	-	-	-	-	-	-	-	-	-	-	-	-
382.40 Outfall Sewer Lines	-	-	-	-	-	-	-	-	-	-	-	-	-
389.40 Other Plant/Misc Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer tank slab/foundation pi	72,262.15	-	-	-	72,262.15	-	-	-	72,262.15	-	-	-	72,262.15
Sewer tank Piping	2,398.53	-	-	-	2,398.53	-	-	-	2,398.53	-	-	-	2,398.53
Sewer Tank	53,449.89	-	-	-	53,449.89	-	-	-	53,449.89	-	-	-	53,449.89
390.70 Office Furn & Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
391.70 Transportation Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
393.70 Tools, Shop & Garage Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
397.70 Miscellaneous Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>2,281,752.43</u>	<u>350,808.33</u>	<u>-</u>	<u>50,353.57</u>	<u>2,682,914.33</u>	<u>-</u>	<u>-</u>	<u>27,373.33</u>	<u>2,710,287.66</u>	<u>872,444.00</u>	<u>-</u>	<u>3,416.96</u>	<u>3,586,148.62</u>

EXHIBIT "C"

**to response of North Fort Myers Utility, Inc. to letter from Public Service
Commission dated June 10, 2005**

TWO NEW ISSUES--BOOK-ENTRY ONLY
CUSIP # SERIES 2005A BONDS: 52349M FA5
SERIES 2005B BONDS: 52349M FB3

Moody's: Aa2/VMIG1
(See "RATING" herein)

In the opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Series 2005A Bonds (a) is excludable from gross income of the holders of such Bonds except during any period while a Series 2005A Bond is held by a "substantial user" of the System or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and (b) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. (See "TAX CONSEQUENCES" herein.) Interest on the Series 2005B Bonds is included in the gross income of the holders of such Bonds for federal income tax purposes. In the opinion of Bond Counsel, the Series 2005 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

\$13,240,000
LEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (FLORIDA)
Variable Rate Demand Utility System Revenue Bonds, Series 2005A
(North Fort Myers Utility, Inc. Project)

and
\$1,790,000
LEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (FLORIDA)
Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2005B
(North Fort Myers Utility, Inc. Project)

Dated: Date of Delivery

Series 2005A Bonds Due: June 1, 2025

Series 2005B Bonds Due: June 1, 2010

Price: 100%

The Variable Rate Demand Utility System Revenue Bonds, Series 2005A (the "Series 2005A Bonds") and the Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2005B (the "Series 2005B Bonds" and, collectively with the Series 2005A Bonds, the "Series 2005 Bonds") will be payable (except to the extent payable from certain Bond proceeds and other moneys pledged therefor) from, and are secured by, a pledge of payments to be made to Lee County Industrial Development Authority (the "Issuer") under a Loan Agreement, as amended and supplemented (the "Agreement"), between the Issuer and North Fort Myers Utility, Inc., a Florida corporation (the "Company"), on a parity with the Series 2003 Bonds (described herein). The Series 2005 Bonds also will be payable from an irrevocable direct-pay Letter of Credit (the "Credit Facility") issued by

SunTrust Bank

(the "Credit Provider"). The Credit Facility will expire, unless earlier terminated or unless renewed or extended, on June 21, 2010. The Credit Facility may be replaced by a substitute irrevocable Credit Facility (the "Substitute Credit Facility") under the terms and conditions set forth in the Agreement and the Indenture, as described herein. The Series 2005 Bonds will be further secured by a mortgage and a guaranty, which also secure the Series 2003 Bonds.

The Series 2005 Bonds initially will bear interest at the Weekly Rate, as more fully described herein, determined each Wednesday and payable on the first Wednesday of each month, or on the next succeeding Business Day, if such Wednesday is not a Business Day. The Weekly Rate will be determined by SunTrust Capital Markets, Inc., as Remarketing Agent, on the basis of prevailing financial market conditions, as described in the Indenture of Trust, as amended and supplemented (the "Indenture"), between the Issuer and SunTrust Bank, as successor trustee (the "Trustee"). Subject to the satisfaction of certain conditions in the Indenture, the Company may from time to time change the method of determining the interest rate on the Series 2005 Bonds to a Daily, Weekly, Commercial Paper, or Long Term Interest Rate, as more fully described herein under "THE SERIES 2005 BONDS -- Interest on the Series 2005 Bonds -- Conversion Option."

Series 2005 Bonds bearing interest at the Weekly Rate will be issuable as fully registered Bonds in denominations of \$100,000 each and integral multiples of \$5,000 in excess thereof. The Series 2005 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2005 Bonds. Purchases will be made in book-entry only form and no physical delivery of the Series 2005 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and premium, if any, and interest on the Series 2005 Bonds will be made to Beneficial Owners by DTC through its Participants (as herein defined). As long as Cede & Co. is the registered owner of the Series 2005 Bonds, as nominee of DTC, references herein to the holders of the Series 2005 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2005 Bonds. See "THE SERIES 2005 BONDS -- Book-Entry Only System" herein.

The Series 2005 Bonds are subject to redemption, purchase, and tender as provided in the Indenture and as described herein.

In connection with the issuance of the Series 2005 Bonds, certain amendments will be made to the Indenture, the Loan Agreement and other documents securing the Series 2005 Bonds and the outstanding Series 2003 Bonds. See "PLAN OF FINANCING -- The Project and Use of Bonds Proceeds" herein.

THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE SERIES 2005 BONDS OR THE INTEREST THEREON EXCEPT FROM THE REVENUES AND THE PROCEEDS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, LEE COUNTY, FLORIDA, OR OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2005 BONDS.

The Series 2005 Bonds are offered subject to prior sale, when, as and if issued by the Issuer, subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Company by its Counsel, Rose, Sundstrom & Bentley LLP, Tallahassee, Florida; for the Guarantor by its Counsel, Rose, Sundstrom & Bentley LLP, Tallahassee, Florida; for the Issuer by its Counsel, Fowler White Boggs & Banker, P.A., Fort Myers, Florida; for the Underwriter by its Counsel, Adorno & Yoss LLP, West Palm Beach, Florida; and for the Credit Provider, as issuer of the Credit Facility, by its Counsel, Adorno & Yoss LLP, West Palm Beach, Florida. The Series 2005 Bonds in definitive form are expected to be delivered to The Depository Trust Company in New York, New York on or about June 21, 2005.

SunTrust Capital Markets

This Official Statement is dated June 21, 2005

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2005 Bonds identified on the cover hereof. No dealer, broker, salesman, or other person has been authorized by the Issuer, the Company, the Credit Provider, or the Underwriter to give any information or to make any representation with respect to the Series 2005 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2005 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information herein is subject to change without notice and neither the delivery hereof nor any sale hereunder at any time implies that information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

In making an investment decision, investors must rely on their own examination of the Credit Provider and the terms of the offering, including the merits and risks involved. The Series 2005 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

OFFICIAL STATEMENT

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\$13,240,000
LEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (FLORIDA)
Variable Rate Demand Utility System Revenue Bonds, Series 2005A
(North Fort Myers Utility, Inc. Project)

and

\$1,790,000
LEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (FLORIDA)
Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2005B
(North Fort Myers Utility, Inc. Project)

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information in connection with the original issuance and sale by Lee County Industrial Development Authority (the "Issuer") of \$13,240,000 in aggregate principal amount of its Variable Rate Demand Utility System Revenue Bonds (North Fort Myers Utility, Inc. Project), Series 2005A (the "Series 2005A Bonds") and \$1,790,000 in aggregate principal amount of its Taxable Variable Rate Demand Utility System Revenue Bonds (North Fort Myers Utility, Inc. Project), Series 2005B (the "Series 2005B Bonds" and, collectively with the Series 2005A Bonds, the "Series 2005 Bonds").

The Series 2005 Bonds will be issued under an Indenture of Trust, dated as of August 1, 1995 (the "Original Indenture"), between the Issuer and SunTrust Bank, as successor trustee (in such capacity, the "Trustee"), as supplemented by the First Supplemental Indenture of Trust, dated as of March 1, 2003, and the Second Supplemental Indenture of Trust, dated as of June 1, 2005, and any amendments and supplements thereto (collectively, the "Indenture"). The Series 2005 Bonds will be limited obligations as described under the caption "THE SERIES 2005 BONDS -- General." The Issuer will loan the net proceeds of the sale of the Series 2005 Bonds to North Fort Myers Utility, Inc., a Florida corporation (the "Company"), pursuant to a Loan Agreement, dated as of August 1, 1995 (the "Original Loan Agreement"), between the Issuer and the Company, as supplemented by the First Supplemental Loan Agreement, dated as of March 1, 2003, and the Second Supplemental Loan Agreement, dated as of June 1, 2005, and any amendments and supplements thereto (collectively, the "Agreement"), in order to (1) finance the cost of improvements to the Company's wastewater collection, transmission, treatment, and disposal system located in Lee County, Florida, including but not limited to the acquisition of Heron's Glen Utilities, (2) refund the Series 1995 Bonds, and (3) pay the costs of issuing the Series 2005 Bonds (collectively, the "Project"). The Agreement will be secured by the Mortgage and Security Agreement, dated as of August 1, 1995 (the "Original Mortgage"), from the Company to the Issuer and assigned to the Trustee, as supplemented by a First Supplemental Mortgage and Security Agreement and Notice of Advance dated as of March 1, 2003 (related to the herein described Series 2003A Bonds), a Second Supplemental Mortgage and Security Agreement and Notice of Advance dated as of March 1, 2003 (related to the herein described Series 2003B Bonds), and a Third Supplemental Mortgage and Security Agreement and Notice of Advance dated as of June 1, 2005 (related to the Series 2005 Bonds), from the Company to the Issuer and assigned to the Trustee (collectively, the "Mortgage"). All of the Issuer's rights under the Agreement will be assigned to the Trustee as security for the payment of the principal of, premium, if any, and interest on the Issuer's Variable Rate Demand Utility System Revenue Bonds, Series 2003A (North Fort Myers Utility, Inc. Project (the "Series 2003A Bonds") and Taxable Variable Rate Demand Utility System Revenue Bonds), Series 2003B (North Fort Myers Utility, Inc. Project) (the "Series 2003B Bonds" and, collectively with the Series 2003A Bonds, the "Series 2003 Bonds"), and the Series 2005 Bonds (collectively the "Bonds"), except for certain rights to fees and indemnification payments. The Bonds will be further secured by a guaranty by the parent of the Company, Old Bridge Park Corporation (the "Guarantor") pursuant to a Guaranty Agreement, dated as of August 1, 1995 (the "Original Guaranty"), from the Guarantor to the Trustee, as amended and supplemented, and as particularly supplemented by the First Supplemental Guaranty Agreement, dated as of March 1, 2003, and the Second Supplemental Guaranty Agreement, dated as of June 1, 2005 (collectively, the "Guaranty"). The Series 2005 Bonds will be equally and ratably secured on a parity basis with the Series 2003 Bonds, presently outstanding in the aggregate principal amount of \$10,995,000, except for amounts payable under the Credit Facility which only secure the Series 2005 Bonds.

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Appendix A – Information Relating to SunTrust Bank

Appendix B - Form of Letter of Credit

Appendix C-1 - Form of Opinion of Bond Counsel With Respect to the Series 2005A Bonds

Appendix C-2 - Form of Opinion of Bond Counsel With Respect to the Series 2005B Bonds

Concurrently with, and as a condition to, the issuance of the Series 2005 Bonds, the Company will cause SunTrust Bank (the "Credit Provider"), to deliver an irrevocable direct-pay Letter of Credit (the "Credit Facility") to the Trustee. The Trustee will be entitled under the Credit Facility to draw amounts up to (a) the principal amount of the Series 2005 Bonds or the portion of the Purchase Price of the Series 2005 Bonds corresponding to the principal of the Series 2005 Bonds and (b) up to 40 days' accrued interest on the Series 2005 Bonds (at a maximum rate of 12% per annum) or that portion of the Purchase Price of the Series 2005 Bonds corresponding to the accrued interest thereon. The Credit Facility will be issued pursuant to a Letter of Credit Agreement, dated as of June 1, 2005, between the Company and the Credit Provider (the "Credit Agreement"), as described under the caption "THE CREDIT FACILITY." The Company will agree in the Credit Agreement to reimburse the Credit Provider for drawings made under the Credit Facility and to make certain other payments. The Credit Facility will not secure the Series 2003 Bonds, although the Series 2003 Bonds are secured by a separate direct pay letter of credit issued by the Credit Provider.

NO REPRESENTATION IS MADE CONCERNING THE FINANCIAL STATUS OR PROSPECTS OF THE COMPANY OR THE VALUE OR FINANCIAL VIABILITY OF THE PROJECT. PROSPECTIVE PURCHASERS OF THE SERIES 2005 BONDS ARE ADVISED TO RELY SOLELY UPON THE CREDIT FACILITY FOR PAYMENT OF PRINCIPAL AND PURCHASE PRICE OF AND INTEREST ON THE SERIES 2005 BONDS. AN EVENT OF DEFAULT UNDER THE CREDIT AGREEMENT, INCLUDING, AMONG OTHER THINGS, THE COMPANY'S FAILURE TO PAY ITS REIMBURSEMENT OBLIGATIONS OR COMPLY WITH ITS COVENANTS THEREUNDER, WILL PERMIT THE CREDIT PROVIDER TO CAUSE AN EVENT OF DEFAULT UNDER THE INDENTURE, WHICH WOULD REQUIRE THE TRUSTEE TO DECLARE THE SERIES 2005 BONDS TO BE IMMEDIATELY DUE AND PAYABLE.

In order to provide for the remarketing of the Series 2005 Bonds under certain circumstances, the Company and SunTrust Capital Markets, Inc. (in such capacity, the "Remarketing Agent") will enter into a Remarketing Agreement, dated as of June 1, 2005 (the "Remarketing Agreement").

The Series 2005 Bonds will be equally and ratably secured on a parity basis with the Series 2003 Bonds and with any additional revenue bonds of the Issuer hereafter issued on a parity basis with the Bonds, except for amounts payable under the Credit Facility which only secure the Series 2005 Bonds.

Brief descriptions of the Issuer, the Company, the Project, and the Series 2005 Bonds follow. A brief description of the Credit Provider is included as Appendix A hereto. The descriptions herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each specific document being described, copies of all of which are available for inspection at the administering corporate trust office of the Trustee at 777 Brickell Avenue, Miami, Florida 33131-2803, Attention: Corporate Trust Department. Terms not defined herein have the meanings set forth in the respective documents. See "MISCELLANEOUS" for obtaining more information and for obtaining copies of the documents.

ALTHOUGH THE ISSUER HAS CONSENTED TO THE USE OF THIS OFFICIAL STATEMENT IN CONNECTION WITH THE OFFER AND THE SALE OF THE SERIES 2005 BONDS, IT HAS NOT PARTICIPATED IN THE PREPARATION HEREOF AND IT MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS.

THE ISSUER

The Issuer is a public body corporate and politic, a public instrumentality, and an industrial development authority organized and existing under the Constitution and laws of the State of Florida pursuant to the provisions of Chapter 159, Parts II, III, and VII, Florida Statutes, and other applicable provisions of law. The Issuer's membership consists of seven persons appointed by the Board of County Commissioners of Lee County to staggered four-year terms.

