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 RECEIVED - REGULATION
 PUBLIC SERVICE

APPLICATION FOR ORIGINAL CERTIFICATE
 FOR A PROPOSED OR EXISTING SYSTEM REQUESTING
 INITIAL RATES AND CHARGES
 (Pursuant to Section 367.045, Florida Statutes)

RECEIVED-FPSC
 08 FEB -4 AM 10: 31
 COMMISSION
 CLERK

Office of Commission Clerk
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, Florida 32399-0850

The undersigned hereby makes application for original certificate(s) to operate a water NA and/or wastewater utility in Highlands County, Florida, and submits the following information:

PART I **APPLICANT INFORMATION**

A) The full name (as it appears on the certificate), address and telephone number of the applicant:

Utility Corporation of Florida, Inc.
 Name of utility

CMP _____ (863) 655-0900 (863) 655-0600
 Phone No. Fax No.

COM _____

CTR _____ 100 Clubhouse Lane
 Office street address

ECR 1 _____ Sebring FL 33876
 GCL _____ City State Zip Code

OPC _____

RCA _____ Mailing address if different from street address

SCR _____

SGA _____ Internet address if applicable

SEC _____

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

Ralph Horak (863) 414-1997
 Name Phone No.

100 Clubhouse Lane
 Street address

Sebring FL 33876
 City State Zip Code

PSC/ECR 009-W (Rev. 2/91)

* maps forwarded to ECR.

DOCUMENT NUMBER - DATE

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C) Indicate the organizational character of the applicant: (circle one)

Corporation Partnership Sole Proprietorship
Other (Specify) _____

D) If the applicant is a corporation, indicate whether it has made an election under Internal Revenue Code Section 1362 to be an S Corporation:

Yes _____ No ✓

E) If the applicant is a corporation, list names, titles and addresses of corporate officers, directors, partners, or any other person(s) or entities owning an interest in the applicant's business organization. (Use additional sheet if necessary).

Michael A. Telschow, President
Spring Lake Club, Inc.
100 Clubhouse Lane, Sebring FL 33576

F) If the applicant is not a corporation, list names and addresses of all persons or entities owning an interest in the organization. (Use additional sheet if necessary).

PART II NEED FOR SERVICE

A) Exhibit ✓ - A statement regarding the need for service in the proposed territory, such as anticipated (or actual) development in the area. Identify any other utilities within the area proposed to be served which could potentially provide such service in the area and the steps the applicant took to ascertain whether such other service is available. Attachment 1

B) Exhibit ✓ - A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan, as approved by the Department of Community Affairs at the time the application is filed. If the provision of service is inconsistent with such plan, provide a statement demonstrating why granting the certificate would be in the public interest. Attachment 1

PART III SYSTEM INFORMATION

A) WATER

NA

- (1) Exhibit NA - A statement describing the proposed type(s) of water service to be provided (i.e., potable, non-potable or both).
- (2) Exhibit NA - The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase. In addition, if the utility is in operation, provide the current number of ERCs by meter size and customer class.
- (3) Description of the types of customers anticipated (i.e., single family, mobile homes, clubhouse, commercial, etc.):

NA

- (4) In the case of an existing utility, provide the permit number and the date of approval of facilities by the Department of Environmental Protection (DEP) or the agency designated by DEP to issue permits:

NA

- (5) Indicate the design capacity of the treatment plant in terms of equivalent residential connections (ERCs) and gallons per day (gpd). If development will be in phases, separate this information by phase.

NA

(ERCs)

NA

(GPD)

- (6) Indicate the type of treatment: NA

- (7) Indicate the design capacity of the transmission and distribution lines in terms of ERCs and gpd. If development will be in phases, separate this information by phase.

NA

- (8) Provide the date the applicant began or plans to begin serving customers:

NA

- (9) Exhibit NA - Evidence, in the form of a warranty deed, that the utility owns the land where the water facilities are or will be located. If the utility does not own the land, a copy of the agreement which provides for the long term continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within thirty days after the order granting the certificate.

