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December 29, 1997

Via Federal Express

Ms. Blanca Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 971667 -WS
Application for Transfer to Governmental Authority

Dear Ms. Bayo:

Enclosed for filing is one original application as described above. Also enclosed are five (5) copies of the application and an original and two copies of the applicable tariff sheets.

Please note that the original certificates are not included with this filing since Florida Water Services has not received original certificates back from the Commission at the conclusion of its name change application, Docket No. 970028-WS.

Also, please note that the sale is for all of Orange County water and wastewater facilities. Florida Water anticipates the contract signing and closing on December 30, 1997. Copies of the signed contract (Exhibit A) and affidavit (Exhibit D) will be forwarded as late-filed exhibits.

In order to confirm filing of this application, please date-stamp the enclosed copy of this letter and return it to me in the stamped, self-addressed envelope which is provided for your convenience.

If you need any additional information or other assistance, please call me at (407) 880-0058, ext. 260. Thank you for your cooperation.

Sincerely,

Matthew J. Feil
Staff Attorney

Enclosures

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

DOCUMENT NUMBER DATE

Florida Water Services Corporation / P.O. Box 608520 / Orlando, Florida 32880-0520

Water For Florida's Future

FPSC RECORDS REPORTING

[REDACTED]

(Pursuant to Section 367.071(4)(a), Florida Statutes)

TO: Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

The undersigned hereby makes application for the approval of the transfer of all of the facilities operated under Water Certificate No. 084-W and/or Wastewater Certificate No. 073-S located in Orange County, Florida, and submits the following:

PART I APPLICANT INFORMATION

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

Florida Water Services Corporation
Name of utility

(407) 880-0058 Phone No. (407) 880-1395 Fax No.

1000 Color Place
Office street address

Apopka City Florida State 32703 Zip Code

P.O. Box 609520, Orlando, Florida 32860-9520
Mailing address if different from street address

http://www.florida-water.com
Internet address if applicable

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

Matthew J. Feil (407) 880-0058
Name Phone No.

P. O. Box 609520
Street address

Orlando Florida 327860-9520
City State Zip Code

C) The full name, address and telephone number of the governmental authority:

Orange County
Name of utility

(407) 836-7231 (407) 836-7299
Phone No. Fax No.

109 E. Church Street
Office street address

Orlando Florida 32801
City State Zip Code

Mailing address if different from street address

Internet address if applicable

D) The name, address and telephone number of a representative of the governmental authority to contact concerning this application:

Alan Ispass (407) 836-7231
Name Phone No.

109 E. Church Street
Street address

Orlando Florida 32801
City State Zip Code

PART II FINANCIAL INFORMATION

- A) Exhibit A - A copy of the contract pursuant to Rules 25-30.037(4)(c) and (d), Florida Administrative Code.
- B) Exhibit B - A statement regarding the disposition of customer deposits and the accumulated interest thereon.
- C) Exhibit C - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.
- D) Exhibit D - A statement that the buyer (governmental authority) obtained from the utility or the Commission the utility's most recent available income and expense statement, balance sheet and statement of rate base for regulatory purposes and contributions-in-aid-of-ccnstruction.
- E) Indicate the date on which the buyer proposes to take official action to acquire the utility:

Closing is anticipated to take place on 12/30/97.

If only a portion of the utility's facilities is being transferred, a revised territory description and map of the utility's remaining territory must be provided, as discussed in PART III, below.

IF THE UTILITY'S ENTIRE FACILITIES ARE BEING TRANSFERRED, PLEASE DISREGARD PART III OF THIS APPLICATION FORM.

PART III CERTIFICATION

A) **TERRITORY DESCRIPTION**

Exhibit N/A* - An accurate description of the utility's revised territory. If the water and wastewater territory is different, provide separate descriptions.

Note: Use the Survey of Public Lands method (township, range, section, and quarter section), if possible, or a metes and bounds description. Give the subdivision or project name. The description should **NOT** refer to land grants or plat books, but may use geographic boundaries (i.e., road right-of-ways, railroads, rivers, creeks, etc). The object is to make the description as brief, but as accurate as possible.

B) **TERRITORY MAPS**

Exhibit N/A* - 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 remaining 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 territory is different, provide separate maps.


C) **TARIFF SHEETS**

Exhibit E - The original and two copies of tariff sheet(s) revised to show correct service territory. Please refer to Rules 25-9.009 and 25-9.010, Florida Administrative Code, regarding page numbering of tariff sheets before preparing the tariff revisions. (Pages 9-10.) Sample tariff sheets are attached. (Pages 11-14.)

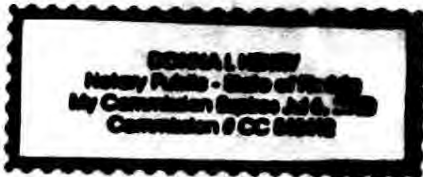
*Florida Water Services Corporation ("Florida Water") will sell to Orange County all of Florida Water's water and wastewater facilities located within Orange County.

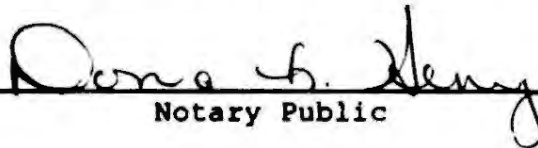
PART IV AFFIDAVIT

I, Brian P. Armstrong (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 constitute a complete statement of the matter to which it relates.

BY: 
Applicant's Signature
Brian P. Armstrong
Applicant's Name
Vice President and General Counsel
Applicant's Title *

Subscribed and sworn to before me this 29th day of December, 1997.




Notary Public

* If the 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 the applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

Exhibit A

A copy of the contract pursuant to Rules 25-30.037(4)(c) and (d), Florida Administrative Code.

A copy of the most current draft of the contract is attached hereto as Appendix A-1. A copy of the executed contract will be provided as a late-filed exhibit once the contract is finalized and signed. As indicated in the cover letter accompanying this application, execution of the contract and closing are expected to take place within seven days or less of each other.

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DRAFT

**ORANGE COUNTY/FLORIDA
WATER SERVICES CORPORATION
WATER & WASTEWATER SYSTEMS
ASSET PURCHASE & SALE AGREEMENT**

December 15 24, 1997

~~DRAFT~~

Gray, Harris & Robinson, P.A.