The issuance of the Series 2005 Bonds was approved by the adoption of a resolution of the Issuer on June 17, 2005. The Issuer is authorized to issue the Series 2005 Bonds, to finance the costs of the Project, and to secure the Series 2005 Bonds by an assignment of the payments to be received under the Agreement. In order to accomplish the foregoing, the Issuer is authorized to enter into and/or accept delivery of the Indenture and the Agreement.

The Series 2005 Bonds will be limited obligations of the Issuer as described under the caption "THE SERIES 2005 BONDS -- General."

THE COMPANY

The Company, North Fort Myers Utility, Inc., is a regulated public utility that owns and operates a wastewater collection, transmission, treatment, and effluent disposal system and a water supply, treatment, transmission, and distribution system currently servicing approximately 16,500 equivalent residential connections in residential, commercial, and recreational vehicle developments in North Fort Myers, Florida. This will increase to approximately 17,500 equivalent residential connections after the conclusion of the Company's acquisition of Heron's Glen Utilities. The Company serves an approximately 36 square mile area by virtue of the exclusive right granted by the Florida Public Service Commission (the "FPSC") through a Certificate of Authorization. The FPSC, in a Declaratory Statement initiated by Lee County, Florida, has upheld the exclusivity of the Company's service area, provided that the Company continues to offer service that meets environmental requirements and extends service throughout the certificated territory.

The Company's administrative offices are located at 5660 Bayshore Road, Suite 36, North Fort Myers, Florida 33917. Its wastewater treatment facilities are located at 4000 Del Prado Boulevard, North Fort Myers, Florida 33917. The wastewater treatment plant is located in the center of the service area, which generally extends north to the Lee/Charlotte County line, east to the Interstate 75 corridor, south to the Caloosahatchee River, and west to the City of Cape Coral.

The Company was organized in 1977 and is a wholly-owned subsidiary of Old Bridge Park Corporation. The Company was originally formed to provide wastewater treatment services to residents of Old Bridge Village, a manufactured home development in North Fort Myers, Florida. The treatment facilities were subsequently expanded to respond to the demand for service in areas adjacent to Old Bridge Village. In 1985, the Company undertook construction of a two million gallon per day ("MGD") wastewater treatment plant, deep injection well and reuse pumping facility on a new plant site in the heart of North Fort Myers, Florida. In June 2001, the Company constructed a 1.5 MGD addition to its existing 2.0 MGD wastewater treatment plant to meet Florida Department of Environmental Protection ("FDEP") requirements. The plant currently operates at approximately 65% capacity, and the Company continues to extend its transmission facilities within its certificated service area. Currently, the Company has undertaken the design and permitting of an additional 3.5 MGD to its central wastewater treatment and reclamation facility to accommodate anticipated growth in the North Fort Myers area.

The Company is primarily regulated by the FPSC, which approves the connection charges and service fees the Company may reasonably charge, and the FDEP, which monitors treatment and disposal facilities for compliance with environmental regulations.

The Credit Provider does not control the Company, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment Company Act of 1940. Likewise, the

Company does not control the Credit Provider, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment Company Act of 1940.

PLAN OF FINANCING

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Series 2005A Bonds are estimated below.

Estimated Sources of Funds:	
Proceeds of Series 2005A Bonds	\$ 13,240,000.00
Transfer from Series 1995A Bonds Debt Service Reserve Account	365,649.44
Transfer from Series 1995A Bonds Debt Service and Revenue Accounts	<u>27,756.85</u>
Total Sources of Funds	\$13,633,406.29
Estimated Applications of Funds:	
Deposit to Construction Fund	\$9,184,534.97
Refunding of Series 1995A Bonds	3,562,579.17
Deposit to Reserve Fund	572,588.16
Issuance Costs ¹	<u>313,703.99</u>
Total Applications of Funds	\$13,633,406.29

¹ Includes legal and consulting fees, Credit Provider's and Trustee's fees, printing and engraving costs, letter of credit fee of 0.85%, Underwriter's discount and other costs of issuance of the Series 2005A Bonds.

The sources and applications of funds in connection with the issuance of the Series 2005B Bonds are estimated below.

Estimated Sources of Funds:	
Proceeds of Series 2005B Bonds	<u>\$1,790,000.00</u>
Total Sources of Funds	\$1,790,000.00
Estimated Applications of Funds:	
Deposit to Construction Fund	1,491,613.54
Deposit to Reserve Fund	77,411.84
Refunding of Series 1995A Bonds	70,800.00
Issuance Costs ¹	<u>150,174.62</u>
Total Applications of Funds	\$1,790,000.00

¹ Includes legal and consulting fees, Credit Provider's and Trustee's fees, printing and engraving costs, letter of credit fee of 0.85%, Underwriter's discount and other costs of issuance of the Series 2005A Bonds and Series 2005B Bonds.

The Project and Use of Bond Proceeds

The Company will use the proceeds of the Series 2005 Bonds to (i) refund the outstanding Series 1995A Bonds on July 1, 2005, (ii) purchase or construct new plant, pump stations, force and reuse mains, effluent disposal facilities, generator for the Company's regional wastewater reclamation facility, and similar and related facilities (including reimbursement for certain capital expenditures previously made by the Company), (iii) acquire wastewater facilities from Coolidge-Ft. Myers Realty Limited Partnership d/b/a Heron's Glen Utilities and certain improvements thereto ((ii) and (iii) being collectively referred to herein as the "Project"), and (iv) pay the costs of issuance. The estimated cost of acquisition of the Heron's Glen Utilities is \$3,851,613.54, and the estimated cost of the capital projects described in (ii) above is \$6,824,534.97.

THE SERIES 2005 BONDS

General

The Series 2005A Bonds will be dated the date of their original issuance and will mature on June 1, 2025, and the Series 2005B Bonds will be dated the date of their original issuance and will mature on June 1, 2010, each subject to optional redemption, purchase, and tender as more fully described herein. The principal of, premium, if any, and interest on, and the Purchase Price of, each series of the Series 2005 Bonds are payable at the place and in the manner specified in this Official Statement. During any Daily Period, Weekly Period, or Commercial Paper Period, the Series 2005 Bonds will be issued as fully registered bonds in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. During any Long Term Period, the Series 2005 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Subject to certain limitations, the Series 2005 Bonds may be transferred or exchanged for other Series 2005 Bonds of authorized denominations at the principal corporate trust office of the Trustee, without charge other than any tax or other governmental charge.

NO OWNER OF ANY SERIES 2005 BOND HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF LEE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR OF ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, INCLUDING THE ISSUER, TO PAY THE SERIES 2005 BONDS, THE INTEREST THEREON, OR ANY OTHER AMOUNT DUE WITH RESPECT THERETO. THE SERIES 2005 BONDS ARE NOT GENERAL OBLIGATIONS OF LEE COUNTY, FLORIDA, THE STATE OF FLORIDA, OR OF ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, INCLUDING THE ISSUER, BUT ARE SPECIAL OBLIGATIONS PAYABLE SOLELY FROM CERTAIN AMOUNTS PAYABLE BY THE COMPANY UNDER THE AGREEMENT AND OTHER MONEYS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE ISSUER, LEE COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF HAS ANY OBLIGATIONS WITH RESPECT TO THE PURCHASE OF THE SERIES 2005 BONDS.

Interest on the Series 2005 Bonds

Interest Rate. Interest on the Series 2005 Bonds will be paid at the lesser of (a) a Daily Rate, a Weekly Rate, a Commercial Paper Rate, or a Long Term Rate as selected by the Company and as determined in the manner hereinafter described and (b) 12% per annum. Interest will initially be payable at the Weekly Rate, as set forth in the Indenture. The Company may change the interest rate determination method from time to time. A change in the method, other than a change between the Daily Rate and the Weekly Rate, will result in the Series 2005 Bonds becoming subject to mandatory tender for purchase on the effective date of such change. When interest is payable at (a) a Daily Rate, Weekly Rate, or Commercial Paper Rate, it will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, and (b) a Long Term Rate, it will be computed on the basis of a 360-day year of twelve 30-day months.

Interest Payment and Record Dates. Interest will accrue on the unpaid portion of the principal of the Series 2005 Bonds from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Series 2005 Bonds, until the entire principal amount of the Series 2005 Bonds are paid or duly provided for. When interest is payable at the rate in the first column below, interest accrued during the period (an "Accrual Period") shown in the second column will be

paid on the date (an "Interest Payment Date") in the third column to holders of record on the date (a "Regular Record Date") in the fourth column:

<u>TYPE OF INTEREST PERIOD</u>	<u>ACCRUAL PERIOD¹</u>	<u>INTEREST PAYMENT DATE²</u>	<u>REGULAR RECORD DATE</u>
Daily	Calendar Month	Fifth Business Day of each month	Last Business Day of the Accrual Period
Weekly	First Wednesday of each month through the first Tuesday of the next succeeding month	First Wednesday of each month commencing July 6, 2005	Last Business Day before Interest Payment Date
Commercial Paper	From 1 to 270 days as determined for each Series 2005 Bond pursuant to the Indenture ("Calculation Period")	First day following Calculation Period	Last Business Day before Interest Payment Date
Long Term	Six-month period or portion thereof beginning on the Conversion Date and ending on the last day of the sixth calendar month following (and including) the month in which the Conversion Date occurs and each six-month period thereafter	First day of the seventh calendar month following (and including) the month in which the Conversion Date occurs and the first day of every sixth month thereafter	Fifteenth of the month before the Interest Payment Date

- 1 If the Conversion Date does not coincide with the first day of the Accrual Period for the new Interest Period, then the first day of such Accrual Period shall be the Conversion Date, but all other terms and condition shall be as set forth in the above Table.
- 2 If the scheduled Interest Payment Date is not a business day, interest shall be payable on the next succeeding business day with the same force and effect as if made on the scheduled Interest Payment Date.

Daily Period. From any Conversion Date after which the Series 2005 Bonds will bear interest at the Daily Rate until the next following Conversion Date (the "Daily Period"), the Series 2005 Bonds shall bear interest at the Daily Rate, as hereinafter described.

The Daily Rate will be determined by the Remarketing Agent as follows: the interest rate for each day shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series 2005 Bonds at a price of Par on such date. Upon determining the Daily Rate for each date, the Remarketing Agent shall notify the Trustee and the Company of such rate by telephone or such other manner as may be appropriate on the date of such determination, which notice shall be promptly confirmed in writing. Such notice shall be provided by not later than 9:30 A.M. New York City time on each Business Day for that Business Day. The Daily Rate for any non-Business Day will be the rate for the last day on which a rate was set.

The determination of the Daily Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Series 2005 Bonds. If for any reason the Remarketing Agent shall fail to establish the Daily Rate, the Series 2005 Bonds shall bear interest at the Daily Rate in effect on the last day for which a rate was set.

Weekly Period. From the date of issuance of each series of the Series 2005 Bonds until the next following Conversion Date, and from any subsequent Conversion Date after which the Series 2005 Bonds will bear interest at the Weekly Rate until the next following Conversion Date (the "Weekly Period"), the Series 2005 Bonds shall bear interest at the Weekly Rate, as hereinafter described.

The Weekly Rate will be determined by the Remarketing Agent on each Wednesday for the period beginning on such Wednesday and ending on the following Tuesday, as follows: the interest rate shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series 2005 Bonds at a price of Par on such date. Upon determining the Weekly Rate, the Remarketing Agent shall notify the Trustee and the Company of such rate by telephone or such other manner as may be appropriate on the date of such determination, which notice shall be promptly confirmed in writing. Such notice shall be provided by not later than 2:00 P.M. New York City time on each Wednesday. If any Wednesday is not a Business Day, then the Weekly Rate shall be established on the next preceding Business Day.

The determination of the Weekly Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Series 2005 Bonds. If for any reason the Remarketing Agent shall fail to establish the Weekly Rate, the Series 2005 Bonds shall bear interest at the Weekly Rate last in effect.

Commercial Paper Period. From any Conversion Date after which the Series 2005 Bonds will bear interest at a Commercial Paper Rate (the "Commercial Paper Period") until the next following Conversion Date, the Series 2005 Bonds will bear interest at the various Commercial Paper Rates for periods of not less than one day and not more than 270 days (each, a "Calculation Period"), as hereinafter described. During any Commercial Paper Period, any Series 2005 Bond may have a different Calculation Period and a different Commercial Paper Rate from any other Series 2005 Bond.

At or prior to 12:00 Noon New York City time on any Conversion Date after which the Series 2005 Bonds will bear interest at the Commercial Paper Rate and the day immediately after the end of such Calculation Period, the Remarketing Agent shall establish Calculation Periods with respect to Series 2005 Bonds for which no Calculation Period is currently in effect. The Remarketing Agent shall select the Calculation Periods and the applicable Commercial Paper Rates that, together with all other Calculation Periods and related Commercial Paper Rates, in the sole judgment of the Remarketing Agent, will result in the lowest overall borrowing cost on the Series 2005 Bonds or are otherwise in the best financial interests of the Company, as determined in consultation with the Company. Any Calculation Period established for any Series 2005 Bond may not extend beyond (i) any Conversion Date, (ii) during any Credit Facility Period, the Business Day next preceding the scheduled Credit Facility Termination Date, or (iii) the day prior to the maturity date of the Series 2005 Bonds.

On the first day of each Calculation Period, the Remarketing Agent shall set rates by 12:00 Noon New York City time for the Series 2005 Bonds for such Calculation Period. With respect to each Calculation Period, the interest rate shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series 2005 Bonds at a price of Par on the date of such determination. Upon determining the rate for each Calculation Period, the Remarketing Agent shall notify the Trustee and the Company of such rates and the related Calculation Periods by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on the date of such determination, which notice shall be promptly confirmed in writing.

The determination of the Commercial Paper Rates and Calculation Periods (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Series 2005 Bonds. If for any reason the Remarketing Agent shall fail to establish the Commercial Paper Rates or the Calculation Periods for any Series 2005 Bonds during the Commercial Paper Period, or in the event no Calculation Period may be established pursuant to the terms of the Indenture, then the Calculation Period for any such Series 2005 Bond shall be a period of 30 days and the Commercial Paper Rate for such Calculation Period shall be (i) with respect to the Series 2005A Bonds, 70% of the interest rate applicable to 91-day United States Treasury bills determined on the basis of the average per annum discount rate at which 91-day United States Treasury bills

shall have been sold at the most recent Treasury auction conducted during the preceding 30 days, and (ii) with respect to the Series 2005B Bonds, the interest rate applicable for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which such Commercial Paper Rate was to be set.

Long Term Period. From any Conversion Date after which the Series 2005 Bonds will bear interest at a Long Term Rate (the "Long Term Period") until the next following Conversion Date or the maturity date of the Series 2005 Bonds, the Series 2005 Bonds will bear interest at a Long Term Rate, as hereinafter described.

The Long Term Rate will be determined by the Remarketing Agent as follows: the interest rate for each Long Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series 2005 Bonds at a price of Par on the date on which the Long Term Period begins. The Long Term Rate shall be determined by the Remarketing Agent not later than the fifth day preceding the commencement of such Long Term Period, and the Remarketing Agent shall notify the Trustee and the Company thereof by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on such date, which notice shall be promptly confirmed in writing.