B) WASTEWATER - See attached - 2

- (1) Exhibit ✓ - The number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class. If development will be in phases, separate this information by phase. In addition, if the utility is in operation, provide the current number of ERCs by meter size and customer class.

*Attached
2a*

- (2) Description of the types of customers anticipated (i.e., single family, mobile homes, clubhouse, commercial, etc.):

*Attached
2a*

- (3) In the case of an existing utility, provide the permit number and the date of approval of facilities by the Department of Environmental Protection (DEP) or the agency designated by DEP to issue permits:

*Attached
2a*

- (4) Indicate separately the design capacity of the treatment plant and effluent disposal system in terms of equivalent residential connections (ERCs) and gallons per day (GPD). If development will be in phases, separate this information by phase.

*Attached
2a*

- (5) Indicate the method of treatment and disposal (percolation pond, spray field, etc.):

(6) Exhibit NA - If the applicant does not propose to use reuse as a means of effluent disposal, provide a statement that describes, with particularity, the reasons for not using reuse.

(7) Indicate the design capacity of the collection lines in terms of ERCs and GDP. If development will be in phases, separate this information by phase.

See attachment 2b

(8) Provide the date the applicant began or plans to begin serving customers:

Sept 1988

(9) Exhibit ✓ - Evidence, in the form of a warranty deed, that the utility owns the land where the utility treatment facilities are or will be located. If the utility does not own the land, a copy of the agreement which provides for the long term continuous use of the land, such as a 99-year lease. attached 5a-e

The Commission may consider a written easement or other cost-effective alternative. The applicant may submit a contract for the purchase and sale of land with an unexecuted copy of the warranty deed, provided the applicant files an executed and recorded copy of the deed, or executed copy of the lease, within thirty days after the order granting the certificate.

PART IV FINANCIAL AND TECHNICAL INFORMATION

A) Exhibit ✓ - A statement regarding the financial and technical ability of the applicant to provide reasonably sufficient and efficient service. attached 4

B) Exhibit ✓ - A detailed financial statement (balance sheet and income statement), certified if available, of the financial condition of the applicant, showing all assets and liabilities of every kind and character. The income statement shall be for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then the income statement shall be for the lesser period. The financial statement shall be prepared in accordance with Rule 25-30.115, Florida Administrative Code. If available, a statement of the source and application of funds shall also be provided. attached 3

C) Exhibit ✓ - A list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility. attachment 4

- D) Exhibit ✓ - A schedule showing the projected cost of the proposed system (or actual cost of the existing system) by uniform system of accounts (USOA) account numbers pursuant to Rule 25-30.115, F.A.C. In addition, provide the capacity of each component of the system in ERCs and gallons per day. If the utility will be built in phases, this schedule shall apply to the design capacity of the first phase only. Provide a separate exhibit for the water and wastewater systems.
- E) Exhibit ✓ - A schedule showing the projected operating expenses of the proposed system by USOA account numbers when 80 percent of the designed capacity of the system is being utilized. If the utility will be built in phases, this schedule shall apply to the design capacity of the first phase only. In addition, if the utility has been in existence for at least one year, provide actual operating expenses for the most recent twelve months. Provide a separate exhibit for the water and wastewater systems.
- F) Exhibit ✓ - A schedule showing the projected capital structure, including the methods of financing the construction and operation of the utility until the utility reaches 80 percent of the designed capacity of the system(s).
- G) Exhibit ✓ - A cost study, including customer growth projections, which supports the proposed rates, miscellaneous service charges, customer deposits and service availability charges. A sample cost study is enclosed with the application package. Provide a separate cost study for the water and wastewater systems.
- H) Exhibit ✓ - If the base facility and usage rate structure (as defined in Rule 25-30.437(6), F.A.C.) is not utilized for metered service, provide an alternative rate structure and a statement supporting why the alternative is appropriate.
- I) Exhibit ✓ - If a different return on common equity other than the current equity leverage formula established by order of the Public Service Commission pursuant to Section 367.081(4), F.S. is utilized, provide competent substantial evidence supporting the use of a different return on common equity. Information on the current equity leverage formula may be obtained by contacting the accounting section at the listed number.