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ORANGE COUNTY/FLORIDA WATER SERVICES CORPORATION WATER & WASTEWATER SYSTEMS ASSET PURCHASE & SALE AGREEMENT

THIS AGREEMENT, made and entered into this 30th day of December, 1997, by and between **ORANGE COUNTY**, a political subdivision of the State of Florida (hereafter "COUNTY"), and **FLORIDA WATER SERVICES CORPORATION**, a Florida corporation, formerly known as Southern States Utilities, Inc. (hereafter "SELLER").

R E C I T A L S

1. **SELLER** owns and operates several potable water production, treatment, storage, transmission, and distribution systems in Orange County, Florida to wit:

- (1) The University Shores Water System
- (2) The Holiday Heights Water System
- (3) The Daetwyler Shores Water System
- (4) The Lake Conway Water System, and
- (5) The Westmont Water System.

(These water systems shall hereinafter be sometimes referred to collectively as "the Water Systems" and each individually as a "Water System").

2. **SELLER** owns and operates a sanitary wastewater collection, treatment and effluent disposal system in Orange County, Florida, commonly known as the University Shores Wastewater System (This wastewater system being hereinafter sometimes referred to as the "Wastewater System").

3. The Water Systems and the Wastewater System (hereinafter collectively called the "Utility Systems") operate under Certificates of Authorization (the "Certificates") issued by the Florida Public Service Commission (the "Commission"), which authorize **SELLER** to provide water and wastewater service to certain territories in Orange County, Florida.

4. Pursuant to its governmental powers under Chapters 125 and 153, Florida Statutes, and other applicable laws, the COUNTY is authorized to preserve and enhance present advantages, encourage the most appropriate use of land, water and resources, consistent with public interest, facilitate adequate and efficient provision of water and sewerage facilities, and conserve, develop, utilize, and protect natural resources within its jurisdiction.

SCHEDULE OF EXHIBITS

EXHIBIT NO.	TITLE
1	The Property
2	Easements and Other Rights
3	Plant and Other Facilities
4	Inventory
5	Engineering Plans
6	Permits
7	Service Area Maps
8	Customer Deposits and Accounts Receivable
9	Permit Certification
10	Escrow Agreements
11	Contracts and Agreements
12	Map Series
13	Operational Services Agreement

5. The SELLER is willing to sell the Utility Systems to the COUNTY, and the COUNTY is willing to purchase the Utility Systems from the SELLER.

6. The COUNTY has the power and authority to acquire the Utility Systems and to operate the Utility Systems in order to provide potable water and wastewater infrastructure and service within Orange County, and the SELLER has the power and authority to sell the Utility Systems.

7. Pursuant to Section 125.3401, Florida Statutes, the COUNTY has examined the SELLER's Water and Wastewater Systems Assets, has examined its existing financial structure, has examined the long-range needs and goals of the COUNTY relative to the provision of water and wastewater service to its present and future citizens, and has determined that the acquisition of the Utility Systems is in the public interest.

8. The parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this Agreement.

ACCORDINGLY, in consideration of the above Recitals and benefits to be derived from the mutual observation of the covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. RECITALS. The above recitals are true and correct, and form a material part of this Agreement.

SECTION 2. PURCHASE AND SALE OF WATER AND WASTEWATER SYSTEMS ASSETS. The SELLER, pursuant to the circumstances noted in the Recitals above, agrees to sell and the COUNTY agrees to buy the Utility Systems, consisting of all real, personal and mixed property used or held for use in connection with the Utility Systems, hereinafter referred to as the "Purchased Assets" or the "Water and Wastewater Systems Assets." The Purchased Assets shall not include any cash derived from the monthly rates of the SELLER received by the SELLER, except as set forth in this Agreement, nor shall it include the Excluded Assets described in Subsection 3.12 below.

SECTION 3. PURCHASED ASSETS. On the Closing Date, as defined below, SELLER shall sell, assign, transfer, convey and deliver to COUNTY, and COUNTY shall purchase, accept and pay for all of the right, title and interest, in and to the following property and assets:

3.1 Real Property. All real property and interests in real property (the "Property"), owned by the SELLER, as described in Exhibit "1" hereof, whereupon water production, storage, treatment, transmission, and distribution facilities and wastewater treatment plant, wells, pumping stations, effluent disposal areas and other water and wastewater service facilities are located.

3.2 Easements and Other Rights. All rights, privileges, easements, licenses, prescriptive rights, rights-of-ways, and rights to use public and private roads,

highways, streets, and other areas owned and/or used by the SELLER in connection with the construction, reconstruction, installation, maintenance and operation of the Utility Systems and the Purchased Assets (collectively referred to as the "Easements"). The Easements are more particularly described in Exhibit "2" hereof, provided that, such easements located or shown in recorded plats and rights to locate lines in dedicated public rights-of-way are not included in this Exhibit but which are nevertheless being conveyed to the COUNTY. Exhibit "2" shall consist of two separate Schedules. Schedule "2-A" shall include the easements for which SELLER's title thereto is being insured pursuant to this Agreement and the use of which is considered essential for the use and enjoyment of the Property and Schedule "2-B" includes the remainder of the easements for which SELLER's title thereto is not being so insured but for which the use and enjoyment of facilities is being indemnified by SELLER as set forth herein. Currently, SELLER has identified those facilities for which neither easements nor rights-of-way exist which may or may not be covered by prescriptive easements. These facilities and easements are to be covered under the indemnity provided under Subsection 6.3 hereof (in addition to any others later discovered) and are listed in Schedule "2-C" of Exhibit "2" hereof to the extent that they are known at the time of closing.

3.3 Plant and Other Facilities. The following assets owned by the SELLER and used or held for use in connection with the Utility Systems, as more specifically described in Exhibit "3" hereof, including all water production, treatment plant, storage, treatment, transmission, distribution, pumping, and other water facilities and all wastewater treatment plant, wastewater collection, transmission, pumping, and disposal facilities of every kind and description whatsoever including without limitation, all trade fixtures, leasehold improvements, lift stations, pumps, generators, controls, collection and transmission pipes or facilities, valves, meters, service connections, and all other water and/or wastewater service connections, and all other water and wastewater physical facilities and property installations in use in connection with the operation of the Utility Systems by the SELLER.