The Company shall instruct the Remarketing Agent, not later than the 20th day prior to the commencement of such Long Term Period, to determine the Long Term Rate on the basis of a Long Term Period ending on a specified date that is the last day of any calendar month that is an integral multiple of six calendar months from the beginning of such Long Term Period or the maturity of the Series 2005 Bonds. In the event the Company elects at the end of a Long Term Period to have another Long Term Period applicable to the Series 2005 Bonds, the Company shall notify the Trustee and the Remarketing Agent in writing, not later than the 20th day prior to the commencement of such new Long Term Period, of such an election with respect to the Long Term Period and of the date on which such new Long Term Period shall begin. If the duration of the Long Term Period for the Series 2005A Bonds will change from an interval of 365 days or less to an interval of more than 365 days, or vice versa, then the Company shall furnish to the Trustee, with such notification, an opinion of Bond Counsel to the effect that such election of such Long Term Period will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Series 2005A Bonds. The delivery by the Company to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Company notification described above on the first day of such Long Term Period is a condition precedent to the beginning of such Long Term Period. In the event that the Company fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Series 2005A Bonds shall be deemed to bear interest at the Weekly Rate, which Weekly Rate shall be 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on the Series 2005A Bonds was to be set.

The determination of the Long Term Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Series 2005 Bonds. If for any reason the Remarketing Agent shall fail to establish the Long Term Rate for any Long Term Period, the Series 2005 Bonds shall be deemed to bear interest at the Weekly Rate, which Weekly Rate shall be (i) with respect to the Series 2005A Bonds, 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on the Series 2005A Bonds was to be set, and (ii) with respect to the Series 2005B Bonds, the interest rate applicable for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on the Series 2005B Bonds was to be set.

Conversion Option. The Company shall have the option (the "Conversion Option") to direct a change in the type of Interest Period to another type of Interest Period by delivering to the Trustee and the Remarketing Agent written instructions setting forth (i) the Conversion Date, (ii) the new type of Interest Period and (iii) whether such Interest Period will be a Credit Facility Period. If the new Interest Period is a Commercial Paper Period or a Long Term Period and will be a Credit Facility Period, such instructions will be accompanied by a Substitute Credit Facility, or by an amendment to the existing Credit Facility, providing for the payment of such additional interest and redemption premium (if any) on the Series 2005 Bonds as may be required. The sufficiency of any such Substitute Credit Facility, or of any amendment to an existing Credit Facility, shall be conclusively established by the Trustee's receipt of written evidence from each rating agency then providing a rating on each series of the Series

2005 Bonds that the existing rating shall not be reduced or withdrawn, or if either series of Series 2005 Bonds is not then rated, then from the Remarketing Agent that such Substitute Credit Facility or such amendment to an existing Credit Facility is sufficient. Such instructions shall be delivered at least 20 days prior to the first day of such Interest Period. If the duration of the Interest Period for the Series 2005A Bonds will change from an interval of 365 days or less to an interval of more than 365 days, or vice versa, then with such instructions the Company shall furnish to the Trustee an opinion of Bond Counsel to the effect that such change in Interest Period will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Series 2005A Bonds. The delivery by the Company to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Company notification described above on the Conversion Date is a condition precedent to the change in the type of Interest Period. In the event that the Company fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Series 2005A Bonds shall continue in the Interest Period in place at the time of exercise of the Conversion Option unless such Bonds are subject to Mandatory Purchase as described under "THE SERIES 2005 BONDS – Mandatory Tender for Purchase of Series 2005 Bonds on Mandatory Purchase Date."

Any change in the type of Interest Period must comply with the following: (i) the Conversion Date must be an Interest Payment Date for the Interest Period then in effect (and, with respect to a Long Term Period, must be the last Interest Payment Date for such Long Term Period), (ii) no change in Interest Period shall occur after an Event of Default shall have occurred and be continuing, and (iii) the Company shall provide the Trustee and the Issuer evidence of compliance with the provisions of Section 189.4085 of the Florida Statutes if the change of the type of Interest Period results in the Interest Period not also being a Credit Facility Period.

Mandatory Tender for Purchase of Series 2005 Bonds on Mandatory Purchase Date

The Series 2005 Bonds shall be subject to mandatory tender by the Registered Owners thereof for purchase on (a) each Conversion Date other than a conversion between the Daily Period and the Weekly Period, (b) each day immediately following the end of a Calculation Period, (c) the first day of any Long Term Period, (d) the Interest Payment Date immediately before the Credit Facility Termination Date; provided, however, that such Interest Payment Date shall precede the Credit Facility Termination Date by at least two Business Days, and (e) the first Interest Payment Date following the occurrence of a Determination of Taxability, with respect to the Series 2005A Bonds, for which the Trustee can give notice of mandatory tender in accordance with the Indenture (each a "Mandatory Purchase Date").

Except when the Series 2005 Bonds are subject to mandatory tender on a day immediately following the end of a Calculation Period, the Trustee shall deliver or mail by first class mail a notice in substantially the form required by the Indenture at least fifteen days prior to the Mandatory Purchase Date. When the Series 2005 Bonds are subject to mandatory tender for purchase on the day immediately following the end of a Calculation Period, the Trustee is not required to deliver or mail any notice to the Registered Owners of the Series 2005 Bonds.

Any notice given by the Trustee as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for purchase as to any Registered Owner to whom proper notice is mailed.

On each Mandatory Purchase Date, Registered Owners of Series 2005 Bonds shall be required to tender their Series 2005 Bonds to the Trustee for purchase by 10:30 A.M. New York City time at a purchase price equal to 100% of the principal amount of the Series 2005 Bonds tendered or deemed tendered, and any such Series 2005 Bonds not so tendered on the Mandatory Purchase Date, for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay said purchase price of the untendered bonds, shall be deemed to have been purchased pursuant to the Indenture. In the event of a failure by a Registered Owner of Series 2005 Bonds to tender its Series 2005 Bonds on or prior to the Mandatory Purchase Date by the requisite time, said Registered Owner shall not be entitled to any payment (including any interest to accrue subsequent to the Mandatory Purchase Date) other than said purchase price for such untendered bonds, and any untendered bonds shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of said purchase price therefor.

Demand Purchase Option

Any Series 2005 Bond bearing interest at the Daily Rate or the Weekly Rate shall be purchased from the Registered Owners thereof on the Tender Date at a purchase price equal to 100% of the principal amount of the Series 2005 Bond tendered or deemed tendered, plus accrued and unpaid interest thereon to the date of purchase, upon:

While the Book-Entry System is not in effect:

(a) delivery to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office of a written notice (said notice to be irrevocable and effective upon receipt) which (i) states the aggregate principal amount and bond numbers of the Series 2005 Bonds to be purchased; and (ii) states the date on which such Series 2005 Bonds are to be purchased; and (b) delivery to the Trustee at its Delivery Office at or prior to 10:30 A.M. New York City time on the date designated for purchase in the notice described in (a) above of such Series 2005 Bonds to be purchased, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank. Furthermore, such Tender Date shall not be prior to the seventh day next succeeding the date of delivery of the notice unless the Daily Period is in effect.

While the Book-Entry System is in effect, the ownership interest of any Beneficial Owner of a Series 2005 Bond or portion thereof in an authorized denomination shall be purchased at a purchase price equal to 100% of the principal amount of the Series 2005 Bond tendered or deemed tendered, plus accrued and unpaid interest thereon to the date of purchase if such Beneficial Owner causes the DTC Participant through whom such Beneficial Owner holds such Series 2005 Bonds to:

(i) deliver to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office a notice which (A) states the aggregate amount of the beneficial ownership interest to be purchased, and (B) states the date on which such beneficial interest is to be purchased; and

(ii) on the same date as delivery of the notice referred to in (i) above, deliver a notice to the Securities Depository irrevocably instructing it to transfer on the registration books of the Securities Depository the beneficial ownership interests in such Series 2005 Bond or portion thereof to the account of the Trustee, for settlement on the purchase date on a "free delivery" basis with a copy of such notice delivered to the Trustee on the same date.

"Tender Date" means (a) during any Daily Period, any Business Day, (b) during any Weekly Period, the seventh day (unless such day is not a Business Day, in which case the next succeeding Business Day) following receipt by the Trustee of notice from the Registered Owner that such Registered Owner has elected to tender Series 2005 Bonds.

Funds for Purchase of Series 2005 Bonds

On the date Series 2005 Bonds are to be purchased pursuant to either the Mandatory Purchase provisions or the Demand Purchase Option provisions set forth above, such Series 2005 Bonds shall be purchased at the Purchase Price only from the funds listed below. Subject to the provisions of the Indenture, funds for the payment of the Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of such Series 2005 Bonds which have been remarketed by the Remarketing Agent and which proceeds are on deposit with the Trustee prior to 12:00 Noon New York City time on the Business Day preceding the date such Series 2005 Bonds are to be purchased but, during any Credit Facility Period, only if such Series 2005 Bonds were purchased by an entity other than the Company or the Issuer, or any affiliate of the foregoing;

(b) moneys drawn by the Trustee under the Credit Facility, during any Credit Facility Period, pursuant to the heading "THE CREDIT FACILITY - General" below:

- (c) any other moneys furnished to the Trustee and available for such purpose.

Use of Money in the Credit Facility Account and the Remarketing Account of the Sinking Fund

There shall be deposited into the Sinking Fund from time to time (a) in the Credit Facility Account, moneys drawn under the Credit Facility (during any Credit Facility Period); and (b) in the Remarketing Account, moneys received by the Trustee from the proceeds of the remarketing of the Series 2005 Bonds.

Except as otherwise provided in the Indenture, moneys in the various accounts of the Sinking Fund created under the Indenture shall be used solely for the payment of the principal of, premium, if any, and interest on the Series 2005 Bonds and for the redemption of the Series 2005 Bonds prior to maturity. Subject to the provisions under the heading "THE CREDIT FACILITY - General" below, funds for such payments of the principal of and premium, if any, and interest on the Series 2005 Bonds shall be derived from the following sources in the order of priority indicated:

- (a) moneys drawn by the Trustee under the Credit Facility during any Credit Facility Period;
- and
- (b) any other moneys furnished to the Trustee and available for such purpose.

Redemption

Extraordinary Redemption. The Series 2005 Bonds are subject to redemption in whole by the Issuer, at the option of the Company, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date, in the event that:

- (a) the System shall have been damaged or destroyed to such extent that, in the opinion of the Company expressed in a Company Certificate filed with the Issuer and the Trustee following such damage or destruction (1) it is not practicable or desirable to rebuild, repair or restore the System within a period of six months following such damage or destruction, (2) the Company is or will be thereby prevented from carrying on its normal operations at the System for a period of at least six consecutive months, or (3) the license of the Company to operate the System has been revoked;

- (b) title to or the temporary use of all or a material portion of the System shall have been taken or shall have threatened to be taken under the exercise of the power of eminent domain by any governmental authority to such extent that, in the opinion of the Company expressed in a Company Certificate filed with the Issuer and the Trustee, the Company is or will be thereby prevented from carrying on its normal operations at the System;

- (c) any court or administrative body of competent jurisdiction shall enter a judgment, order, or decree requiring the Company to cease all or any substantial part of its operations at the System to such extent that, in the opinion of the Company expressed in a Company Certificate filed with the Issuer and the Trustee, the Company is or will be thereby prevented from carrying on its normal operations at the System;

- (d) if, in the opinion of Independent Counsel addressed to the Trustee, as a result of any changes in the Constitution of the State of Florida or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment, or order of any court or administrative body (whether state or federal), the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Agreement;

- (e) if, in the written opinion of the Issuer and the Company, unreasonable burdens or excessive liabilities shall have been imposed on the Issuer or the Company including, without limitation, federal, state, or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement; or

(f) the sale of all or substantially all of the System.

Optional Redemption. During any Daily Period or Weekly Period, the Series 2005 Bonds are subject to redemption by the Issuer, at the option of the Company expressed in writing, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2005 Bonds to be selected by lot or in such other manner as the Trustee shall determine (except as otherwise provided in the Indenture), at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date.

On any Conversion Date or on the day following the end of a Calculation Period if such day is the end of the Calculation Period for all Series 2005 Bonds, the Series 2005 Bonds are subject to redemption by the Issuer, at the option of the Company, in whole or in part, less than all such Series 2005 Bonds to be selected by lot or in such other manner as the Trustee shall determine (except as otherwise provided in the Indenture), at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date.

During any Long Term Period, the Series 2005 Bonds are subject to redemption by the Issuer, at the option of the Company, on or after the First Optional Redemption Date, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2005 Bonds to be selected by lot or in such other manner as the Trustee shall determine (except as otherwise provided in the Indenture), at the redemption prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest to (but not including) the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
First Optional Redemption Date through the last day of the twelfth calendar month following such First Optional Redemption Date	102%
First anniversary of the First Optional Redemption Date through the last day of the twelfth calendar month following such first anniversary	101%
Second anniversary of the First Optional Redemption Date and thereafter	100%

“First Optional Redemption Date” means, with respect to a Long Term Period less than or equal to 5 years, the first day of the 24th calendar month from the beginning of such Long Term Period, with respect to a Long Term Period greater than 5 years but less than or equal to 10 years, the first day of the 60th calendar month from the beginning of such Long Term Period, and with respect to a Long Term Period greater than 10 years, the first day of the 72nd calendar month from the beginning of such Long Term Period.

Notice. In the event any of the Series 2005 Bonds or portions thereof are called for redemption as aforesaid, notice of the call for redemption, identifying the Series 2005 Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least 30 days but not more than 60 days prior to the date fixed for redemption to the Registered Owner of each Series 2005 Bond to be redeemed in whole or in part at the address shown on the registration books. If applicable, such notice shall state that any redemption is conditional on such funds being deposited with the Trustee on or prior to the redemption date and that a failure to make such deposit shall not constitute a Default under the Indenture. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for redemption as to any Registered Owner to whom proper notice is mailed. No further interest shall accrue on the principal of any Series 2005 Bond called for redemption after the date of redemption if moneys sufficient for such redemption have been deposited with the Trustee. Notwithstanding the foregoing, the notice requirements contained in the first sentence of this paragraph may be deemed satisfied with respect to a transferee of a Series 2005 Bond which has been purchased pursuant to the Demand Purchase Option after such Series 2005 Bond has previously been called for redemption, notwithstanding the failure to satisfy the notice requirements of the first sentence of this paragraph with respect to such transferee, as more fully provided in the Indenture.

Defaults and Remedies

Defaults. Any of the following events will constitute a "Default" under the Indenture:

(a) default in the due and punctual payment of interest on any Bond or default in the due and punctual payment of the principal of or redemption premium, if any, or Sinking Fund Installment on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration, acceleration, or otherwise;

(b) at any time other than during a Credit Facility Period, the acceleration for any reason of any Promissory Notes;

(c) at any time other than during a Credit Facility Period, default in the performance or observance of any of the covenants, agreements, or conditions on the part of the Issuer contained in the Indenture or in the Bonds, and the continuance thereof for a period of 30 days after written notice given to the Issuer and the Company by the Trustee or to the Trustee, the Issuer, and the Company by Beneficial Owners of not less than 25% in aggregate principal amount of Bonds then outstanding;

(d) at any time other than during a Credit Facility Period, the occurrence of a Default under the Agreement, the Mortgage, or the Guaranty;

(e) default in the due and punctual payment of the Purchase Price of any Credit Facility Bonds; and

(f) at any time during a Credit Facility Period, receipt by the Trustee of written notice from a Credit Provider that an Event of Default has occurred under the Credit Agreement and instructing the Trustee to accelerate the related Credit Facility Bonds.