PART V ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC)

Please note the following:

- A) Utilities obtaining initial certificates pursuant to Rule 25-30.033, F.A.C., are authorized to accrue AFUDC for projects found eligible pursuant to Rule 25-30.116(1), F.A.C.
- B) A discounted monthly AFUDC rate calculated in accordance with Rule 25-30.116(3),

Company Utility Corporation of Florida, Inc
 Pro Forma Schedule of Expenses for Wastewater Utility

Date 12/31/07

Acct. No.		
701.	Salaries and Wages - Employees	\$ <u>51,784</u>
703.	Salaries and Wages - Other	\$ <u>- 0 -</u>
704.	Employees Pensions and Benefits	\$ <u>- 0 -</u>
710.	Purchased Wastewater Treatment	\$ <u>- 0 -</u>
711.	Sludge Removal Expense	\$ <u>- 0 -</u>
715.	Purchased Power	\$ <u>7,980</u>
716.	Fuel for Power Production	\$ <u>- 0 -</u>
718.	Chemicals	\$ <u>2,657</u>
720.	Materials and Supplies	\$ <u>148</u>
730.	Contractual Services - <i>testing/samples</i>	\$ <u>15,005</u>
740.	Rents	\$ <u>- 0 -</u>
750.	Transportation Expense	\$ <u>- 0 -</u>
755.	Insurance Expense	\$ <u>3,200</u>
765.	Regulatory Commission Expense	\$ <u>- 0 -</u>
770.	Bad Debt Expense	\$ <u>- 0 -</u>
775.	Miscellaneous Expense	\$ <u>319</u>
403.	Depreciation Expense	\$ <u>8,463</u>
407.	Amortization Expense	\$ <u>- 0 -</u>
408.	Taxes Other Than Income	\$ <u>- 0 -</u>
409.	Income Taxes	\$ <u>- 0 -</u>
	Total Expenses	\$ <u>89,556</u>
	Average cost per customer per month	\$ <u>289</u>

Company Utility Corp of FL, Inc.

Pro Forma Balance Sheet

Date 12/31/07Assets and Other Debits

<u>Acct. No.</u>		
101.	Utility Plant In Service	\$ <u>311,858</u>
103.	Property Held For Future Use	\$ _____
104.	Utility Plant Purchased or Sold	\$ _____
105.	Construction Work in Progress	\$ _____
108.	Accumulated Depreciation and Amortization of Utility Plant in Service	\$ <u>(59,247)</u>
114.	Utility Plant Acquisition Adjustments	\$ _____
115.	Accumulated Amortization of Utility Plant Acquisition Adjustments	\$ _____
121.	Nonutility Property	\$ _____
122.	Accumulated Depreciation and Amortization of Nonutility Property	\$ _____
124.	Utility Investments	\$ _____
131.	Cash	\$ <u>5,000</u>
132.	Special Deposits	\$ _____
141.	Customer Accounts Receivable	\$ _____
143.	Accumulated Provision of Uncollectible Accounts--CR	\$ _____
151.	Plant Material and Supplies	\$ _____
174.	Miscellaneous Current and Accrued Assets	\$ _____
186.	Miscellaneous Deferred Debits	\$ _____
190.	Accumulated Deferred Income Taxes	\$ _____
	Total Assets and Other Debits	\$ <u><u>257,611</u></u>

Pro Forma Balance Sheet, continued

Equity Capital

<u>Acct. No.</u>		
201.	Common Stock Issued	\$ <u>1,000</u>
204.	Preferred Stock Issued	\$ _____
211.	Other Paid In Capital	\$ _____
215.	Retained Earnings	\$ _____
218.	Proprietary Capital	\$ _____