3.4 Equipment. Inventory of all equipment, vehicles, tools, parts, laboratory equipment, office equipment and other personal property owned by the SELLER and located on the Property and/or utilized by the SELLER exclusively in connection with the operation of the Utility Systems, including but not limited to those items more particularly described in Exhibit "4" hereof.

3.5 Customer Records and Supplier Lists: Plans and Specifications. All current customer records and supplier lists, as-built surveys and water and sewer plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, any and all reproducible documents, mylars, sepias, and other original documents used or held for use with the Utility Systems, accounting and customer records and all other information and business records in the possession of the SELLER that relate to the operation of the Utility Systems. The SELLER may make copies of its books, plans and records, at its expense, before transferring the original or copies of the books, plans and records to the COUNTY. These documents shall include any such documents related to work-in-progress, if any. A listing of the as-built engineering plans is attached to and incorporated in this Agreement as Exhibit "5."

c. Federal, State or Local Tax or other deposits (excluding customer deposits) maintained by SELLER with any governmental authority for SELLER's use and benefit;

e. Vehicles or other equipment which are not utilized by SELLER exclusively in the operation and maintenance of the Utility systems; and

f. All furniture, fixtures, office equipment, general business records and other assets of SELLER not located on the site of the Utility Systems or which are not held for the exclusive use or benefit of the Utility Systems.

SECTION 4. PURCHASE PRICE AND PAYMENT. The COUNTY agrees to pay to SELLER on the Closing Date, and the SELLER agrees to accept as the Purchase Price for the Utility Systems a total Purchase Price in the amount of THIRTEEN MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$13,100,000.00), subject to adjustments and less the escrowed amounts and proration as provided herein. Said Purchase Price shall be paid at Closing in federal or other immediately available funds by wire transfer to a bank and bank account designated by the SELLER. Prior to Closing, the SELLER shall deliver wiring instructions to the COUNTY.

SECTION 5. TITLE EVIDENCE. ~~Within ten (10) days from the effective date of this Agreement for Sale and Purchase the~~ The COUNTY's attorneys, Gray, Harris & Robinson, P.A., shall cause to be issued, at the expense of the SELLER, a title commitment for an owners ALTA Form B Marketability Policy in favor of the COUNTY in the amount of the purchase price from a title insurance company licensed in Florida as determined by the COUNTY in its sole discretion. The SELLER shall convey a marketable title subject only to the title exceptions set forth below.

5.1. Exceptions to Title. The Commitment shall show the SELLER to be (i) vested with fee simple title to the Property shown on Exhibit "1" and (ii) vested with valid easement interests for the Property described on Exhibit "2," subject to following (the "Permitted Exceptions"):

(1) Ad valorem real estate taxes and assessments for the year 1997 and subsequent years;

(2) Restrictions set out in the recorded plats of subdivisions covered by the Utility Systems;

(3) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats of subdivisions shall prevent, hinder or restrict the present use of the Property;

3.6 Certificates, Permits, and Approvals. Subject to all necessary regulatory approvals and to all conditions, limitations or restrictions contained therein, all existing original certificates, permits, and other governmental authorizations and approvals of any kind in the possession of SELLER necessary to operate and maintain the Utility Systems in accordance with all governmental requirements, more specifically described in Exhibit "6," attached to and incorporated in this Agreement. Certificated Service Area maps and legal descriptions accurately reflecting those service areas currently certificated by the FPSC related to the Utility Systems are attached to and incorporated in this Agreement as Exhibit "7." The COUNTY agrees to execute necessary forms required by governmental agencies to transfer and to assume SELLER's future obligations under said permits and approvals. These certificates, permits, and approvals shall include any such certificates, permits, and approvals related to work-in-progress, if any.

3.7 Customer Deposits and Accounts Receivable. Cash to be paid by cashier's check or wire transfer in an amount which represents the customers' water and sewer service security deposits and accrued interest held by the SELLER. Accounts Receivable related to the Utility Systems shall be transferred to the COUNTY by SELLER in accordance with subsection 10.2 hereof held by the SELLER for customers of the Utility Systems. In consideration for the transfer by the SELLER of these customers' deposits to the COUNTY, the COUNTY agrees to continue to provide utility services to those customers for which a deposit is held and, to the extent consistent with § 768.28, Florida Statutes, to indemnify and hold the SELLER harmless for any claims, actions, expenses or damages, including costs and attorneys' fees at trial and/or appeal, to which SELLER may be exposed in the future as a result of the transfer of such customer deposits. A complete list of the Utility Systems' Customer deposits and accounts receivable as of December, 1997, is attached to and incorporated in this Agreement as Exhibit "8." An updated complete list of the Utility Systems' Customer deposits and accounts receivable by name and account number setting forth the amount of each individual deposit or receivable and the aggregate totals thereof shall be delivered to COUNTY on the Closing Date. Interest accrued by SELLER through the Closing Date shall be credited to customer bills provided for in Sub-section 10.2. ~~3.8 Computer Software. Subject to all applicable licensing agreements and to all applicable copyright laws, non-proprietary computer software as mutually determined by the COUNTY and the SELLER which is or was used in the course of the day-to-day operations of the SELLER for these Utility Systems, including but not limited to non-proprietary billing and accounting computer programs.~~

3.9.3.8 Excluded Assets. The following assets of SELLER regarding the Utility Systems shall not be included in the assets conveyed to COUNTY as part of the Purchased Assets:

- a. SELLER's cash and SELLER's bank account;
- b. SELLER's accounts receivable, ~~except as otherwise provided for in Section 10.2 of this Agreement;~~

6.2 Authority for Agreement. The SELLER has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized by all action required to be taken by the SELLER, has been duly executed and delivered by the SELLER, and constitutes a valid and binding obligation of the SELLER, enforceable in accordance with its terms.