Acceleration. Upon the occurrence of (i) any Default other than under (f) above, the Trustee may, and at the written request of the Owners of not less than 25% in aggregate principal amount of Outstanding Bonds shall, or (ii) any Default under (f) above, the Trustee shall, by notice in writing delivered to the Issuer and the Company (or, if the Book-Entry System is in effect, the Securities Depository), declare the principal of all Bonds and the interest accrued thereon to the date of declaration of acceleration immediately due and payable. Upon any declaration of acceleration hereunder, the Trustee shall immediately declare all payments required to be made by the Company under the Agreement to be immediately due and payable and, during the Credit Facility Period, shall draw moneys under the Credit Facility to pay the principal of any related Credit Facility Bonds and the accrued interest thereon to the date of declaration of acceleration to the extent required by the Indenture. Interest shall cease to accrue on the Bonds on the date of declaration of acceleration.

Waivers of Default. The Trustee shall waive any Default under the Indenture and its consequences and rescind any declaration of acceleration of principal of and interest on the Bonds and the Promissory Notes upon the written request of the Owners of (1) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal or interest, or both, exists or (2) a majority in aggregate principal amount of Outstanding Bonds in the case of any other default; provided, however, that there shall not be waived any Default hereunder unless and until the Trustee shall have received written notice from the Credit Provider that the Credit Facility has been reinstated in full; provided further, that any Default under subsection (f) above under "Defaults" may be waived only upon the written request of the Credit Provider (and in such case the consent of the Owners of the Bonds shall not be required); and provided further, that there shall not be waived any Default specified in (a) above under "Defaults" unless, prior to such waiver or rescission, the Company shall have caused to be paid to the Trustee (i) all arrears of interest with interest (to the extent permitted by law) on overdue installments of interest at the same rate per annum as borne by such Bonds, or all arrears of payments of principal, with interest at the Late Payment Rate, if applicable (to the extent permitted by law) on overdue principal at the same rate per annum as borne by such Bonds, as the case may be, and (ii) all fees and expenses of the Trustee in connection with such default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely,

then and in every such case the Issuer, the Trustee, and the Owners of Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Default, or impair any right consequent thereon.

Notwithstanding the foregoing, no waiver, rescission, or annulment of a Default hereunder shall be made if the Credit Provider shall theretofore have honored in full a drawing under the Credit Facility in respect of such Default.

Book-Entry Only System

The information under this section concerning DTC and DTC's book entry system has been furnished by DTC for use in this Official Statement. The Issuer and the Company make no representations as to the accuracy of such information.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2005 Bonds. The Series 2005 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2005 Bond certificate will be issued for each maturity of each series of the Series 2005 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC or with the Trustee, on behalf of DTC. Individual purchase of beneficial interest in the Series 2005 Bonds will be made in increments of \$5,000 or integral multiples thereof.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over two million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is wholly-owned subsidiary of the Deposit Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2005 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2005 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2005 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2005 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Series 2005 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an

authorized representative of DTC. The deposit of Series 2005 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2005 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2005 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time-to-time.

Redemption notices shall be sent to DTC. If less than all of the Series 2005 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2005 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails a proxy ("Omnibus Proxy") to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2005 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2005 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in a "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

For every transfer of ownership interests in the Series 2005 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Issuer and the Trustee may, at the direction and expense of the Company, decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2005 Bond certificates will be printed and delivered.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE ISSUER, THE TRUSTEE, THE REMARKETING AGENT, AND THE COMPANY SHALL TREAT CEDE & CO. AS THE ONLY BONDHOLDER FOR ALL PURPOSES, INCLUDING RECEIPT OF ALL REDEMPTION PROCEEDS, DISTRIBUTIONS, AND DIVIDEND PAYMENTS ON THE SERIES 2005 BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE ISSUER AND THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS. THE ISSUER HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE REDEMPTION PROCEEDS, DISTRIBUTIONS, AND DIVIDEND PAYMENTS ON THE SERIES 2005 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Beneficial Owners of the Series 2005 Bonds may experience some delay in their receipt of distributions of principal and interest on the Series 2005 Bonds since such distributions will be forwarded by the Trustee to DTC and DTC will credit such distributions to the accounts of Direct Participants which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

Issuance of the Series 2005 Bonds in book-entry form may reduce the liquidity of the Series 2005 Bonds in the secondary trading market since investors may be unwilling to purchase Series 2005 Bonds for which they cannot obtain physical certificates. In addition, since transactions in the Series 2005 Bonds can be effected only through DTC, Direct Participants, Indirect Participants, and certain banks, the ability of a Beneficial Owner to pledge Series 2005 Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Series 2005 Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the Paying Agent as registered owners for purposes of the Bond Resolution, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

SECURITY FOR THE SERIES 2005 BONDS

General

The Agreement and the Promissory Notes require payments by the Company to fully fund payment of principal of, premium, if any, and interest on the Series 2005 Bonds as the same become due and payable. The Bonds are further secured by the Guaranty and by the Mortgage. Only the Series 2005 Bonds are secured by amounts drawn under the Credit Facility.

Pledge under the Indenture

The Bonds are payable solely from and secured solely by the Pledged Funds. The Indenture defines Pledged Funds as all revenues and income derived by or for the account of the Issuer from or for the account of the Company pursuant to the terms of the Agreement, the Promissory Notes, the Mortgage, the Guaranty, the Credit Facility (only with respect to the Series 2005 Bonds) and the Indenture including, without limitation, (a) all payments by the Company on the Promissory Notes or pursuant to the Agreement, (b) all Gross Revenues in accordance with the terms of the Agreement and the Indenture, (c) all Capacity Fees in accordance with the terms of the Agreement and the Indenture, (d) all amounts derived by recourse to the Mortgage, or the Guaranty but only with respect to the Series of Bonds which are secured thereby and excluding any amounts derived by the Issuer for its own account pursuant to the Agreement, and (e) all moneys, including investments thereof, in the Trust Funds, an account of the Construction Fund, the Reserve Account, the Credit Facility Account or the Remarketing Account which may be pledged solely for the payment of the Series of Bonds for which it was established, in accordance with the provisions of the Indenture. The Indenture defines Trust Funds as all funds, accounts and subaccounts administered by the Trustee under the Indenture, except the Rebate Fund.

The Reserve Account is funded in a total amount of \$650,000, and secures both the Series 2003 Bonds and the Series 2005 Bonds.

The Agreement and the Promissory Notes

All revenues and payments derived from the Agreement or the Promissory Notes, and any moneys drawn under a credit facility, such as the Credit Facility, or the Guaranty, are to be deposited with the Trustee in the Revenue Fund created pursuant to the Indenture. Pursuant to the Agreement, the Company has unconditionally agreed to provide the Issuer sufficient moneys from the Pledged Funds to pay the Sinking Fund Installments, principal of, premium, if any, and interest on the Bonds when due.

Mortgage

The Mortgage provides additional security for the Bonds and any Additional Bonds secured by the Mortgage. Pursuant to the Mortgage, the Company will grant to the Issuer a first lien, subject to Permitted Encumbrances (as defined in the Mortgage), on the Mortgaged Real Estate (as defined in the Mortgage), which Mortgaged Real Estate includes the real estate on which the wastewater treatment facility is located, and all buildings, fixtures, licenses, easements, and other rights or interests of the Company located on the real estate conveyed by the Mortgage. The Mortgage also grants a security interest in, subject to Permitted Encumbrances, the Mortgaged Collateral (as defined in the Mortgage), which Mortgaged Collateral includes the machinery, equipment, fixtures, and other property located on the Mortgaged Real Estate, including replacements or additions thereto; the Company's wastewater collection, transmission, treatment and disposal facilities, together with all lift stations, pump stations, transmission and collection lines, service connections, and other equipment used or connected to the System; all Gross Revenues of the System; all revenues, securities and funds held by the Trustee; all Accounts; all Inventory; all Equipment; Chattel Paper; Instruments; General Intangibles; and Documents (all as defined in the Mortgage). The Mortgaged Real Estate and the Mortgaged Collateral collectively comprises the Mortgaged Property.

Guaranty

The Guaranty secures the Bonds. Pursuant to the Guaranty, the Old Bridge Park Corporation (the "Guarantor") will unconditionally guaranty to the Trustee, for the benefit of the Owners from time to time of the Bonds, the full and prompt payment of the principal of, premium, if any, and interest on the Bonds, and the full and prompt payment of all sums required to be paid and the performance of all obligations to be performed by the Company under Promissory Notes relating to the Bonds, the Agreement and the Mortgage. The Guaranty is a guaranty of payment and not of collection. So long as the Bonds are secured by the Credit Facility, or any substitute therefor, the Guaranty will not terminate except with the written consent of the Credit Provider, or any successor thereto.

THE CREDIT FACILITY

General

The Credit Facility will be an irrevocable direct-pay obligation of SunTrust Bank which will expire at the close of the Credit Provider's business on June 21, 2010, unless terminated earlier in accordance with its terms or unless renewed or extended, to pay to the Trustee, upon request and in accordance with the terms thereof, an amount sufficient to pay (i) the principal of the Series 2005 Bonds or the portion of the Purchase Price corresponding to the principal of the Series 2005 Bonds (at maturity or upon acceleration or redemption prior to maturity) and (ii) 40-days' accrued interest (at a maximum rate of 12% per annum) on such Series 2005 Bonds or that portion of the Purchase Price corresponding to the interest accrued thereon. A form of the Credit Facility is attached hereto as Appendix B.

During the term of the Credit Facility, the Trustee shall timely draw moneys under the Credit Facility in accordance with the terms thereof to pay when due (whether by reason of maturity, the occurrence of an Interest Payment Date, redemption, acceleration or otherwise) the principal of and interest on the Series 2005 Bonds; and to the extent moneys representing the proceeds of the remarketing of the Series 2005 Bonds are not available therefor, to pay when due the Purchase Price of Series 2005 Bonds.

In the event of a drawing under the Credit Facility to pay the Purchase Price of Series 2005 Bonds upon a Mandatory Purchase Date relating to the issuance and delivery of a Substitute Credit Facility, the Trustee shall draw moneys under the Credit Facility in effect on and prior to such Mandatory Purchase Date and shall not draw upon the Substitute Credit Facility that will become effective on or after such Mandatory Purchase Date.

Notwithstanding any provision to the contrary which may be contained in the Indenture, (i) in computing the amount to be drawn under the Credit Facility on account of the payment of the principal or Purchase Price of, or interest on the Series 2005 Bonds, the Trustee shall exclude any such amounts in respect of any Series 2005 Bonds

which are Pledged Bonds on the date such payment is due, and (ii) amounts drawn by the Trustee under the Credit Facility shall not be applied to the payment of the principal or Purchase Price of, or premium, if any, or interest on, any Series 2005 Bonds which are Pledged Bonds on the date such payment is due.

After any "C Drawing," (as defined in the Credit Facility) the obligation of the Credit Provider to honor demands for payment under the Credit Facility with respect to payment of interest, or the portion of Purchase Price of Series 2005 Bonds corresponding to interest, on the Series 2005 Bonds will automatically and immediately be reinstated up to the total amount specified therein, upon the terms and conditions set forth in the Credit Facility. Upon release by or on behalf of the Credit Provider pursuant to the Credit Agreement of any Pledged Bonds, the obligation of the Credit Provider to honor demands for payment under the Credit Facility with respect to payment of the principal, or the portion of Purchase Price of Series 2005 Bonds corresponding to principal, of the Series 2005 Bonds will be automatically and immediately reinstated up to the total amount specified therein upon the terms and conditions set forth in the Credit Facility.

Substitute Credit Facility

Pursuant to the Agreement, the Company may provide for the delivery to the Trustee of a Substitute Credit Facility. The Company shall furnish written notice to the Trustee, not less than 20 days prior to the Mandatory Purchase Date, (a) notifying the Trustee that the Company is exercising its option to provide for the delivery of a Substitute Credit Facility to the Trustee, (b) setting forth the Mandatory Purchase Date in connection with the delivery of such Substitute Credit Facility, which shall in any event be an Interest Payment Date that is not less than two Business Days prior to the expiration date of the Credit Facility then in effect with respect to the Series 2005 Bonds, and (c) instructing the Trustee to furnish notice to the Bondholders regarding the Mandatory Purchase Date at least 15 days prior to the Mandatory Purchase Date, as more fully described in the Indenture. Any Substitute Credit Facility shall be delivered to the Trustee prior to the Mandatory Purchase Date and shall be effective on and after such Mandatory Purchase Date. On or before the date of such delivery of a Substitute Credit Facility to the Trustee, the Company shall furnish to the Trustee (a) a written opinion of Bond Counsel stating that the delivery of such Substitute Credit Facility will not adversely affect the exclusion from gross income of interest on the Series 2005A Bonds for federal income tax purposes; and (b) a written opinion of counsel to the Substitute Credit Provider to the effect that the Substitute Credit Facility is a legal, valid, binding and enforceable obligation of the Substitute Credit Provider in accordance with its terms. The Credit Provider for each Credit Facility or Substitute Credit Facility must be the same entity for both the Series 2005A Bonds and the Series 2005B Bonds during any period that the Series 2005 Bonds are secured by a Credit Facility.

THE GUARANTOR

Old Bridge Park Corporation (the "Guarantor"), a Florida corporation, is the sole shareholder of the Company and will guarantee the Bonds pursuant to the Guaranty.

THE TRUSTEE

SunTrust Bank is the Trustee under the Indenture. The administering corporate trust office of the Trustee for the Bonds is located at 777 Brickell Avenue, Miami, Florida 33131-28033, Attention: Corporate Trust Department.

THE UNDERWRITER

SunTrust Capital Markets, Inc. (the "Underwriter"), has agreed to purchase each series of the Series 2005 Bonds pursuant to a Bond Purchase Agreement entered into between the Issuer, the Company, the Guarantor, and the Underwriter. The Underwriter has agreed to purchase the Series 2005A Bonds at a purchase price of \$13,106,350.00, representing the par amount of the Series 2005A Bonds of \$13,240,000 less an Underwriter's discount of \$133,650.00. The Underwriter has agreed to purchase the Series 2005B Bonds at a purchase price of \$1,770,850.00, representing the par amount of the Series 2005B Bonds of \$1,790,000 less an Underwriter's discount

of \$19,150.00. The Bond Purchase Agreement provides that the Underwriter will purchase all of each series of the Series 2005 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter intends to offer each series of the Series 2005 Bonds to the public initially at the offering prices shown on the cover page hereof, which price may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in offering the Series 2005 Bonds to the public. The Underwriter may offer and sell the Series 2005 Bonds to certain dealers at prices lower than the public offering.

THE REMARKETING AGENT

SunTrust Capital Markets, Inc. is the Remarketing Agent under the Remarketing Agreement. A successor Remarketing Agent may be appointed in accordance with the terms of the Remarketing Agreement. The principal office of the Remarketing Agent is located at 303 Peachtree Street, 23rd Floor, Atlanta, Georgia 30308, Attention: Municipal Desk.