Liabilities and Other Credits

224.	Long Term Debt	\$ <u>173,278</u>
231.	Accounts Payable	\$ _____
232.	Notes Payable	\$ _____
235.	Customer Deposits	\$ _____
236.	Accrued Taxes	\$ _____
237.	Accrued Interest	\$ _____
241.	Miscellaneous Current and Accrued Liab.	\$ _____
252.	Advances for Construction	\$ _____
253.	Other Deferred Credits	\$ _____
255.	Accumulated Deferred Investment Tax Credits	\$ _____
265.	Miscellaneous Operating Reserves	\$ _____
271.	Contributions in Aid of Construction (CIAC)	\$ <u>112,500</u>
272.	Accumulated Amortization of CIAC	\$ <u>(29,167)</u>
281.	Accumulated Deferred Income Taxes - Accelerated Amortization	\$ _____
282.	Accumulated Deferred Income Taxes - Liberalized Depreciation	\$ _____
283.	Accumulated Deferred Income Taxes - Other	\$ _____
	Total Equity, Liabilities and Other Credits	\$ <u>257,611</u>

Questionnaire

1. Number of connections anticipated:

<u>WATER</u>	1 st Year	2 nd Year	3 rd Year
Residential 5/8" x 3/4" meter	_____	_____	_____
Residential _____" meter	_____	_____	_____
Multiple dwelling units	_____	_____	_____
Commercial	_____	_____	_____
Fire Protection	_____	_____	_____
TOTAL	_____	_____	_____

<u>WASTEWATER</u>	1 st Year	2 nd Year	3 rd Year
Residential	11	11	11
Multiple dwelling units	297	317	337
Commercial	2	2	2
TOTAL	310	330	350

2. Describe the anticipated type of customers, i.e., mobile homes, condominiums, single family, retirement areas, golf courses, pools, clubhouses, industrial, etc.

2 Clubhouses, 11 single family homes, 297 Villas/ duplexes. Most villas/duplexes are vacation rentals and are occupied intermittently

3. How many years will it take for the utility to reach design capacity? At current usage rates, this is not likely to happen

4. Give the approximate date you anticipate having your first connection. 1988

5. Do you anticipate future expansion or additional phases of construction? No
(Yes or No)

Questionnaire, continued

6. Describe briefly any developer agreements you anticipate and enclose a copy of any existing agreements, i.e., contributions of lines, etc. NA

Attachment No.

7. Attach a copy of the deed for the land on which the plant facilities are located.

attached - lease

Attachment No. 05

8. Provide number and date of issuance of any permit(s) obtained from Florida Department of Environmental Protection for construction of water or wastewater facilities.

FLA014315-001-DW2P

issued 09/26/2003

9. Estimated gallons of water to be sold per month, at 80% of design capacity, by customer class:

Residential $\frac{5}{8}$ " x $\frac{3}{4}$ " meter

Residential _____ " meter

Multiple dwelling units

Commercial

Fire Protection

NA

10. Describe the water treatment system, i.e., number of wells, storage capacity, type of water treatment.

NA

Questionnaire, continued

11. Estimated gallons of wastewater to be treated per month, at 80% of design capacity, by customer class:

Residential _____
Multiple dwelling units _____
Commercial _____

12. Describe the wastewater treatment system, i.e., ponds, type of wastewater treatment, etc. 2 surge tanks (64,428 gal), 3 aeration basins (107,034 gal), clarifier (17,480 gal), 2 tertiary filters, a mud tank, chlorine chamber, 834,000 gal reject pond, 3,000,000 gal holding pond

13. Provide evidence that the utility will have adequate financial backing.

Attachment No. 16

F.A.C., shall be used to insure that the annual AFUDC charged does not exceed authorized levels.

- C) The date the utility shall begin to charge the AFUDC rate shall be the date the certificate of authorization is issued to the utility so that such rate can apply to initial construction of the utility facilities.