6.3 Good and Marketable Title. Subject to the Permitted Exceptions, the SELLER has good and marketable title to the Purchased Assets. Notwithstanding anything contained herein to the contrary, the Property shown on Exhibit "2" as easement parcels are not subject to the fee simple ownership requirements as set forth in Section 5.1 hereof. The SELLER shall transfer, convey and assign to the COUNTY at Closing an enforceable easement interest for each of the easement parcels shown on Exhibit "2" so that the present use of the easement parcels may be continued by the COUNTY for the operation of the Utility Systems. The easement interests shown on Exhibit "2" conveyed to the COUNTY shall not be subordinate to any superior interests which could result in the COUNTY losing the right to use the easement parcel for utility purposes. Any such superior interests shall be deemed a title defect under Section 5.2 hereof and shall be cured by SELLER. At Closing, the SELLER shall assign to the COUNTY all of its easement interests in the Property regardless of whether such easement is listed on Exhibit "2." Following the Closing (should it occur), SELLER further agrees that should any person claiming an interest in properties where easements or any portion of the plant or other facilities that comprise the Utility Systems ("facilities") are located obstruct or otherwise refuse to permit the COUNTY the use of the facilities conveyed to COUNTY hereunder in the manner contemplated by this Agreement, then, upon notice thereof from COUNTY, SELLER will commence and thereafter diligently pursue whatever action is appropriate or necessary, in SELLER's reasonable discretion, at SELLER's expense, including appropriate condemnation actions related thereto, to obtain for the COUNTY the use and enjoyment of such easements and facilities as provided for in this Agreement.

6.4 No Liens or Encumbrances. Except as otherwise specifically set forth in this Agreement or as may be released prior to the Closing Date, there are no mortgages, liens, claims or encumbrances of any type or nature upon or against the Purchased Assets including, but not limited to, mortgages, financing statements, or security instruments filed under the Uniform Commercial Code either in the County where the Property is located or with the Secretary of State. SELLER is in exclusive ownership, possession, and control of the Purchased Assets and SELLER at Closing shall deliver possession and control of the Purchased Assets to the COUNTY.

6.5 Litigation. Except for that Civil Action No. 97-711-CIV-T-21E file in the U.S. District Court for the Middle District of Florida (the "Federal Case"), there are no actions, suits, or proceedings at law or in equity, pending against the SELLER before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Utility Systems or any of the Purchased Assets or the SELLER's right and ability to make and perform this Agreement; nor is the SELLER aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. The SELLER is not in default with respect to any permit, approval order or decree of any court or of any administrative or governmental agency or

(4) Restrictions of record (except liens, encumbrances, or mortgages) that do not impair, restrict, or inhibit the present use of or improvement to the property as permitted by applicable zoning and land use regulations presently in effect and that are not coupled with a forfeiture or reversionary provision; and

(5) All laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the present use of the Property and Easements.

5.2. Status of Title. The COUNTY shall have ~~ten (10) days until December 30, 1977,~~ from receipt of the Title Commitment within which to examine same. If the COUNTY finds title, as shown on the Commitment, to be defective (i.e., matters which render title unmarketable in accordance with the title standards adopted by the Florida Bar and are not Permitted Exceptions), the COUNTY shall, ~~no later than the expiration of such twenty (20) day period on or before December 30, 1997,~~ notify the SELLER in writing specifying the defect(s), provided that if the COUNTY fails to give the SELLER written notice of defect(s) ~~before the expiration of said twenty (20) day period on or before December 30, 1997,~~ the defects shown in the Commitment shall, anything in this Agreement notwithstanding, be deemed to be waived as title objections to closing this transaction and the SELLER shall be under no obligation whatsoever to take any corrective action with respect to same nor to warrant title to same in its statutory warranty deed of conveyance. If the COUNTY has given the SELLER timely written notice of defect(s) and the defect(s) render the title other than as required by this Agreement, the SELLER shall use its reasonable efforts to cause such defects to be cured by the Closing Date. In the event that defects are timely raised and the SELLER, after exercising all reasonable efforts, cannot clear same prior to the Closing Date, then, in that event, the COUNTY shall have the right to purchase the Property and Easements in its then existing condition of title, or to rescind and terminate this Agreement without liability by either party to the other. Notice of such election shall be given by the COUNTY to the SELLER, in writing, as contemplated in this Agreement, within the time herein prescribed.

5.3 Deletion of Standard Exceptions. SELLER will execute at or prior to Closing, in favor of the title insurance company, the standard form mechanic's lien affidavit and "Gap" affidavit to allow the title Company to delete all standard exceptions addressed by such affidavits. Prior to Closing, the surveys shall be updated as reasonably requested by the Title Company or COUNTY so that the survey exception may be deleted.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF SELLER. The SELLER represents and warrants to COUNTY that:

6.1 Organization, Standing And Power. The SELLER is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Florida. The SELLER has all requisite power and authority to own and lease its properties being conveyed hereunder and the Utility Systems, and to conduct its businesses related thereto as it is currently being conducted.

6.11 Survival of Covenants. SELLER agrees that its representation and warranties set forth herein are true and correct as of the date of the execution hereof shall be true and correct at the time of the Closing Date, and shall survive the Closing Date.

6.12 FIRPTA. The SELLER is not a "foreign person" within the meaning of the United States tax laws and to which reference is made in Section 1445 (b) (2) of the Internal Revenue Code. On the Closing Date, the SELLER shall deliver to the COUNTY a certificate to such effect.

6.13 All Necessary Governmental Permits and Approvals. As of the Closing Date, the SELLER warrants that it shall transfer to the COUNTY all necessary governmental permits and approvals such that the COUNTY can operate for at least five (5) calendar years the Utility Systems at the volume capacities set forth on Exhibit "9" hereof without exception and without permit condition requiring the COUNTY to expend money or pay for additional capital costs or any operating costs above those now inclined by the SELLER. SELLER shall provide a signed and sealed certification and warranty by a Florida registered and licensed professional engineer with errors and omissions insurance coverage reasonably satisfactory to the COUNTY certifying and warranting to the COUNTY as to the truth and veracity of the actual capacities of the Utility Systems as set forth in Exhibit "9" hereof. Actual capacities for non-reuse wastewater treatment and effluent disposal facilities shall be based upon the lesser of (i) FDEP-permitted capacity, (ii) least capacity component of existing facilities, and (iii) available firm capacity. Actual capacities for reuse wastewater treatment facilities shall be based upon the lesser of (i) through (iii) above, and Class reliability capacity. Capacities for water production, treatment, and storage facilities shall be based upon the lesser of (i) FDEP-permitted capacities, (ii) consumptive use permit capacities, (iii) least capacity component of existing facilities, and (iv) available firm capacity. The above stated certification and warranty shall be limited by the assumption that the COUNTY and/or its contract operator properly operates and the facilities in accordance with the permits; does not modify the facilities in any manner which would adversely affect the permits, and is further subject to force majeure and any change in applicable laws, rules and regulations.