MISCELLANEOUS

The Series 2005 Bonds are intended to be exempt securities under the Securities Act of 1933, as amended (the "Securities Act"), and the offer, sale and delivery of the Series 2005 Bonds do not require registration under the Securities Act or qualification of the Indenture under the Trust Indenture Act of 1939, as amended. During the course of the transaction and prior to the sale of the Series 2005 Bonds, you may ask questions of and receive answers from the Underwriter concerning the terms and conditions of the offering and any additional information necessary to verify the accuracy of the information furnished, in each case to the extent the Underwriter possesses such information or can acquire it without unreasonable efforts or expense. Any request for information or for copies of documents may be directed to SunTrust Capital Markets, Inc., 303 Peachtree Street, 24th Floor, Atlanta, Georgia 30308, Attention: Municipal Desk. Copies of documents will also be available for inspection during normal business hours at the principal corporate trust office of the Trustee.

RATING

Based on the support for payment of principal, Purchase Price and interest provided by the Credit Facility issued by SunTrust Bank, each series of the Series 2005 Bonds have been rated Aa2/VMIG1 by Moody's Investors Service (Moody's). Such rating reflects only the view of Moody's and any explanation of the significance of such rating must be obtained from Moody's. There is no assurance that any such rating will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the judgment of Moody's, circumstances so warrant.

TAX CONSEQUENCES

Tax Exemption of the Series 2005A Bonds

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions that apply to the Series 2005A Bonds including investment restrictions, a requirement of periodic payments of arbitrage earnings in excess of the "yield" on the Series 2005A Bonds to the Treasury of the United States, requirements regarding the timely and proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Company and the Issuer have covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on the Series 2005A Bonds to be and remain excluded from gross income for federal tax purposes. Failure to comply with certain of such requirements could cause interest on the Series 2005A Bonds to be included in gross income retroactive to the date of issuance of the Series 2005A Bonds.

Subject to the conditions that the Issuer and the Company comply with the pertinent requirements of the Code, in the opinion of Bond Counsel (a form of which is attached hereto as Appendix C), under existing statutes,

regulations, rulings and court decisions interest on the Series 2005A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, except during any period while a Series 2005A Bond is held by a "substantial user" of the System or a "related person" within the meaning of Section 147(a) of the Code. It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer and the Company comply with all requirements of the Code that must be satisfied subsequent to the issuance of Series 2005A Bonds in order that interest thereon be (or continues to be) excludable from gross income for federal income tax purposes. Ownership of the Series 2005A Bonds may result in collateral federal tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding such federal tax consequences arising with respect to the Series 2005A Bonds.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer and the Company in the Indenture and the Agreement, certificates of appropriate Company officers, and certificates of public officials (including certifications as to the use of the Series 2005A Bond proceeds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2005A Bonds. Prospective purchasers of the Series 2005A Bonds should be aware that the ownership of the Series 2005A Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2005A Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2005A Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2005A Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2005A Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2005A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Florida Taxes

In the opinion of Bond Counsel, under the statutes of the State of Florida as presently enacted and construed, the Series 2005 Bonds and the income thereon are exempt from taxation except for estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, with respect to interest, income or profits on obligations owned by corporations, as defined in said Chapter 220.

Other Tax Matters

Interest on the Series 2005A Bonds may be subject to state or local income taxation under applicable state or local laws in jurisdictions other than Florida. Purchasers of the Series 2005A Bonds should consult their tax advisors as to the income tax status of interest on the Series 2005A Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2005A Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2005A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2005A Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2005A Bonds.

Certain Federal Tax Consequences of Owning Series 2005B Bonds

The following constitutes a discussion of certain of the federal income tax consequences of the purchase, ownership, and disposition of the Series 2005B Bonds. This summary is presented for informational purposes only and is intended to be a discussion primarily of the federal income tax consequences to individual owners who are citizens or residents of the United States. It is not practicable to comment on all aspects of the federal, state, and local tax laws which may affect an individual owner's purchase of the Series 2005B Bonds. Therefore, state (other than State of Florida, which is discussed above under the heading "TAX CONSEQUENCES – Florida Taxes"), local, and foreign tax consequences are not discussed, nor are the tax consequences to owners other than individuals. Such tax consequences will vary with each purchaser, depending upon its individual situation. The following summary of U.S. federal tax consequences should not be considered as legal or tax advice to prospective purchasers of the Series 2005B Bonds.

Taxability

The interest on the Series 2005B Bonds is included in gross income of the United States resident owners thereof for federal income tax purposes and therefore is not exempt from federal income taxation.

Backup Withholding and Reporting Requirements

Interest payments with respect to the Series 2005B Bonds will be reported to the owners and the Internal Revenue Service (the "IRS"). Such amounts will normally not be subject to withholding of federal income tax. However, the Issuer or its agent may be required to withhold federal income tax at a rate of 30% from payments to certain owners ("backup withholding") in accordance with Section 3406 of the Internal Revenue Code. This tax may be withheld from certain payments if (i) an owner fails to furnish the Issuer or its agent with his or her tax identification number ("TIN") certified under penalties of perjury, (ii) the Issuer or its agent is notified by the IRS that the TIN furnished by an owner is incorrect, (iii) the IRS notifies the Issuer or its agent that an owner has failed to report properly certain income to the IRS, or (iv) when required to do so, an owner fails to certify under penalty of perjury that he or she is not subject to backup withholding.

Other Tax Consequences to Investors

There may be other federal tax considerations applicable to the circumstances of a particular investor. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Series 2005B Bonds. Purchasers of Series 2005B Bonds who are nonresident alien individuals, corporations, or other non-United States persons should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes on income realized in respect to the Series 2005B Bonds.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incidental to the authorization, issuance and sale by the Issuer of the Series 2005 Bonds and with regard to the tax-exempt status of the Series 2005A Bonds will be passed upon by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Copies of Bond Counsel's approving opinions will be available at the time of delivery of each series of the Series 2005 Bonds. Certain legal matters will be passed upon for the Company by its Counsel, Rose, Sundstrom & Bentley LLP, Tallahassee, Florida; for the Guarantor by its Counsel, Rose, Sundstrom & Bentley LLP, Tallahassee, Florida; for the Issuer by its Counsel, Fowler White Boggs & Banker, P.A., Fort Myers, Florida; for the Underwriter by its Counsel, Adorno & Yoss LLP, West Palm Beach, Florida; and for the Credit Provider, as issuer of the Credit Facility, by its Counsel, Adorno & Yoss LLP, West Palm Beach, Florida.

CERTAIN RELATIONSHIPS

We call to your attention that SunTrust Bank will serve as (a) issuer of the Credit Facility, and (b) in its capacity as Trustee, will be the beneficiary of the Credit Facility. In addition, we call to your attention that SunTrust Capital Markets, Inc., an affiliate of SunTrust Bank, will serve as Underwriter in connection with the initial purchase of the Series 2005 Bonds, and will serve as Remarketing Agent in connection with any subsequent remarketing of the Series 2005 Bonds.

APPENDIX "A"

Information Relating to SunTrust Bank

The information contained in this Appendix "A" to the Official Statement has been obtained from SunTrust Bank, a Georgia Banking corporation ("SunTrust") and a wholly-owned subsidiary of SunTrust Banks, Inc. This information is not to be construed as a representation by the Issuer or the Company.

SunTrust offers a full line of financial services for consumers and businesses. SunTrust serves nearly 3.8 million customer households and maintains over 400,000 commercial relationships through a regional organizational structure that encompasses 1,710 retail and specialized service branches and 2,804 ATMs located primarily in Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and the District of Columbia. SunTrust also offers 24-hour delivery channels including internet and telephone banking. In addition to traditional deposit, credit and trust and investment services offered by SunTrust, other SunTrust Banks subsidiaries provide mortgage banking, commercial and auto leasing, credit-related insurance, asset management, discount brokerage and capital market services.

SunTrust Banks, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). The file number of SunTrust Banks, Inc. with the Commission is No. 1-8918. Such reports, proxy statements and other information can be inspected and copied at the Public Reference Room of the Commission, Room 2120, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549, and at the Commission's Regional Offices in Chicago (Room 1204, Everett McKinley Dirksen Building, at 219 South Dearborn Street, Chicago, Illinois 60604), and New York (Room 1100, 26 Federal Plaza, New York, New York 10278). Copies of such material can be obtained from the Public Reference Section of the Commission, Washington, D.C. 20549 at prescribed rates.

SunTrust Banks, Inc. has agreed, upon written request, to provide without charge to each person to whom a copy of this Official Statement has been delivered a copy of the most recent Annual Report on Form 10-K, any Quarterly Reports on Form 10-Q, and any Current Reports on Form 8-K (in each case as filed with the Commission pursuant to the Securities Exchange Act of 1934), and the most recent publicly available portions of the quarterly Call Reports of SunTrust Bank delivered to the Comptroller of the Currency. Any such request should be directed to:

SunTrust Banks, Inc.
Post Office Box 4418
Atlanta, Georgia 30302
Attention: Raymond D. Fortin, Secretary
Telephone: (404) 588-7165

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APPENDIX "B"

Form of Letter of Credit

IRREVOCABLE LETTER OF CREDIT

SUNTRUST BANK
25 Park Place, 16th Floor
Atlanta, Georgia 30303

June 21, 2005

IRREVOCABLE LETTER OF CREDIT NO. F846593

SunTrust Bank, as Trustee
777 Brickell Avenue
Miami, Florida 33131-2803

Attention: Corporate Trust Department -
CUSIP #52349M FA5 (Series 2005A Bonds) and CUSIP #52349M FB3 (Series 2005B Bonds)

At the request and on the instructions of our customer, North Fort Myers Utility, a Florida corporation (the "Company") we hereby establish in your favor, as Trustee under an Indenture of Trust dated as of August 1, 1995 between the Lee County Industrial Development Authority (the "Issuer") and SunTrust Bank (the "Original Indenture"), as successor trustee (in such capacity, the "Trustee"), as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2003 (the "First Supplemental Indenture") and by a Second Supplemental Indenture of Trust dated as of June 1, 2005 ("Second Supplemental Indenture"), and any amendments and supplements thereto (the Original Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture being referred to herein collectively as the "Indenture") pursuant to which \$13,240,000 in aggregate principal amount of the Issuer's Variable Rate Demand Utility System Revenue Bonds, Series 2005A (North Fort Myers Utility Project) (the "Series 2005A Bonds") and \$1,790,000 in aggregate principal amount of the Issuer's Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2005B (North Fort Myers Utility Project) (the "Series 2005B Bonds" and, collectively with the Series 2005A Bonds, the "Bonds") are being issued, this Irrevocable Letter of Credit in the initial amount of \$15,227,655 (hereinafter, as reduced from time to time in accordance with the provisions hereof, the "Stated Amount") of which (i) an amount not exceeding \$15,030,000 (as reduced from time to time in accordance with the terms hereof (the "Principal Component"), may be drawn upon with respect to payment of the unpaid principal amount or the portion of Purchase Price corresponding to principal of the Bonds, and (ii) an amount not exceeding \$197,655 (as reduced from time to time in accordance with the terms hereof, the "Interest Component") may be drawn upon with respect to payment of interest accrued or the portion of Purchase Price corresponding to interest accrued on the Bonds on or prior to their stated maturity

date, effective immediately and expiring on June 21, 2010 unless terminated earlier in accordance with the provisions hereof or unless otherwise renewed or extended. All drawings under this Letter of Credit will be paid with our own funds.

Funds under this Letter of Credit will be made available to you against receipt by us of the following items at the time required below: (a) if the drawing is being made with respect to the payment of the portion of the Purchase Price of Bonds delivered to the Trustee (as defined in the Indenture) pursuant to Section 4.01 or 4.02 of the Second Supplemental Indenture corresponding to the principal thereof (an "A Drawing"), receipt by us of your written certificate in the form of Exhibit A attached hereto appropriately completed and signed by an Authorized Officer; (b) if the drawing is being made with respect to the payment of principal of the Bonds (a "B Drawing"), receipt by us of your written certificate in the form of Exhibit B attached hereto appropriately completed and signed by an Authorized Officer; and (c) if the drawing is being made with respect to the payment of interest, or the portion of Purchase Price corresponding to interest, on the Bonds (a "C Drawing"), receipt by us of your written certificate in the form of Exhibit C attached hereto appropriately completed and signed by an Authorized Officer. Presentation of such certificate(s) shall be made at our office located at SunTrust Bank, 25 Park Place, 16th Floor, Atlanta, Georgia 30303, Attention: Standby Letters of Credit Department, or at any other office which may be designated by us by written notice delivered to you.

If a drawing is made by you hereunder at or prior to 12:30 P.M., New York City time, on a Business Day, and provided that the requirements set forth above have been strictly satisfied and that such drawing and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you, or to your designee, of the amount specified in immediately available funds, not later than 2:30 P.M., New York City time, on the same Business Day or not later than 2:30 P.M., New York City time, on such later Business Day as you may specify. If requested by you, payment under this Letter of Credit will be made by deposit of immediately available funds into a designated account that you maintain with us. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so.

Demands for payment hereunder honored by us shall not, in the aggregate, exceed the Stated Amount, as the Stated Amount may have been reinstated by us as provided in the next paragraph. Subject to the preceding sentence, each "A Drawing" and each "B Drawing" honored by the Bank hereunder shall pro tanto reduce the Principal Component, and each "C Drawing" honored by the Bank hereunder shall pro tanto reduce the Interest Component; any such reduction shall result in a corresponding reduction in the Stated Amount, it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a drawing hereunder in respect of the amount of such principal and/or interest on the Bonds or the payment of Purchase Price corresponding thereto.

Upon release by us or on our behalf of any "Pledged Bonds" (as defined in the Indenture), the Principal Component shall be reinstated automatically and immediately by the principal amount of such Pledged Bonds. In addition, (a) the Interest Component shall be reinstated automatically and immediately by the amount of such "C Drawing" and (b) upon the release by us or on our behalf of any Pledged Bonds, the Interest Component shall be reinstated automatically by the amount of the "C Drawing" made to pay the portion of the Purchase Price corresponding to interest on such Pledged Bonds (unless the Interest Component previously has been reinstated with respect to such "C Drawing"); provided, however, that in no event shall the Interest Component be reinstated to an amount in excess of 40 days' interest (such amount computed as set forth in the second succeeding paragraph) on the sum of the then applicable Principal Component plus the aggregate principal amount of any Pledged Bonds.

Only you or your successor as Trustee may make a drawing under this Letter of Credit. Upon the payment to you, to your designee or to your account of the amount demanded hereunder, we shall be fully discharged on our obligation under this Letter of Credit with respect to such demand for payment and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of, Purchase Price of, or interest on, any Bond. By paying to you an amount demanded in accordance herewith, we make no representation as to the correctness of the amount demanded.

This Letter of Credit applies only to the payment of principal or the portion of Purchase Price of the Bonds corresponding to principal, and up to 40 days' interest accruing on the Bonds (computed at a rate of 12% per annum), from the Date of Issuance through the Termination Date (computed on the basis of (a) actual days elapsed in a 365- or 366-day year, as the case may be, during any Daily Period, Weekly Period, or Commercial Paper Period and (b) a 360-day year comprised of twelve 30-day months during any Long Term Period and does not apply to any interest that may accrue thereon or any principal, premium or other amounts which may be payable with respect to the Bonds subsequent to the expiration of this Letter of Credit.