PART VI TERRITORY DESCRIPTION AND MAPS

A) TERRITORY DESCRIPTION

Exhibit Attachment - An accurate description, using township, range and section references as specified in Rule 25-30.030(2), Florida Administrative Code. If the water and wastewater service territories are different, provide separate descriptions.

B) TERRITORY MAPS

Exhibit ✓ - One copy of an official county tax assessment map or other map showing township, range and section with a scale such as 1"=200' or 1"=400' on which the proposed territory is plotted by use of metes and bounds or quarter sections and with a defined reference point of beginning. If the water and wastewater service territories are different, provide separate maps.

C) SYSTEM MAPS

Exhibit ✓ - One copy of detailed map(s) showing proposed lines, facilities and the territory proposed. **Additionally, identify any existing lines and facilities.** Map(s) should be of sufficient scale and detail to enable correlation with a description of the territory to be served. Provide separate maps for water and wastewater systems.

PART VII NOTICE OF ACTUAL APPLICATION

- A) Exhibit _____ - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;

- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of the Division of the Commission Clerk and Administrative Services;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit.
THIS MAY BE A LATE-FILED EXHIBIT

- B) Exhibit _____ - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system. A copy of the notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- C) Exhibit _____ - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

PART VIII FILING FEE

Indicate the filing fee enclosed with the application:

\$ ~~15~~ NA (for water) and \$ 1500 (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility has the capacity to serve up to 500 ERCs, the filing fee shall be **\$750.**
- (2) For applications in which the utility has the capacity to serve from 501 to 2,000 ERCs the filing fee shall be **\$1,500.**

- (3) For applications in which the utility has the capacity to serve from 2,001 to 4,000 ERCs the filing fee shall be **\$2,250**.
- (4) For applications in which the utility has the capacity to serve more than 4,000 ERCs the filing fee shall be **\$3,000**.

PART IX TARIFF

Exhibit ^{Attachment # 6} ~~Attachment # 6~~ The original and two copies of water and/or wastewater tariff(s) containing all rates, classifications, charges, rules and regulations. Sample tariffs are enclosed with the application package.

Company Utility Corp. of FL, Inc.
 Pro Forma Schedule of Expenses for Water Utility
 Projected Date 12/31/08

Acct. No.		
601.	Salaries and Wages - Employees - <i>D.E.P. requires increased hours</i>	\$ <u>72,500</u>
603.	Salaries and Wages - Other - <i>accounting</i>	\$ <u>1,500</u>
604.	Employees Pensions and Benefits	\$ _____
610.	Purchased Water	\$ <u>350</u>
615.	Purchased Power	\$ <u>9,980</u>
616.	Fuel for Power Production	\$ _____
618.	Chemicals	\$ <u>24,750</u>
620.	Materials and Supplies	\$ <u>250</u>
630.	Contractual Services <i>Tests/ samples</i>	\$ <u>20,000</u>
640.	Rents	\$ _____
650.	Transportation Expense	\$ _____
655.	Insurance Expense	\$ <u>3,200</u>
665.	Regulatory Commission Expense	\$ <u>2,500</u>
670.	Bad Debt Expense	\$ _____
675.	Miscellaneous Expense - <i>Repairs</i>	\$ <u>5,000</u>
403.	Depreciation Expense	\$ <u>8,500</u>
407.	Amortization Expense - Other	\$ <u>4,500</u>
408.	Taxes Other Than Income	\$ _____
409.	Income Taxes	\$ _____
	Total Expenses	\$ <u>153,030</u>
	Average cost per customer per month	$\frac{471}{12} = \$39 \text{ per month}$

ATTACHMENT 1

Part II, A

There are no other wastewater treatment facilities in Spring Lake. Most single family homes are equipped with septic tanks. This facility was built to accommodate high density multi-family developments.

Part IIB

The Plant has been in operation since 1988, and to our knowledge is consistent with the Department of Community Affairs' local comprehensive plan.