6.14 No Violation by Virtue of Election. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, the Articles of Incorporation or any by-laws of the SELLER, or any indenture, agreement, or other instrument to which the SELLER is a party, or by which it is bound.

6.15 No CERCLA Violations. Except for the allegations set forth in the Federal Case the real property portion of the Purchased Assets have complied with, and the SELLER has not violated, except as disclosed by the environmental audits, in connection with the ownership, use, maintenance, or operation of the real property or the Purchased Assets, applicable environmental, federal, state, county, or local laws relating to pollution, or protection of the environment, including, but not limited to, the Comprehensive Environmental Response, compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, or the Toxic Substance Control Act ("Environmental

instrumentality affecting the Utility Systems or any of the Purchased Assets. The SELLER agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to the operation of the Utility Systems.

6.6 Lessee. None of the Purchased Assets are subject to any interest of any lessor or lessee.

6.7 No Governmental Violations. The SELLER is not aware and has not been notified of the existence of any violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the Utility Systems.

6.8 No Record Violations. The SELLER is not aware and has not been notified of any restrictions or conditions of record which would adversely affect the use of the Utility Systems on the Property as described in Exhibits "1" and "2."

6.9 Absence of Changes. After the date of the execution of this Agreement, the SELLER shall not:

(1) undergo any change in its condition of properties, assets, liabilities, business or operations other than changes in the ordinary course of business which are not, either in any case or in the aggregate, materially adverse to the operation of the Utility Systems;

(2) acquire or dispose of any of the Utility Systems' assets or properties of material value (in excess of \$5,000) except in the furtherance of this Agreement, except in the ordinary course of business and except with the COUNTY'S consent, which shall not be unreasonably withheld, delayed or conditioned;

(3) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative or judicial procedures or proceedings applicable to particular permits, intentionally fail to comply with all Utility Systems permit requirements; and

(4) fail to seek or obtain any necessary permit extensions or renewals so that said permits are valid, extended or seeking extension as of the Closing Date.

6.10 Disclosure. No representation or warranty made by the SELLER in this Agreement contains any untrue statement of material facts or omits to state any material fact required to make the statements herein contained not misleading. Should the SELLER become aware that any of the representations or warranties of COUNTY provided for herein are, or may reasonably be, materially untrue or incorrect, SELLER will promptly advise the COUNTY of same, in writing, specifying in reasonable detail the reasons why the SELLER believes such representations or warranties of COUNTY are, or may reasonably be, untrue or incorrect.

Laws"). SELLER has not authorized the placing or depositing of hazardous substances on the real property portion of the Purchased Assets except, if at all, in accordance with the applicable Environmental Laws, and SELLER has no actual knowledge of any hazardous substance having been, or currently being, placed or deposited on the premises except in accordance with such Laws.

6.16 Location of Plants. The water and wastewater plants, wells, and lift stations used in the operation of the Utility Systems are located on the Property as identified in Exhibit "1" or in easements described in Exhibit "2", Schedule "A", and the use of such water and sewer plants, wells and lift stations on the Property does not violate any zoning certifications, special exceptions or variances in a manner which would prohibit or materially interfere with the operation and maintenance of such water and wastewater plants.

6.17 Master Utility Plan Accuracy. The SELLER hereby represents and warrants to the COUNTY that the potable water mains, wastewater force mains, effluent force mains, and wastewater gravity collection system, as applicable, as shown on the University Shores, Holiday Heights, Lake Conway, Dextwyler Shores, and Westmont master utility plan is accurate and correct as to the sizes, lengths, materials and locations of said system facilities as shown on the respective master utility plan. In the event that any such system facilities are found not to be in accordance with the master utility plan, the SELLER shall be wholly liable for any deficiencies of any nature and the costs of all corrective actions required to be taken by the COUNTY to bring the utility system into compliance with the appropriate master utility plan.

6.18 Assignment of Certain Agreements. The SELLER agrees that it shall obtain all necessary assignments, consents, and approvals in order to assign the agreements set forth in Exhibit "11" as referenced in Section 20 hereof.

6.19 No Construction. There is no construction work in progress on the Property.

SECTION 7. CONDUCT PENDING CLOSING. The SELLER covenants that pending the closing:

7.1 Business Conduct. Except as otherwise consented to in writing by COUNTY, whose consent shall not be unreasonably withheld, delayed or conditioned, for the period beginning on the date of execution of this Agreement and ending on the Closing Date, SELLER shall:

(1) operate the Utility Systems in, and only in, the usual, regular and ordinary course and nevertheless comply with all applicable governmental requirements and law;

(2) maintain all of the Utility Systems' material structures, equipment, permits and other tangible personal property in good repair, order and

condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

(3) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by it for the Utility Systems;

(4) perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting the Utility Systems' properties, assets and operation;

(5) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative judicial procedures or proceedings applicable to particular permits, comply in all material respect with all statutes, laws, ordinances, rules and regulations applicable to it and to the operation of the Utility Systems;

(6) promptly advise the COUNTY, in writing, of any material change which adversely affects the operation of the Utility Systems;

(7) not enter into any transaction, including without limitation, the purchase, sale or exchange of property the value of which exceeds \$5,000.00, which relates to the Utility Systems, except in furtherance of this Agreement with the SELLER, or the rendering of any service to SELLER except in the ordinary course of and pursuant to the reasonable requirements of the business of SELLER; and.

(8) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative or judicial procedures or proceedings applicable to particular permits, comply with all Utility Systems permit requirements and obtain all necessary permit extensions or renewals with no additional operational or capital obligations such that said permits are valid as of the Closing Date.