Upon the earliest of (a) the honoring by us of the final drawing available to be made hereunder, (b) receipt of a certificate signed by an Authorized Officer and a duly authorized officer of the Company stating that the conditions precedent to the acceptance of a Substitute Credit Facility (as defined in the Indenture) have been satisfied and that the Trustee has accepted the Substitute Credit Facility, and setting forth the effective date of said Substitute Credit Facility, (c) receipt of a certificate signed by an Authorized Officer stating that no Bonds remain Outstanding (as defined in the Indenture), and (d) the stated expiration date hereof, this Letter of Credit shall automatically terminate and be delivered to us for cancellation; provided, however, that in connection with the termination event described in clause (b), above, this Letter of Credit shall automatically terminate, and shall be delivered to us for cancellation, on the second Business Day following the effective date of the Substitute Credit Facility and the honoring by us of the related drawing hereunder pertaining to the payment of the Purchase Price of the Bonds tendered for purchase on the Mandatory Purchase Date corresponding to the delivery of the Substitute Credit Facility.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at SunTrust Bank, 25 Park Place, 16th Floor, Atlanta, Georgia 30303,

Attention: Standby Letters of Credit Department, specifically referring thereon to this Letter of Credit by number.

We agree to issue a substitute letter of credit to any successor trustee (and to successively replace any such substitute letter of credit) upon the return to us for cancellation of the original of the letter of credit to be replaced, accompanied by a request relating to such letter of credit, which (a) shall be substantially in the form of Exhibit D attached hereto with the blanks appropriately completed, (b) shall be signed by an Authorized Officer, (c) shall specify where indicated therein the same letter of credit number as the number of the letter of credit to be replaced and (d) shall state the name and address of the successor trustee. Each substitute letter of credit will be in substantially the form of this Letter of Credit except for the date and letter of credit number.

As used herein (a) "Authorized Officer" shall mean any person signing as one of your Vice Presidents, Assistant Vice Presidents, Trust Officers or Assistant Trust Officers; and (b) all other capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the above-mentioned Indenture.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds), except only the certificate(s) referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificate(s).

This credit is subject to the Rules on International Standby Practices, International Chamber of Commerce ("ISP98"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of Georgia and shall, as to matters not governed by the ISP98, be governed by and construed in accordance with the laws of such State.

Very truly yours,

SUNTRUST BANK

By: _____
Title:

CERTIFICATE FOR "A DRAWING"

[Date]

SunTrust Bank
25 Park Place, 16th Floor
Atlanta, Georgia 30303

Attention: Standby Letters of Credit Department

Re: Irrevocable Letter of Credit No. F846593

The undersigned, a duly authorized officer of SunTrust Bank (the "Trustee"), hereby certifies to SunTrust Bank (the "Bank") that:

(a) The undersigned is the Trustee under the Indenture for the holders of the Bonds.

(b) The undersigned, in its capacity as Trustee, is making a drawing under the above-referenced Letter of Credit in the amount of \$ _____ with respect to payment of the portion of the purchase price of Bonds corresponding to the principal amount thereof, which Bonds are to be purchased pursuant to Section [4.01] or [4.02] of the Second Supplemental Indenture.

(c) The amount demanded hereby does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of the portion of the Purchase Price of Bonds corresponding to the principal amount thereof.

(d) The amount demanded hereby does not include any amount in respect of the purchase of any Pledged Bonds.

(e) Upon receipt by the undersigned of the amount demanded hereby, (i) the undersigned will apply the same directly to the payment when due of the principal amount owing on account of the purchase of Bonds pursuant to the Indenture and, upon receipt of written request by the Bank, will cause the Trustee to deliver promptly to the Bank Pledged Bonds in an aggregate principal amount equal to the amount demanded hereby (together with any and all due bills for interest due on the next succeeding interest payment date delivered pursuant to Section 4.04 of the Second Supplemental Indenture in respect of such Pledged Bonds), (ii) no portion of said amount shall be applied by the undersigned for any other purpose and (iii) no portion of said amount shall be commingled with other funds held by the undersigned.

Any capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Indenture of Trust dated as of August 1, 1995

(the "Original Indenture") between the Issuer and the undersigned, as successor trustee, as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2003 (the "First Supplemental Indenture") and by a Second Supplemental Indenture of Trust dated as of June 1, 2005 ("Second Supplemental Indenture"), and any amendments and supplements thereto (the Original Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture being referred to herein collectively as the "Indenture").

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, ____.

SUNTRUST BANK,
as Trustee

By: _____
Title:

CERTIFICATE FOR "B DRAWING"

[Date]

SunTrust Bank
25 Park Place, 16th Floor
Atlanta, Georgia 30303

Attention: Standby Letters of Credit Department

Re: Irrevocable Letter of Credit No. F846593

The undersigned, a duly authorized officer of SunTrust Bank (the "Trustee"), hereby certifies to SunTrust Bank (the "Bank") that:

(a) The undersigned is the Trustee under the Indenture for the holders of the Bonds.

(b) The undersigned, in its capacity as Trustee, is making a drawing under the above-referenced Letter of Credit in the amount of \$_____ with respect to the payment of principal of the Bonds, which amount has, or will, on the Business Day immediately following the date hereof, become due and payable pursuant to the Indenture, upon maturity or as a result of acceleration or redemption of the Bonds.

(c) The amount demanded hereby does not include any amount in respect of the principal amount of any Pledged Bonds.

(d) The amount demanded hereby, together with the aggregate of all prior payments made pursuant to "B Drawings" under the above-referenced Letter of Credit, does not exceed [amt.issue].

(e) The amount demanded hereby does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of the principal of the Bonds.

(f) Upon receipt by the undersigned of the amount demanded hereby, (i) the undersigned will apply the same directly to the payment when due of the principal amount owing on account of the Bonds pursuant to the Indenture, (ii) no portion of said amount shall be applied by the undersigned for any other purpose and (iii) no portion of said amount shall be commingled with other funds held by the undersigned.

Any capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Indenture of Trust dated as of August 1, 1995 (the "Original Indenture") between the Issuer and the undersigned, as successor trustee, as

supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2003 (the "First Supplemental Indenture") and by a Second Supplemental Indenture of Trust dated as of June 1, 2005 ("Second Supplemental Indenture"), and any amendments and supplements thereto (the Original Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture being referred to herein collectively as the "Indenture").

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, ____.

SUNTRUST BANK,
as Trustee

By: _____
Title:

CERTIFICATE FOR "C DRAWING"

[Date]

SunTrust Bank
25 Park Place, 16th Floor
Atlanta, Georgia 30303

Attention: Standby Letters of Credit Department

Re: Irrevocable Letter of Credit No. F846593

The undersigned, a duly authorized officer of SunTrust Bank (the "Trustee"), hereby certifies to SunTrust Bank (the "Bank") that:

(a) The undersigned is the Trustee under the Indenture for the holders of the Bonds.

(b) The undersigned, in its capacity as Trustee, is making a drawing under the above-referenced Letter of Credit in the amount of \$ _____ with respect to payment of [the portion of the purchase price of \$ _____ in principal amount of the Bonds corresponding to the accrued interest thereon, which Bonds are to be purchased pursuant to Section 4.02 of the Second Supplemental Indenture] [interest on the Bonds, which amount has accrued and become due and payable pursuant to the Indenture, upon a stated interest payment date or as a result of acceleration or redemption of the Bonds].

(c) The amount demanded hereby does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of interest on the Bonds.

(d) The amount demanded hereby does not include any amount in respect of the interest on any Pledged Bonds.

(e) Upon receipt by the undersigned of the amount demanded hereby, (i) the undersigned will apply the same directly to the payment when due of the [interest owing on account of the Bonds pursuant to the Indenture] [portion of the Purchase Price of Bonds pursuant to Section 4.02 of the Second Supplemental Indenture corresponding to accrued interest thereon], (ii) no portion of said amount shall be applied by the undersigned for any other purpose and (iii) no portion of said amount shall be commingled with other funds held by the undersigned.

Any capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Indenture of Trust dated as of August 1, 1995

(the "Original Indenture") between the Issuer and the undersigned, as successor trustee, as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2003 (the "First Supplemental Indenture") and by a Second Supplemental Indenture of Trust dated as of June 1, 2005 ("Second Supplemental Indenture"), and any amendments and supplements thereto (the Original Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture being referred to herein collectively as the "Indenture").

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, ____.

SUNTRUST BANK,
as Trustee

By: _____
Title:

INSTRUCTION TO ISSUE SUBSTITUTE LETTER OF CREDIT

[Date]

SunTrust Bank
25 Park Place, 16th Floor
Atlanta, Georgia 30303

Attention: Standby Letters of Credit Department

Re: Irrevocable Letter of Credit No. F846593

Gentlemen:

Reference is made to (a) the above-referenced letter of credit (the "Old Letter of Credit") and (b) the Indenture of Trust dated as of August 1, 1995 (the "Original Indenture") between the Issuer and us, as successor trustee, as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2003 (the "First Supplemental Indenture") and by a Second Supplemental Indenture of Trust dated as of June 1, 2005 ("Second Supplemental Indenture"), and any amendments and supplements thereto (the Original Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture being referred to herein collectively as the "Indenture").

[Name and address of successor trustee] (the "Successor Trustee") has been appointed successor trustee under the Indenture. The Successor Trustee has been properly appointed and qualified pursuant to Article XI of the Indenture. You are hereby requested to issue, in accordance with the terms of the Old Letter of Credit, a new letter of credit to the Successor Trustee having the same terms and providing for the same Stated Amount as the Old Letter of Credit.

We submit herewith for cancellation the original of the Old Letter of Credit.

The individual signing below on our behalf hereby represents that he or she is duly authorized to so sign on our behalf.

Very truly yours,

SUNTRUST BANK,
as Trustee

By: _____
Title:

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APPENDIX "C-1"

**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE SERIES 2005A VARIABLE RATE DEMAND UTILITY
SYSTEM REVENUE BONDS**

Upon delivery of the Series 2005A Variable Rate Demand Utility System Revenue Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 2005A Variable Rate Demand Utility System Revenue Bonds in substantially the following form:

[Date of Closing]

Lee County Industrial
Development Authority
Fort Myers, Florida

Members:

In the capacity of Bond Counsel we have examined a record of proceedings relating to the issuance of \$13,240,000 Variable Rate Demand Utility System Revenue Bonds, Series 2005A (North Fort Myers Utility, Inc. Project) (the "Series 2005A Bonds") by the Lee County Industrial Development Authority, Lee County, Florida (the "Issuer"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

The Series 2005A Bonds are issued under and pursuant to the Laws of the State of Florida including, particularly, Parts II, III and VI, Chapter 159, Florida Statutes (the "Act"), and pursuant to a resolution of the Issuer adopted on June 17, 2005 (the "Resolution"), and that certain Indenture of Trust, dated as of August 1, 1995, as amended and supplemented, in particular as supplemented by that certain Second Supplemental Indenture of Trust, dated as of June 1, 2005 (collectively, the "Indenture"), between the Issuer and SunTrust Bank (as successor to The Bank of New York) (the "Trustee").

The Series 2005A Bonds are payable from amounts drawn under an irrevocable direct-pay letter of credit dated the date hereof, issued by SunTrust Bank (the "Letter of Credit") and are secured by such Letter of Credit on parity with the Issuer's Series 2005B Bonds (defined below). The Series 2005A Bonds are also payable from the Pledged Funds (as defined in the Indenture) on parity with (i) the Issuer's outstanding Variable Rate Demand Utility System Revenue Bonds, Series 2003A (North Fort Myers Utility, Inc. Project) (the "Series 2003A Bonds"), (ii) the Issuer's outstanding Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2003B (North Fort Myers Utility, Inc. Project) (the "Series 2003B Bonds"), and (iii) the Issuer's Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2005B (North Fort Myers Utility, Inc. Project) (the "Series 2005B Bonds") issued simultaneously with the Series 2005A Bonds. "Pledged Funds" include payments made to the Issuer pursuant to that certain Loan Agreement, dated as of August 1, 1995, as amended and supplemented, in particular

as amended and supplemented by that certain Second Supplemental Loan Agreement, dated as of June 1, 2005 (collectively, the "Loan Agreement"), between the Issuer and North Fort Myers Utility, Inc. (the "Borrower"). As security for its obligations under the Loan Agreement relating to the Series 2005A Bonds, Series 2005B Bonds, Series 2003A Bonds and Series 2003B Bonds, the Borrower has mortgaged certain real property and granted a security interest in certain personal property to the Issuer pursuant to that certain Mortgage and Security Agreement, dated as of August 1, 1995, as amended and supplemented, in particular as amended and supplemented by that certain Third Supplemental Mortgage and Security Agreement and Notice of Advance, dated as of June 1, 2005 (collectively, the "Mortgage"), from the Borrower to the Issuer, and assigned by the Issuer to the Trustee.

Reference is made to the opinions of even date of Rose, Sundstrom & Bentley LLP, Tallahassee, Florida, counsel to the Borrower, with respect to various matters, including the corporate power of the Borrower to enter into and perform its obligations under the Loan Agreement and the Mortgage, the authorization, execution and delivery of the Loan Agreement and the Mortgage by the Borrower and certain title matters relating to the Mortgage.

The Series 2005A Bonds are dated and shall bear interest from the date of issuance thereof in the manner set forth in the Indenture. The Series 2005A Bonds will mature on June 1, 2025, and will bear interest at the applicable rate calculated as provided in the Indenture unless and until conversion to another interest period (as described in the Indenture). The Series 2005A Bonds are subject to optional, mandatory and extraordinary mandatory redemption prior to maturity and are subject to optional and mandatory tender for purchase, all in accordance with the terms of the Indenture. The Series 2005A Bonds are in the form of fully registered Bonds, without coupons, and are initially issued in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof.

The Series 2005A Bonds are issued for the principal purposes of providing moneys to (i) currently refund the Issuer's outstanding Sewer Industrial Development Revenue Bonds (North Fort Myers Utility Project), Series 1995A, (ii) finance the cost of the acquisition, construction and equipping of certain capital improvements to the Borrower's utility system including, but not limited to, the 3.5 mgd expansion of its central wastewater reclamation facility located at 4000 Del Prado Boulevard N., North Fort Myers, Florida, construction of force and reuse water mains, the acquisition of a new generator, related infrastructure and capital improvements, and payment of costs related to the acquisition of an existing wastewater system located in Lee County, Florida, and (iii) fund any necessary reserves and paying costs associated with the issuance of the Series 2005A Bonds.

As to questions of fact material to our opinion we have relied upon representations of the Issuer and the Borrower and the certified proceedings and other certifications of appropriate officials of the Issuer and the Borrower furnished to us (including certifications as to the use of the Series 2005A Bond proceeds), without undertaking to verify the same by independent investigation.

Based upon the foregoing and in reliance upon the matters hereinafter referred to, we are of the opinion that:

1. The Issuer is a public body corporate and politic and a duly created and validly existing industrial development authority under the laws of the State of Florida including, particularly, the Act and has full power and authority to enter into, execute and deliver the Indenture and the Loan Agreement, to approve and accept the Mortgage and to issue, sell and deliver the Series 2005A Bonds.