C_ DOCUMENT NUMBER: DATE
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FPSC-COMMISSION CLERK

ATTACHMENT 2a

Part III, B

- (1) There are currently 310 units serviced by the wastewater treatment system. It is projected that future development may bring this number to a total of 900. The plant's permitted capacity is 0.140 MGD, and at current usage rates 1,090 additional units could be added to the current collection system and still allow the plant to operate under the permitted capacity.
- (2) Of the 310 units now served, 2 are clubhouses, 11 are single family homes, and the remaining 297 are duplexes or villas. Most of the villas are used for vacation rentals and are occupied intermittently, contributing the highest rates of flow on weekends. There are plans to build 250 additional villas, but in light of the current real estate market, we do not anticipate that much new construction will actually take place in the next five years.
- (3) Department of Environmental Protection permit: DEP Highlands County File# FLA014315-001-DW2P, issued September 26, 2003, Expires September 25, 2008
- (4) Category II, Class C plant, permitted capacity 0.140 MGD
- (5) The wastewater treatment facility is an extended aeration plant with flow equalization. The process is designed to include extended aeration, secondary clarification, effluent filtration, chlorination, and aerobic digestion. The system includes two surge tanks (64,428 total gallons), three separate aeration basins (107,034 total gallons), a 17,480 gallon clarifier, two tertiary filters, a mud tank, and a chlorine contact chamber.

Reclaimed water from the facility flows either into an 834,000 gallon reject pond, or into a 3,000,000 gallon pass (holding) pond. From the pass pond, reclaimed water is pumped to the Spring Lake Golf Club irrigation pond for land application. Reclaimed water not meeting minimum chlorine residual levels is sent to the reject pond, where it is allowed to percolate into the ground.

Reject water that does not percolate is pumped back to the headworks of the plant for re-treatment. Residuals could be aerobically digested, lime stabilized, and transported by a private contractor to one of two permitted agricultural use sites located in Highlands County. However, at the current usage rates, this has not yet been necessary.