7.2 Risk of Loss. The SELLER shall bear the risk of loss, damage or destruction of the Purchased Assets by fire or other casualty prior to and including the Closing Date. If any portion of the Purchased Assets is damaged by fire, act of God or other casualty before the Closing Date, the COUNTY shall have the option of (1) taking the Purchase Assets as is, without reduction in price, together with the SELLER's assignment to the COUNTY of all rights under its insurance policies and all of the insurance proceeds, if any; or (2) taking the Purchased Assets, as is, with a reduction in price, mutually agreed to by SELLER and COUNTY, based upon a percentage allocation of the Purchase Price derived by comparing the net book value of the Purchased Assets destroyed to the net book value of the Utility Systems and the SELLER shall maintain all rights under its insurance policies and to all of the insurance proceeds; or (3) canceling this Agreement in which event the Parties hereto shall be released from all further obligations to each other.

7.3 No Encumbrances. From and after the date of the execution of this Agreement, the SELLER will not, without the prior written consent of COUNTY, which consent shall not be unreasonably withheld, delayed or conditioned, dispose of or encumber any of the Purchased Assets.

7.4 Access to Records. The SELLER will at all times cooperate by providing reasonable access, upon prior written notice (not less than forty-eight (48) hours in advance), to their records and facilities applicable to the Utility Systems for inspection to assist in acquainting the COUNTY'S operating and administrative personnel in the operation of the Utility Systems; provided, however, that no such inspection shall materially interfere with the operation of the Utility Systems or the day to day activities of the SELLER's personnel.

7.5 Performance of Closing Conditions. The SELLER shall perform all of the conditions to closing which should be performed by the SELLER prior to the Closing Date as provided herein.

7.6 Insurance. Prior to closing, the SELLER shall maintain adequate fire and extended coverage insurance to cover the cost of any repairs to the Purchased Assets that may be required by casualty damage.

7.7 Examination and Inspection. The SELLER will permit reasonable examination by the COUNTY'S authorized representatives of all existing contractual obligations, physical systems, assets, real estate, rights-of-way, easements and inventories which are utilized by the SELLER in connection with the Utility Systems. No such examination by the COUNTY's authorized representatives shall interfere with the SELLER's operations of the Utility Systems or the day to day operations of the SELLER's personnel. The SELLER shall make these assets and records available for examination by the COUNTY's authorized representatives at reasonable times and upon prior written notice (not less than forty-eight (48) hours in advance) from the COUNTY. Such facilities will be properly maintained by the SELLER within the custom and usage of the water and wastewater industry in Florida until the Closing Date.

7.8 No Transfers. From and after the date of the execution of this Agreement, SELLER will not, without the prior written consent of the COUNTY, which shall not be unreasonably withheld, dispose of or encumber any of the Purchased Assets, with the exception of any transactions occurring in the ordinary course of SELLER's business.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF COUNTY. The COUNTY represents and warrants to the SELLER, as follows:

8.1 Organization, Standing and Power of COUNTY. The COUNTY is a municipal corporation duly chartered and validly existing under the laws of the State of

Florida and has all requisite municipal power and authority to enter into this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

8.2 Authority for Agreement. The COUNTY has the authority and power to execute and deliver this Agreement and to carry out its obligations hereunder. The COUNTY has held all of the necessary public hearings to authorize the COUNTY's exercise of its option to purchase the Utility Systems. This Agreement has been duly authorized by all action required to be taken by the COUNTY, has been duly executed and delivered by the COUNTY, and constitutes a valid and legally binding obligation of the COUNTY, enforceable in accordance with its terms.

8.3 Disclosure. No representation or warranty made by the COUNTY in this Agreement contains or will contain any untrue statement of material facts or omits or will omit to state any material fact required to make the statements herein contained not misleading. Should the COUNTY become aware that any of the representations or warranties of SELLER provided for herein are, or may reasonably be, materially untrue or incorrect, COUNTY will promptly advise the SELLER of same, in writing, specifying in reasonable detail the reasons why the COUNTY believes such representations or warranties of SELLER are, or may reasonably be, untrue or incorrect.

8.4 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against the COUNTY before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the COUNTY's ability to enter into and perform this Agreement. The COUNTY shall have the continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to its ability to perform its obligations under the Agreement.

8.5 Performance of Closing Conditions. The COUNTY shall perform all of the conditions to closing which should be performed by the COUNTY prior to the Closing Date as provided herein.

8.6 Survival of Covenants. COUNTY agrees that its representation and warranties set forth herein are true and correct as of the date of the execution hereof, shall be true and correct at the time of the Closing Date, but and shall only survive for ~~one (1)~~ year following the Closing Date.

8.7 Delivery of Resolution. If it has not already done so, COUNTY will deliver to SELLER a certified copy of a resolution of the Board approving the COUNTY's execution and performance of this Agreement with five (5) business days of COUNTY's execution hereof.

8.8 No Conflicts. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, the charter of the COUNTY, or any administrative regulation or decree, or any provision of the Constitution or the laws of the State of Florida relating to the COUNTY or its affairs or any ordinance, resolution, agreement, indenture, lease, or other instrument to which the COUNTY is a party, subject or by which it is bound.

8.9 Subject to the police power of the COUNTY and its ability to charge its prevailing capital charges, COUNTY shall after closing fulfill the SELLER's obligations to furnish water and wastewater service as of the date of Closing as set forth in Section 20 of this Agreement.

8.10 The COUNTY shall take no action inconsistent with its express obligations under the terms and conditions of this Agreement.

8.11 All inspections of the Utility Systems by COUNTY or its representatives performed pursuant to this Agreement shall not materially interfere with the operation of the Utility systems or the day-to-day activities of the SELLER's personnel, and subject to 768.28, F.S., COUNTY agrees to indemnify and hold SELLER harmless from any third party claims, actions, expenses, or damages, including costs and attorney's fees at trial and appeal, which the SELLER incurs (for personal injury or property damage) as a direct result of the inspection of the Utility Systems by the COUNTY, its agents, contractors, representatives and/or employees.

SECTION 9. ADDITIONAL CONDUCT PENDING CLOSING. The COUNTY and the SELLER covenant with each other that pending the closing on this transaction, neither shall obstruct, hinder or interfere in the operation of the Utility Systems by the SELLER or with the processing and consideration by governmental agencies of any applications or petitions filed by the SELLER or COUNTY that are related to the Utility Systems. SELLER shall execute all necessary documents to assist in securing necessary governmental approval(s) for the renewal, expanded use, and transfer of said permit, and shall use its best efforts to assist the COUNTY in obtaining all such necessary governmental approvals. Prior to Closing, neither the COUNTY, nor any of COUNTY's representatives, consultants, employees or agents shall file any application or petition with any governmental agency having jurisdiction over the Utility Systems.