2. The Indenture, the Loan Agreement and the Mortgage have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and delivered by authorized officers of the Issuer and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto, each constitutes the legal, valid and binding obligation of the Issuer, enforceable in accordance with its respective terms.

3. The Series 2005A Bonds have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and issued by the Issuer, and constitute the legal, valid and binding limited and special obligations of the Issuer enforceable in accordance with their terms, and are entitled to the benefit and security of the Indenture. The Series 2005A Bonds are payable solely from the draws under the Letter of Credit and the Pledged Funds in the manner and to the extent provided in the Indenture. The Series 2005A Bonds are secured on parity with the Series 2005B Bonds with respect to the Letter of Credit and on parity with all other Bonds outstanding under the Indenture with respect to the Pledged Funds (except for any amounts in accounts or funds held under the Indenture for a particular Series of Bonds).

4. The Series 2005A Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2005A Bonds is excluded from gross income for federal income tax purposes, except during any period while a Series 2005A Bond is held by a "substantial user" of the facilities financed by the Series 2005A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). It should be noted, however, that such interest is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2005A Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2005A Bonds to be so included in gross income retroactive to the date of issuance of the Series 2005A Bonds. The Issuer and the Borrower have covenanted to comply with all such requirements. Ownership of the Series 2005A Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2005A Bonds.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriters (on which opinion only they may rely) for the Series 2005A Bonds on the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2005A

Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2005A Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Series 2005A Bonds, the Indenture, the Loan Agreement and the Mortgage, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2005A Bonds and, in our opinion, the form of the Series 2005A Bonds is regular and proper.

Respectfully submitted,

APPENDIX "C-2"

**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE SERIES 2005B TAXABLE VARIABLE RATE DEMAND
UTILITY SYSTEM REVENUE BONDS**

Upon delivery of the Series 2005B Taxable Variable Rate Demand Utility System Revenue Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 2005B Taxable Variable Rate Demand Utility System Revenue Bonds in substantially the following form:

[Date of Closing]

Lee County Industrial
Development Authority
Fort Myers, Florida

Members:

In the capacity of Bond Counsel we have examined a record of proceedings relating to the issuance of \$1,790,000 Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2005B (North Fort Myers Utility, Inc. Project) (the "Series 2005B Bonds") by the Lee County Industrial Development Authority, Lee County, Florida (the "Issuer"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

The Series 2005B Bonds are issued under and pursuant to the Laws of the State of Florida including, particularly, Parts II, III and VII, Chapter 159, Florida Statutes (the "Act"), and pursuant to a resolution of the Issuer adopted on June 17, 2005 (the "Resolution"), and that certain Indenture of Trust, dated as of August 1, 1995, as amended and supplemented, in particular as supplemented by that certain Second Supplemental Indenture of Trust, dated as of June 1, 2005 (collectively, the "Indenture"), between the Issuer and SunTrust Bank (as successor to The Bank of New York) (the "Trustee").

The Series 2005B Bonds are payable from amounts drawn under an irrevocable direct-pay letter of credit dated the date hereof, issued by SunTrust Bank (the "Letter of Credit") and are secured by such Letter of Credit on parity with the Issuer's \$13,240,000 Variable Rate Demand Utility System Revenue Bonds, Series 2005A (North Fort Myers Utility, Inc. Project) (the "Series 2005A Bonds," and together with the Series 2005B Bonds, the "Series 2005 Bonds") issued under the Indenture on June 1, 2005. The Series 2005B Bonds are also payable from the Pledged Funds (as defined in the Indenture) on parity with (i) the Series 2005A Bonds, (ii) the Issuer's outstanding Variable Rate Demand Utility System Revenue Bonds, Series 2003A (North Fort Myers Utility, Inc. Project) (the "Series 2003A Bonds"), and (iii) the Issuer's outstanding Taxable Variable Rate Demand Utility System Revenue Bonds, Series 2003B (North Fort Myers

Utility, Inc. Project) (the "Series 2003B Bonds"). "Pledged Funds" include payments made to the Issuer pursuant to that certain Loan Agreement, dated as of August 1, 1995, as amended and supplemented, in particular as amended and supplemented by that certain Second Supplemental Loan Agreement, dated as of June 1, 2005 (collectively, the "Loan Agreement"), between the Issuer and North Fort Myers Utility, Inc. (the "Borrower"). As security for its obligations under the Loan Agreement relating to the Series 2005 Bonds, the Series 2003A Bonds and the Series 2003B Bonds, the Borrower has mortgaged certain real property and granted a security interest in certain personal property to the Issuer pursuant to that certain Mortgage and Security Agreement, dated as of August 1, 1995, as amended and supplemented, in particular as amended and supplemented by that certain Third Supplemental Mortgage and Security Agreement and Notice of Advance, dated as of June 1, 2005 (collectively, the "Mortgage"), each from the Borrower to the Issuer, and each assigned by the Issuer to the Trustee.

Reference is made to the opinions of even date of Rose, Sundstrom & Bentley LLP, Tallahassee, Florida, counsel to the Borrower, with respect to various matters, including the corporate power of the Borrower to enter into and perform its obligations under the Loan Agreement and the Mortgage, the authorization, execution and delivery of the Loan Agreement and the Mortgage by the Borrower and certain title matters relating to the Mortgage.

The Series 2005B Bonds are dated and shall bear interest from the date of issuance thereof in the manner set forth in the Indenture. The Series 2005B Bonds will mature on June 1, 2010, and will bear interest at the applicable rate calculated as provided in the Indenture unless and until conversion to another interest period (as described in the Indenture). The Series 2005B Bonds are subject to optional, mandatory and extraordinary mandatory redemption prior to maturity and are subject to optional and mandatory tender for purchase, all in accordance with the terms of the Indenture. The Series 2005B Bonds are in the form of fully registered Bonds, without coupons, and are initially issued in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof.

The Series 2005B Bonds are issued for the principal purposes of providing moneys to (i) pay the redemption premium on the refunding of the Issuer's outstanding Sewer Industrial Development Revenue Bonds (North Fort Myers Utility Project), Series 1995A, (ii) finance the cost of the acquisition, construction and equipping of certain capital improvements to the Borrower's utility system including, but not limited to, the 3.5 mgd expansion of its central wastewater reclamation facility located at 4000 Del Prado Boulevard N., North Fort Myers, Florida, construction of force and reuse water mains, the acquisition of a new generator, related infrastructure and capital improvements, and payment of costs related to the acquisition of an existing wastewater system located in Lee County, Florida, and (iii) fund any necessary reserves and paying costs associated with the issuance of the Series 2005A Bonds.

As to questions of fact material to our opinion we have relied upon representations of the Issuer and the Borrower and the certified proceedings and other certifications of appropriate officials of the Issuer and the Borrower furnished to us (including certifications as to the use of the Series 2005B Bond proceeds), without undertaking to verify the same by independent investigation.

Based upon the foregoing and in reliance upon the matters hereinafter referred to, we are of the opinion that:

1. The Issuer is a public body corporate and politic and a duly created and validly existing industrial development authority under the laws of the State of Florida including, particularly, the Act and has full power and authority to enter into, execute and deliver the Indenture and the Loan Agreement, to approve and accept the Mortgage and to issue, sell and deliver the Series 2005B Bonds.

2. The Indenture, the Loan Agreement and the Mortgage have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and delivered by authorized officers of the Issuer and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto, each constitutes the legal, valid and binding obligation of the Issuer, enforceable in accordance with its respective terms.

3. The Series 2005B Bonds have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and issued by the Issuer, and constitute the legal, valid and binding limited and special obligations of the Issuer enforceable in accordance with their terms, and are entitled to the benefit and security of the Indenture. The Series 2005B Bonds are payable solely from the draws under the Letter of Credit and the Pledged Funds in the manner and to the extent provided in the Indenture. The Series 2005B Bonds are secured on a parity with the Series 2005A Bonds with respect to the Letter of Credit and on parity with all other Bonds outstanding under the Indenture with respect to the Pledged Funds (except for any amounts in accounts or funds held under the Indenture for a particular Series of Bonds).

4. The Series 2005B Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

5. Interest on the Series 2005B Bonds is included in the gross income of the holders thereof for purposes of federal income taxation.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriters (on which opinion only they may rely) for the Series 2005B Bonds on the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2005B Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2005B Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Series 2005B Bonds, the Indenture, the Loan Agreement and the Mortgage, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2005B Bonds and, in our opinion, the form of the Series 2005B Bonds is regular and proper.

Respectfully submitted,

COMPOSITE EXHIBITS "D" AND "E"

SCHEDULE "A"

AND

SCHEDULE "J" EXHIBIT "A"

**LEGAL DESCRIPTION OF WELL SITE TO BE LEASED
AND OPERATED BY PURCHASER**

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel 1:

A parcel of land lying in Section 4, Township 43 South, Range 24 East, Lee County, Florida, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 45, Unit No. 1, North Fort Myers Park, as recorded in Plat Book 9, page 113 of the Public Records of Lee County, Florida; thence North $89^{\circ} 48' 47''$ East along the South line of lands conveyed by Deed recorded in Deed Book 224 at page 437 of said Public Records, and along the South line of Section No. 1, Unit No. 1, Lakeville, as recorded in Plat Book 10, page 48 of said Public Records and Section No. 1, Unit No. 2, Lakeville, as recorded in Deed Book 298, pages 303 through 306 of said Public Records, 1940.00 feet to the Southeast corner of said Section No. 1, Unit No. 2, Lakeville and the POINT OF BEGINNING of the land herein described.

From said POINT OF BEGINNING, North $00^{\circ} 11' 07''$ West along the East line of Section No. 1, Unit No. 2, Lakeville, 205.00 feet; thence North $89^{\circ} 48' 53''$ East, 25.00 feet; thence North $00^{\circ} 11' 07''$ West 650.00 feet; thence North $89^{\circ} 48' 53''$ East 35.48 feet; thence North $00^{\circ} 11' 07''$ West 125.00 feet; thence South $89^{\circ} 48' 53''$ West, 39.71 feet; thence along the arc of a non-tangent curve concave to the Northeast, having for its elements a radius of 236.25 feet, a central angle of $31^{\circ} 56' 42''$, a chord of 130.02 feet, a chord bearing of North $16^{\circ} 09' 28''$ West, an arc distance of 131.72 feet; thence North $00^{\circ} 11' 07''$ West, 600.00 feet; thence South $89^{\circ} 48' 53''$ West, 60.00 feet; thence North $00^{\circ} 11' 07''$ West along said East line of Section No. 1, Unit No. 2, Lakeville and along a prolongation of said East line, 335.37 feet to a point on the South line of Del Vera Country Club Unit 1, as recorded in Plat Book 46, pages 7 through 25, Lee County, Florida; thence North $89^{\circ} 48' 47''$ East along said South line of Del Vera Country Club Unit 1, and along the South line of Tract E, Del Vera Country Club Unit 2 as recorded in Plat Book 50, pages 69 through 78, Lee County, Florida, 1169.13 feet to the Southeast corner of said Tract E, Del Vera Country Club Unit 2; thence leaving said South line, South $24^{\circ} 38' 57''$ West, 1074.69 feet; thence South $89^{\circ} 48' 47''$ West, 217.89 feet to a point on the West line of lands conveyed in O.R. Book 300, page 633; thence South $00^{\circ} 11' 07''$ East, along said West line, 1065.06 feet to the Southwest corner of said lands conveyed in O.R. Book 300, page 633, said point being on the South line of lands conveyed in aforementioned Deed Book 224, page 437; thence South $89^{\circ} 48' 47''$ West along said South line, 425.00 feet to the POINT OF BEGINNING.

LESS AND EXCEPT a parcel of land lying in Section 4, Township 43 South, Range 24 East, Lee County, Florida, being more particularly described as follows:

COMMENCING at the Southwest corner of Tract "E" of "Del Vera Country Club Unit 2", according to the plat thereof as recorded in Plat Book 50 at pages 69 through 78 of the

Public Records of Lee County, Florida; also lying in a part of Section 4, Township 43 South, Range 24 East, Lee County, Florida; thence South 89° 48' 47" West, for 297.76 feet; thence South 00° 11' 13" East for 346.04 feet to the POINT OF BEGINNING of the parcel herein described; thence South 90° 00' 00" East for 85.00 feet; thence South 00° 00' 00" East for 160.00 feet; thence North 90° 00' 00" West for 85.00 feet; thence North 00° 00' 00" East for 160.00 feet to the POINT OF BEGINNING.

Parcel 2:

TOGETHER WITH the easements created by that certain Ingress , Egress and Utility Easement recorded in Official Records Book 3568, Page 2496, Public Records of Lee County, Florida.

LESS AND EXCEPT THE FOLLOWING PARCEL:

A tract or parcel of land lying in Section 4, Township 43 South, Range 24 East, Lee County, Florida, being more particularly described as follows:

Beginning at the Southeast Corner of Section No. 1 Unit No. 2, Lakeville, said Point Being the Point of Beginning; Thence North 00°11'07" West, for a distance of 205.00 feet; thence North 89°48'53" East, for a distance of 25.00 feet; thence North 00°11'07" West, for a distance of 650.00 feet; thence North 89°48'53" East, for a distance of 35.48 Feet; thence North 00°11'07" West, for a distance of 125.00 Feet; thence South 89°48'53" West, for a distance of 39.71 Feet; to the point of intersection with a non-tangent curve; thence run Northerly along an Arc of a Curve to the Right of Radius 236.25 Feet (Delta 31°56'42") (Chord Bearing North 16°09'28" West) (Chord 130.02 Feet) for a distance of 131.72 Feet; thence North 00°11'07" West, for a distance of 361.50 Feet; thence North 90°00'00" East, for a distance of 842.42 Feet; thence South 24°38'57" West, for a distance of 439.33 Feet; thence South 89°48'47" West, for a distance of 217.89 Feet; thence South 00°11'07" East, for a distance of 1,065.06 Feet; thence South 89°48'47" West, for a distance of 425.00 Feet to the Point Of Beginning.

Bearings shown are state plane coordinate for the West zone of Florida (NAD 83/90 Adjustment) and are based on the South Boundary Line of Del Vera Country Club Unit One, as Recorded in Plat Book 46, at Pages 7-25, of the Public Records of Lee County, Florida, having a bearing of North 89°48'47" East.

SCHEDULE "B"

EASEMENTS, LICENSES, ETC.

As described in the plat of the following subdivisions in Lee County, Florida:

Del Vera Country Club Unit 1, recorded in Plat Book 46, Pages 7 through 25

Del Vera Country Club Unit 2, recorded in Plat Book 50, Pages 69 through 78

Heron's Glen Unit 1, recorded in Plat Book 63, Pages 51 and 52

Heron's Glen Unit 2, recorded in Plat Book 64, Pages 16 and 17

Heron's Glen Unit 3, recorded in Plat Book 65, Page 21 and 22

Heron's Glen Unit 4, recorded in Plat Book 67, Pages 9 and 10

Heron's Glen Unit 5, recorded in Plat Book 74, Pages 82 through 84

Heron's Glen Unit 7, recorded in Plat Book 67, Pages 11 through 14

Heron's Glen Unit 8, recorded in Plat Book 71, Pages 33 and 34

Heron's Glen Unit 9, recorded in Plat Book 69, Pages 1 and 2

Heron's Glen Unit 10, recorded in Plat Book 74, Pages 51 and 52

Heron's Glen Units 11 and 12, recorded in Plat Book 78, Pages 57 through 62

Heron's Glen Unit 13, recorded in Plat Book 78, Pages 87 through 90

SCHEDULE "C"

TREATMENT PLANTS

N/A

PLANT IS NOT BEING PURCHASED

SCHEDULE "D"

CERTIFICATES, PERMITS, ETC.