- (6) NA

ATTACHMENT 2b

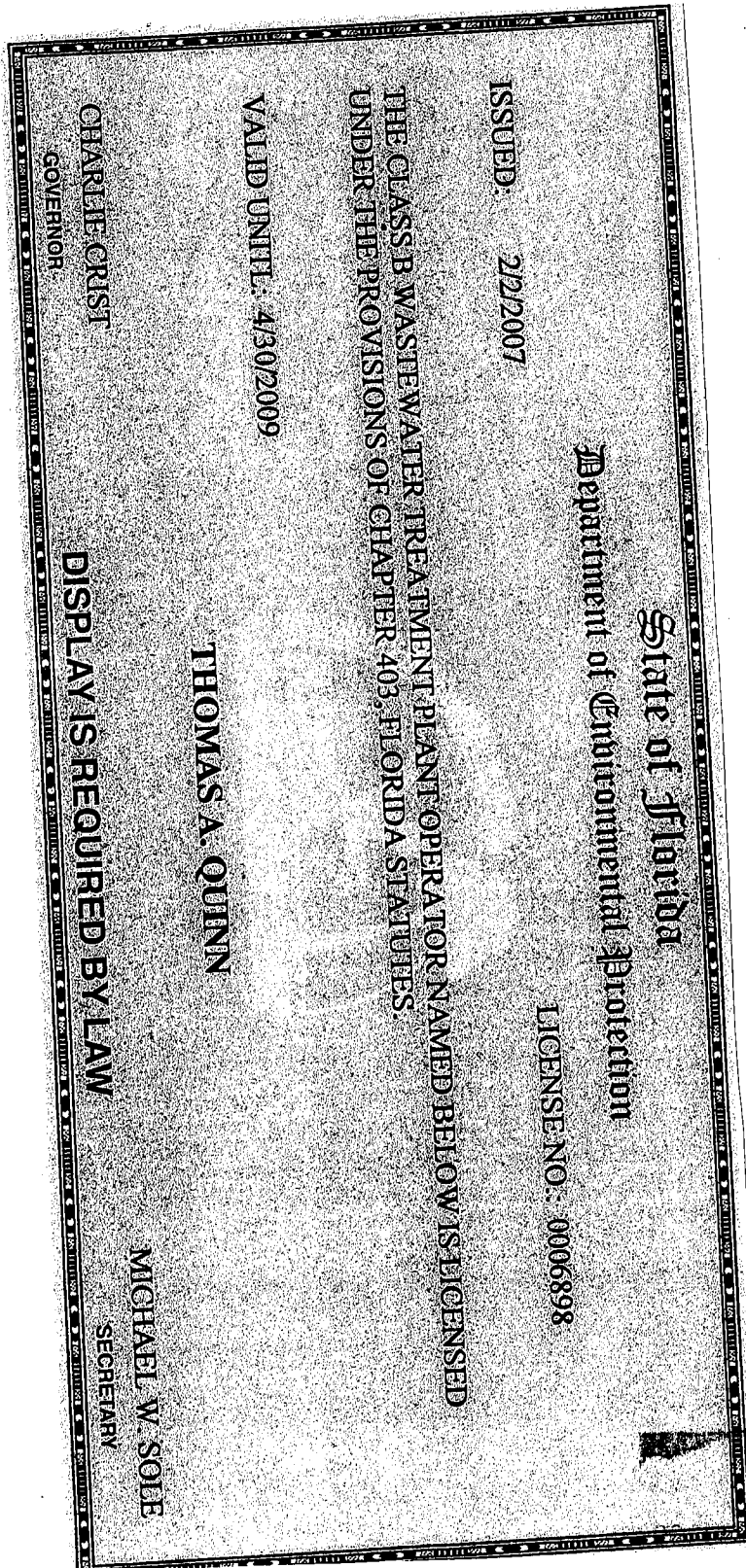
- (7) The wastewater collection system consists of private low-pressure septic tank systems at the individual units. The effluent from these septic tanks systems is gravity-fed into a lift station, and is pumped from this lift station into the wastewater treatment facility. The system is designed for a maximum of 0.140 MGD,
- (8) The wastewater treatment facility has been in operation since September, 1988.

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Tom Quinn, Plant operator



NUMBER DATE

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ATTACHMENT 4

The Utility Corporation of Florida, Inc. has purchased the wastewater treatment plant and service as of January 1, 2008. Spring Lake Club, Inc. has pledged to continue financing the plant pending final approval of the Public Service Commission. Spring Lake Club, Inc. is a privately held corporation. Detailed financial information from 2007 is not yet available.

DOCUMENT NUMBER-DATE

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REG- COMMISSION CLERK

ATTACHMENT 5a

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement (Lease) is entered into on this _1st day of January, 2008, by and between Spring Lake Club, Inc. (Landlord) and Utility Corporation of Florida, Inc. (Tenant). Landlord is the owner of land and improvements whose address is: 2501 Duane Palmer Blvd, Sebring, FL

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the provisions set forth herein.

THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, it is agreed:

Term.

The Initial Term of the Lease shall begin on the 1st day of January, 2008, and end on the 31 day of December, 2012. Landlord shall use its best efforts to put Tenant in possession of the Leased Premises on the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Tenant shall make no other claim against Landlord for any such delay.

Tenant may renew the Lease for one extended term of 5 years. Tenant shall exercise such renewal option, if at all, by providing written notice to Landlord not less than ninety (90) days prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as contained in this Lease.

Rent.

Tenant shall treat wastewater generated by Spring Lake Club House and the Bobcat Clubhouse in exchange for land lease. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis.

Prohibited Uses.

Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

Sublease and Assignment.

Tenant shall have the right without Landlord's consent, to assign this Lease to a business with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets.

Except as set forth above, Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Landlord's consent, such consent not to be unreasonably withheld or delayed.

Alterations and Improvements.

Tenant, at Tenant's expense, shall have the right, upon obtaining Landlord's consent, to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

ATTACHMENT 5b

fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that Tenant shall repair, at Tenant's expense, all damage to the Leased Premises caused by such removal.