SECTION 10. ADJUSTMENTS AND PRORATIONS: CLOSING COSTS. At the time of closing, the parties covenant and agree that the following adjustments shall be made:

10.1 Real and personal property taxes for 1997 on all real and personal property which is being conveyed by the SELLER to the COUNTY, shall be prorated as of

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11:50 p.m. of the Closing Date and shall be paid by the SELLER. The COUNTY shall not be charged with proration of any ad valorem taxes.

10.2 Within ten (10) days after the Closing Date, the SELLER will render bills in its name to all customers for the last month of service through the Closing Date. All rates, fees, and charges for water and wastewater service through the Closing Date shall be the property of the SELLER. The SELLER shall include a written notice to each customer that the Utility Systems are being transferred to the COUNTY. All rates, fees, and charges for water and sewer service after the Closing Date shall be the property of the COUNTY. Subject to state law, COUNTY agrees to disconnect service from any customer who fails to pay SELLER amounts owed SELLER through the Closing Date upon notification to COUNTY by SELLER that such amounts are sixty (60) days past due.

10.3 The SELLER shall request all of its suppliers and vendors to submit final invoices for services, materials, and supplies, including electricity for the period up to and including the Closing Date. The SELLER shall be responsible for, and shall provide to the COUNTY, upon request, evidence of the payment of all such invoices.

~~**10.4** For all those development or individual retail customers who are connected to and receiving service (water, wastewater, or water and wastewater) from the SELLER on the Closing Date and have paid SELLER shall retain all Connection Charges, as hereinafter defined, heretofore paid to SELLER under the agreements set forth in Exhibit 11. SELLER has entered into no agreements or commitments with developers or customers providing for the extension of services or facilities with regard to the Utility Systems except as set forth in Exhibit 11. COUNTY shall be entitled to receive all Connection Charges paid after Closing under those agreements set forth in Exhibit 11. The term Connection Charges shall mean connection, plant capacity, main extension, allowance for funds prudently invested ("AFPI") ("AFPI") charges and/or capital charges ("Connection Charges") to the SELLER, then said Connection Charges previously paid that specifically apply to the service being received (water, wastewater, or water and wastewater) shall be retained by the SELLER. For all those developers or individual retail customers who on the Closing Date are not connected to and receiving all service purchased from the SELLER, have paid or have had paid for them Connection Charges to the SELLER, and to whom the SELLER has extended completely all pipelines necessary to provide service, then the SELLER may retain main extension charges previously paid that specifically apply to the pipelines extended (water main extension charges for water pipelines, wastewater main extension charges for wastewater pipelines), and the SELLER shall pay to the COUNTY and the COUNTY shall receive all other Connection Charges paid by such customers. All other Connection Charges received prior to the Closing Date by the SELLER from developers or individual retail customers of the Utility Systems who have not connected to the Utility Systems or who have not utilized all capacity purchased, shall be deemed the property of the~~

~~COUNTY, and shall be paid to the COUNTY ("Connection Charges").~~ Although the COUNTY has been requested by the SELLER to do so, the COUNTY will not accept or recognize any obligations regarding prepaid or discounted unconnected customers. Nothing contained in this Agreement shall be construed to require the COUNTY to exercise the police power in the allocation of water and/or wastewater service capacity (hereby deemed to be a governmental function) other than in accordance with the COUNTY's current or future service allocation or extension rules. The COUNTY agrees to the extent consistent with § 768.28, Florida Statutes, to indemnify and hold the SELLER harmless for any third party claims, actions, expenses or damages, including costs and attorneys' fees at trial and/or appeal to which SELLER made be exposed in the future as a result of this transfer of the Connection Charges.

10.5 All adjustments and prorations shall be calculated as of 11:59 p.m. of the Closing Date.

10.6 All costs of recording any releases, satisfactions or corrective instruments, if any, shall be paid by SELLER.

10.7 Certified, confirmed or ratified special assessments or municipal liens prorated as of the date of Closing, will be paid by SELLER.

10.8 Any taxes on gross receipts or regulatory assessment fees incurred as of the Date of Closing shall be paid by SELLER.

10.9 The amount of customer deposits being retained by SELLER shall be credited to PURCHASER against PURCHASER'S cash to close or shall be transferred to PURCHASER by separate cashiers check. A final listing of the customer deposits by individual name and aggregate total shall be provided by the SELLER to the PURCHASER at Closing.

10.10 If applicable, rents under any lease agreement assumed by PURCHASER hereunder shall be prorated as of the date of Closing.

10.11 The bills for electricity and other utility services for the month in which this Closing shall take place shall be prorated between the parties at Closing and arrangements made for the appropriate utilities to bill PURCHASER for services rendered subsequent to the Closing.

10.12 All bills for other services, materials and supplies rendered in connection with the operation of the Utility Systems prior to Closing shall be paid by SELLER.

10.13 All documentary stamps, if required, on the deeds of conveyance of real property included in the Purchased Assets, and all costs of title insurance, shall be paid by SELLER.

SECTION 11. ESCROW. On the Closing Date, the SELLER shall deposit with the Escrow Agent the sum of _____ MILLION, _____ HUNDRED THOUSAND DOLLARS (\$ _____ 00,000.00), in an interest bearing account subject to the terms and conditions set forth in the Escrow Agreement attached to and incorporated in this Agreement as Exhibit "10," and executed by the SELLER and the COUNTY simultaneously with this Agreement, to serve as security for payment of:

~~(1) the sums necessary to construct or expand any facilities or components necessary to insure that the 1.0 MGD Davco wastewater treatment plant receives an operation permit from FDEP for 5 years with a rating of 1.0 million gallons per day, average annual basis ("MGD") containing no condition or qualification either (a) requiring the expenditure of additional funds for capital or operating expenses to operate said plant at 1.0 MGD, or (b) requiring the permit holder to transfer sewage flows to other treatment facilities such that the said plant is unable to be operated as a 1.0 MGD facility throughout the 5-year term of the permit;~~