Permit No. FLA014618; PA File No. FLA014618-001-DW3P
DEP Permit No. DO36-214276
0.250 mgd domestic wastewater treatment facility with reuse

Heron's Glen Unit 1
DEP Identification No. FLA014618
DEP Identification No. 5236PO2508

Heron's Glen Units 2 – 6
DEP Identification No. FLA014618
DEP Identification No. 5236PO2508
Permit No. 44655-002-DWC

Heron's Glen Units 7 – 9
DEP Identification No. FLA014618
Permit No. 44655-004 DWC/CM

Heron's Glen Unit 10
DEP Identification No. FLA014618
Permit No. 44655-005-DWC

Heron's Glen Units 11 & 12
DEP Identification No. FLA014618
Permit No. 44655-006-DWC

Heron's Glen Unit 13
DEP Identification No. FLA014618
Permit No. 44655-008-DWC

FDEP Agricultural Use Plan Additions
DEP Identification No. FLA014618
Permit Revision No. FLA014618-005-DW2

Florida Public Service Commission
Certificate NO. 456-S

SCHEDULE "E"

INVENTORY

None

SCHEDULE "F"

DEVELOPER AGREEMENTS ASSUMED BY PURCHASER

None

SCHEDULE "G"

PURCHASE PRICE ALLOCATION

None

SCHEDULE "H"
PERMITTED EXCEPTIONS

PERMITTED EXCEPTIONS

1. Road Easements as set forth in those certain Deeds recorded in Official Records Book 1031, Page 1834; Official Records Book 1467, Page 440; Official Records Book 2003, Page 659; and Official Records Book 2039, Page 28, Public Records of Lee County, Florida.
2. Development Orders recorded in Official Records Book 2002, Page 2445; Official Records Book 2372, Page 1836; Official Records Book 2406, Page 370 and Official Records Book 3439, Page 320, Public Records of Lee County, Florida.
3. Resolution recorded in Official Records Book 2003, Page 4398, Public Records of Lee County, Florida.
4. Covenants of Unified Control recorded in Official Records Book 2044, Page 2592; Official Records Book 2044, Page 2597; Official Records Book 2044, Page 2601; Official Records Book 2384, Page 1929; Official Records Book 3362, Page 3835 and Official Records Book 3362, Page 3837, Public Records of Lee County, Florida.
5. Lee County Ordinance No. 86-14 regarding Solid Waste Collection recorded in Official Records Book 2186, Page 3281 and Ordinance No. 86-38 recorded in Official Records Book 2189, Page 3334, Public Records of Lee County, Florida.
6. Easement Agreement regarding cable television services recorded in Official Records Book 2201, Page 1321; Assignment and Assumption and Consent recorded in Official Records Book 2223, Page 3960, Public Records of Lee County, Florida.
7. Easement Agreement regarding gas services recorded in Official Records Book 2207, Page 4769, Public Records of Lee County, Florida.
8. Grant of Easement recorded in Official Records Book 2533, Page 182, Public Records of Lee County, Florida.
9. Lee County Ordinance No. 98-08 Charter for Herons Glen Recreation District recorded in Official Records Book 3126, Page 3881, Public Records of Lee County, Florida.
10. Golf Cart and Maintenance Building Access Easement recorded in Official Records Book 3126, Page 3993, Public Records of Lee County, Florida.
11. Notice of Special Assessments recorded in Official Records Book 3126, Page 4020, Public Records of Lee County, Florida.

12. Interlocal Agreement recorded in Official Records Book 3127, Page 95, Public Records of Lee County, Florida.
13. Restated Declaration of Covenants, Conditions and Restrictions for Herons Glen Country Club recorded in Official Records Book 3142, Page 3327; Amended Supplemental Declaration recorded in Official Records Book 3171, Page 4258 and re-recorded in Official Records Book 3177, Page 2830; First Supplemental Declaration recorded in Official Records Book 3321, Page 2826 and re-recorded in Official Records Book 3329, Page 782; Eighth Amendment recorded in Official Records Book 3570, Page 1873 and re-recorded in Official Records Book 3689, Page 4651; Second Supplemental Declaration recorded in Official Records Book 3847, Page 1290; Third Supplemental Declaration recorded in Official Records Book 3847, Page 1294; Fourth Supplemental Declaration recorded in Official Records Book 4357, Page 661 and Official Records Book 4366, Page 222, Public Records of Lee County, Florida.
14. Easement to Lee County Electric Cooperative, Inc. recorded in Official Records Book 3271, Page 2717, and corrected in Official Records Book 3311, Page 4022, Public Records of Lee County, Florida.
15. Agreement Granting Non-Exclusive Easements and Rights of Ingress and Egress recorded in Official Records Book 3821, Page 2744 as affected by Partial Termination recorded in Official Records Book 4348, Page 4291, Public Records of Lee County, Florida.

SCHEDULE "I"

EXHIBIT "A"

Wastewater Connection Point

SCHEDULE "J"

EXHIBIT "A"

Description of Property

(See Schedule "A")

SCHEDULE "K"

EXHIBIT "A"

Description of Property

(See Schedule "A")

EXHIBIT "B"

Map Showing Point of Delivery for Reclaimed Water

None

EXHIBIT "F"

**to response of North Fort Myers Utility, Inc. to letter from Public Service
Commission dated June 10, 2005**

TERRITORY SERVED

CERTIFICATE NUMBER - 247-S

COUNTY - Lee

COMMISSION ORDERS APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
8025	10/25/77	770709-S	Grandfather
11300	11/02/82	820278-S	Extension
12572	10/04/83	830316-S	Extension
15659	02/12/86	830362-S	Extension/Name Change
19059	03/29/88	871306-SU	Extension
PSC-92-0537-FOF-SU	06/22/92	920037-SU	Extension/Del Tura
PSC-92-0588-FOF-SU	06/30/92	920273-SU	Extension/Forest Park
PSC-93-0971-FOF-SU	06/29/93	930289-SU	Extension/Fountain View
PSC-93-1851-FOF-SU	12/30/93	931040-SU	Extension/Northside Pavillion
PSC-93-1821-FOF-SU	12/22/93	930379-SU	Extension/LaurelEstates/ Lake Arrowhead
PSC-94-0450-FOF-SU	04/14/94	931164-SU	Extension/Carriage Village
PSC-94-0726-FOF-SU	06/13/94	930724-SU	Extension/Lazy Days
PSC-95-0576-FOF-SU	05/09/95	940963-SU	Extension/Tamiami Village
PSC-99-2444-AS-SU	12/14/99	981781-SU	Extension/Buccaneer Estates
PSC-01-0036-PAA-WS	02/09/01	000277-WS	Transfer/Pine Lakes/Lake Fairways
PSC-02-0481-FOF-SU	04/08/02	011006-SU	Extension
PSC-04-1218-FOF-SU	12/09/04	040818-SU	Deletion/East Site Utility Area
PSC-05-			Transfer/Heron's Glen

(Continued to Sheet No. 3.1)

Jack Schenkman
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President

(Continued from Sheet No. 3.10)

Township 43 South, Range 24 East
Sections 2, 3, 4, 5, & 10

A parcel of land in Sections 2, 3, 4, 5, & 10, Township 43 South, Range 24 East, Lee County, Florida, more particularly described as follows:

Commence at the NE corner of Section 3, Township 43 South, Range 24 East; thence N.89°57'30"W., along the north line of the NE 1/4 of said Section 3 for a distance of 355.01 feet to an intersection with the westerly right of way line of the former S.A.L. Railroad and the Point of Beginning of the herein described parcel of land; thence continue N.89°57'30"W., along said north line for a distance of 2,313.55 feet to the NE corner of the NW 1/4 of said Section 3; thence S.89°48'38"W., along the north line of said NW 1/4 for a distance of 2,667.53 feet to the NW corner of said Section 3; thence N.89°42'40"W., along the north line of Section 4, Township 43 South, Range 24 East, for a distance of 5,335.96 feet to the NW corner of said Section 4; thence S.89°33'20"W., along the north line of the NE 1/4 of Section 5, Township 43 South, Range 24 East, for a distance of 1,871.76 feet to an intersection with the northeasterly line of North Fort Myers Park according to the plat thereof as recorded in Plat Book 9, Page 113 of the public records of Lee County, Florida; thence S.26°03'40"E., along said northeasterly line for a distance of 318.66 feet to an intersection with the southeasterly line of Lot 3 of said plat of North Fort Myers Park; thence S.63°56'20"W., along said southeasterly line for a distance of 300.77 feet to an intersection with the northeasterly right of way line of Tamiami Trail (State Road 45, U.S. 41) being a point on the arc of a circular curve concave to the southwest, said point bearing N.63°13'24"E., from the radius point of said curve; thence southeasterly along the arc of said curve having for its elements a radius of 7,739.44 feet and a central angle of 0°42'56" for a distance of 96.66 feet to the point of tangency; thence S.26°03'40"E., along said northeasterly right of way line for a distance of 1,943.40 feet to an intersection with the southeasterly line of the northwesterly one half of lot 24 of the aforementioned plat of North Fort Myers Park; thence N.63°56'20"E., along said

(Continued on Sheet No. 3.12)

Jack Schenkman
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President
TITLE

(Continued from Sheet No. 3.11)

southeasterly line for a distance of 300.17 feet to an intersection with the aforementioned northeasterly line of North Fort Myers Park; thence N.26°03'40"W., along said northeasterly line for a distance of 4.46 feet to an intersection with the southerly line of that certain parcel of land described in Official Record Book 1032 at Page 707 of the aforementioned public records; thence N.89°48'47"E., along said southerly line for a distance of 3,357.09 feet to an intersection with the east line of that certain parcel of land described in Official Record Book 410 at Page 690 of the aforementioned public records; thence S.00°06'41"E., along said east line for a distance of 2,040.37 feet to an intersection with the south line of that certain parcel of land described in Deed Book 224 at Page 437 of the aforementioned public records; thence S.89°48'47"W., along said south line for a distance of 2,698.40 feet to an intersection with the aforementioned northeasterly right of way line of Tamiami Trail; thence S.26°03'40"E., along said northeasterly right of way line for a distance of 370.00 feet; thence N.89°48'47"E., for a distance of 3,845.26 feet; thence N.00°11'13"W., for a distance of 332.91 feet to an intersection with the aforementioned south line of that certain parcel of land described in Deed Book 224 at Page 437 of the aforementioned public records; thence N.59°48'47"E., along said south line for a distance of 4,368.87 feet to an intersection with the northerly extension of the west line of that certain parcel of land described in Official Record Book 388 at Page 80 of the aforementioned public records; thence S.00°02'36"W., along said northerly extension and along the west line of said parcel for a distance of 2,553.91 feet; thence S.89°56'45"E., along the south line of said parcel for a distance of 1,711.91 feet; thence N.00°02'36"E., along the east line of said parcel for a distance of 16.72 feet to an intersection with the south line of that certain parcel of land described in Official Record Book 1516 at Page 1802 of the aforementioned public records; thence S.89°56'45"E., along said south line for a distance of 441.17 feet; thence N.00°02'36"E., along the east line of said parcel for a distance of 2,546.26 feet to an intersection with the aforementioned south line of that certain parcel of land

(Continued on Sheet No. 3.13)

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TITLE

(Continued from Sheet No. 3.12)

described in Deed Book 224 at Page 437 of the aforementioned public records; thence N.89°48'47"E., along said south line for a distance of 775.85 feet to an intersection with the aforementioned westerly right of way line of the former S.A.L. Railroad; thence N.11°11'01"W., along said westerly right of way line for a distance of 4,190.51 feet to the Point of Beginning.

Township 43 South, Range 24 East

Section 4

A tract or parcel of land lying in Section 4, Township 43 South, Range 24 East, Lee County, Florida, which tract or parcel is described as follows:

From the SE corner of Lot 45 of Unit No. 1, North Fort Myers Park according to a plat thereof recorded in Plat Book 9 at Page 113 public records of Lee County, Florida, run S.89°59'E., along the south line of the lands conveyed by Deed recorded in Deed Book 224 at Page 437 of said public records and along the south line of Section No. 1, Unit No. 1, Lakeville, according to a plat thereof recorded in Plat Book 10, Page 48 of said public records and Section No. 1, Unit No. 2, Lakeville, according to a plat thereof recorded in Deed Book 298 at Pages 303 to 306, inclusive, of said public records for a distance of 1,940 feet to the SE corner of said Section No. 1, Unit No. 2 and the Point of Beginning of the lands herein described:

From said Point of Beginning continue S.89°59'E. along the south line of the lands conveyed by said Deed recorded in Deed Book 224 at Page 437, for a distance of 425 feet to a concrete monument at the SW corner of the lands described in and conveyed by Deed recorded in Deed Book 300, Page 633, of said public records; thence run N.00°01'E., along the west line of said lands for a distance of 2,040 feet to a point in the centerline of a roadway easement 80 feet wide which point is marked by a concrete monument; thence run N.89°59'W., along said centerline for a distance of 500 feet to a point on a prolongation of the east line of said Section No. 1, Unit No. 2, Lakeville, which point is 40 feet north of the NE corner of said Section No. 1, Unit No. 2; thence run south along said prolongation and along the easterly boundary of said Section No. 1, Unit No. 2, S.00°01'W., for a distance of 335 feet, thence run S.89°59'E., for a distance of 60 feet, thence run

(Continued on Sheet No. 3.14)

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President
TITLE

(Continued from Sheet No. 3.13)

S.00'01'W., for a distance of 600 feet to a point of curvature; thence run southeasterly along the arc of a curve of radius 236.25 feet for a distance of 131.72 feet, thence run S.89'59'E., for a distance of 39.71 feet, thence run S.00'01'W., for a distance of 125 feet, thence run N.89'59'W., for a distance of 35.48 feet, thence run S.00'01'W., for a distance of 650 feet, thence run N.89'59'W., for a distance of 25 feet, and thence run S.00'01'W., for a distance of 205 feet to the SE corner of said Section No. 1, Unit No. 2, Lakeville, and the Point of Beginning.

Subject to roadway easements over and along the north 40 feet and over and along the north 80 feet of the south 855 feet being an extension of Lakeville Drive as shown on said plat of Section No. 1, Unit No. 2, Lakeville. Also granting an easement for roadway purposes over and along a strip of land 40 feet in width north of and adjacent to the northern boundary of the above described lands and an easement for roadway purposes 80 feet in width extending from the westerly boundary of the above described lands westerly along the northern boundaries of said Section No. 1, Unit No. 2, and Section No. 1, Unit No. 1 of Lakeville and through Lot 24 of said Unit No. 1, Fort Myers Park to the Tamiami Trail (State Road No. 45).

Jack Schenkman
ISSUING OFFICER

President
TITLE