Property Taxes.

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

Insurance.

If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act of negligence by Tenant or by any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

Landlord shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amount as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the particular activities of each in the Building with the premiums thereon fully paid on or before due date. Such insurance policy shall be issued by and binding upon an insurance company approved by Landlord, and shall afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance with this Paragraph.

Utilities.

Tenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Tenant on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing by Landlord. In the event that any utility or service provided to the Leased Premises is not separately metered, Landlord shall pay the amount due and separately invoice Tenant for Tenant's pro rata share of the charges.

Signs.

Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

Entry.

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

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Damage and Destruction.

If the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects, such damage or defects not being the result of any act of negligence by Tenant or by any of Tenant's agents, employees or invitees, that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

Default.

In the event of a default made by Tenant in the payment of rent when due to Landlord, Tenant shall have fifteen (15) days after receipt of written notice thereof to cure such default. In the event of a default made by Tenant in any of the other covenants or conditions to be kept, observed and performed by Tenant, Tenant shall have thirty (30) days after receipt of written notice thereof to cure such default. In the event that the Tenant shall fail to cure any default within the time allowed under this paragraph, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

Quiet Possession.

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

Condemnation.

If any legally constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

Subordination.

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and

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effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

Landlord: Michael Tellschow, President, Spring Lake Club, Inc., 100 Clubhouse Lane, Sebring, FL 33876

Tenant: Utility Corporation of Florida, Inc., 100 Clubhouse Lane, Sebring, FL 33876

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

Waiver.

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

Memorandum of Lease.

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

Successors.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

Consent.

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

Performance.

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost

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COMMISSION CLERK

ATTACHMENT 5e

thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lesser of _____ percent (%) per annum or the then highest lawful rate. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the un-reimbursed balance plus accrued interest to Tenant on demand.

Compliance with Law.

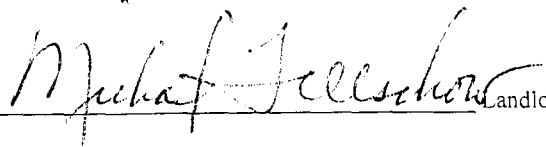
Tenant and Landlord each shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

Final Agreement.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

Michael Tellschow, President, Spring Lake Club, Inc.,



Landlord

Michael Tellschow, President, Utility Corporation of FL, Inc.,



Tenant

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COMMISSION CLERK

ATTACHMENT 6

There are no meters to measure individual usage in the wastewater treatment system. Since it is a largely homogeneous group, customers have been charged a flat rate per unit of \$22.

The Utility Corporation of Florida has increased that flat rate to \$32, as of January 1, 2008. At the request of the Public Service Commission, we have escrowed the rate increase pending their ruling.

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REG- COMMISSION CLERK

ATTACHMENT 7

Part VI Territory Description

The territories to be served, the proposed territories, and the waste water treatment plant itself are all located within: Highlands County, City of Sebring, Section 15, Township 35, Range 10.

The high density developments within this region which are served or proposed to be served by Utility Corporation of Florida, Inc. include:

Waterway Villas I, existing

Waterway Villas II, existing

Country Club Villas, existing

Oak Leaf development, existing

Golf View Villas, existing

Golf View Villas, proposed

Parcel D, proposed

Fairway Lakes, proposed

The territory map included shows these areas clearly

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FPSC-COMMISSION CLERK

PART X AFFIDAVIT

I Michael Tellschow (applicant) do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

BY: Michael Tellschow
Applicant's Signature

MICHAEL TELLSCHOW
Applicant's Name (Typed)

PRESIDENT
Applicant's Title *

Subscribed and sworn to before me this 1st day of February month in the year of 2008 by Michael Tellschow who is personally known to me X or produced identification _____.

Type of Identification Produced
Patricia Moneta
Notary Public's Signature



Patricia J Moneta
Print, Type or Stamp Commissioned
Name of Notary Public

* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.