~~(2) sums necessary to cover the costs of operating wastewater treatment facilities adequate and sufficient to meet the reclaimed water delivery requirements of that Lease Agreement for Irrigation of Property between Chapel Hill Cemetery, Inc., and SELLER's predecessor, Southern States Utilities, Inc., dated March 13, 1983, and as amended December 22, 1983, August 17, 1984, February 10, 1985, and August 24, 1987 (the "Cemetery Irrigation Lease") and the reclaimed water delivery requirements of the St. Johns River Water Management District ("SJRWMD");~~

~~(3) the sums necessary for repair or replacement of any latent defects in the Utility Systems (including but not limited to damaged pipes or other below ground facilities);~~

~~(4) the sums necessary for repair or replacement of any defects in the water and wastewater facilities contained in the Colonial Shores Mobile Home Park;~~

~~(5) sums necessary to pay for the cost of a second interconnection between the COUNTY's Wastewater System and the SELLER's wastewater system plus those COUNTY Wastewater Capital Charges applicable for Wastewater Service Capacity which must be utilized to cover the capacity shortfall if the FDEP permit does not authorize 11.18 MGD of effluent disposal capacity for five (5) years of operation;~~

~~(6) sums necessary to pay for additional chlorine contact facilities to meet the FDEP requirements contained in the new FDEP permit;~~

~~(7) sums necessary to pay for fencing the effluent disposal drain field located within the power easement;~~

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~~(6) sums necessary to pay for inventory deficiencies, including but not limited to the four (4) trucks originally listed on the inventory;~~

~~(9) sums necessary to pay for the difference between projected annual monitoring costs for the University Shores Wastewater Treatment and effluent disposal facilities being proposed by FDEP under the new FDEP permit and those annual monitoring costs previously paid by the SELLER; and~~

~~(10) sums necessary to pay for the difference between what the COUNTY currently charges for its Water and Wastewater Capital Charges for equivalent residential connection ("ERC") of Water Service Capacity and ERC of Wastewater Service Capacity and what the SELLER collected for all those ERC's of Water Service Capacity and Wastewater Service Capacity for which SELLER has collected prepaid capital or capacity contributions.~~

~~Should the FDEP fail to issue the permit contemplated in subsection 11(1) above, which becomes final and non-appealable within _____ (_____) months from the Closing Date, then the COUNTY shall be entitled to TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) from the Escrow Account. Should the Cemetery Irrigation Lease and the requirements contained in any SJRWMD consumptive use permit fail to be modified to delete, remove and expunge any requirement to deliver reclaimed water or treated wastewater for reuse to the Chapel Hill Cemetery in a manner that is final and non-appealable within _____ (_____) months from the Closing Date, then the COUNTY shall be entitled to ONE MILLION DOLLARS (\$1,000,000.00) from the Escrow Account. Should the COUNTY incur expenses or costs in repairing or replacing any latent defects in the Utility Systems (other than Colonial Shores Mobile Home Park facilities) during said two (2) year period, the COUNTY shall be entitled to up to SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000.00) in the aggregate for all such expenses or costs. Should the COUNTY incur any expenses or costs by virtue of having to pay for any of the items in Subsections (5) through (10) hereof, the COUNTY shall be entitled to up to _____ DOLLARS (\$ _____) in the aggregate for all such expenses or costs. Should the COUNTY incur expenses or costs in repairing or replacing any water or wastewater facilities within the Colonial Shores Mobile Home Park during said two (2) year period, the COUNTY shall be entitled to up to SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) in the aggregate for all such expenses or costs. The COUNTY shall exercise its right to any such payments from the Escrow Account in the manner prescribed in the Escrow Agreement. Said escrow account shall be maintained for a period of two (2) years after the Closing Date, unless all funds therein are expended sooner, or for a longer period should arbitration occur until arbitration is final. At the end of said period, all funds remaining in said Escrow Account, including interest, shall be distributed to the SELLER. The parties hereby enter into an Escrow Agreement attached to and incorporated in this Agreement as Exhibit "10." At Closing, an escrow will be established as provided for in Exhibit "10" attached hereto and made a part hereof. SELLER and COUNTY will provide the Closing Agent at Closing with written instructions to pay to the Escrow Agent from the Closing Proceeds the amounts necessary to fund said~~

escrows and COUNTY will receive a credit at Closing in respect thereof against the payment of the Purchase Price due SELLER at Closing.

SECTION 12. INDEMNITIES. The Except as otherwise provided for in this Agreement, the SELLER shall indemnify and hold the COUNTY, its representative agents and employees harmless from and against any and all third-party claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or which are related to third party claims arising from or related to acts, errors, or omissions of the SELLER, its agents, employees, servants, licensees ~~licensees~~, invitees, or contractors or by any person under the control or direction of the SELLER arising out of (1) its operation, maintenance, or management of the Utility Systems up to and including the Closing Date, (2) the Federal Case, (3) any other local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred prior to or on the Closing Date, or (4) any FPSC rate case proceeding related to the Utility systems. Furthermore, the SELLER covenants and agrees that it shall forego any surcharge due from the customers of the Utility systems arising in connection with the SELLER's current rate case before the FPSC bearing Docket Number 920199-WS or any related administrative or judicial proceeding (the "Rate Case"), and the SELLER commits to pay any refunds due to the customers of the Utility Systems arising in connection with the Rate Case. In addition, SELLER shall indemnify and hold the COUNTY, its representatives, agents, and employees harmless from:

(a) Land deficiencies, including encumbrances or lack of fee simple or easement rights for facilities for which no survey or as-built drawing exists as described in Exhibit "14."

(b) Environmental pollution located within the land parcels associated with the facilities referred to in Exhibit "14."

(c) Inaccuracies concerning the extent, general location, material or size of water and/or wastewater facilities with respect to the master plans provided by SELLER shown as Exhibit "15."

Finally, the SELLER agrees to modify the lease agreement for irrigation of property between Chapel Hill Cemetery, Inc., and SELLER's predecessor, Southern States Utilities, Inc., dated March 13, 1983, and as amended December 23, 1983, August 17, 1984, February 19, 1985, and August 24, 1987 (the "cemetery irrigation lease") and the requirements contained in any St. Johns River Water Management District ("SJRWMD") consumptive use permit such as to delete, remove, and expunge any requirement to deliver reclaimed water or treated wastewater for reuse to the Chapel Hill Cemetery in a manner that is final and non-appealable at no expense to the

accrues and COUNTY will receive a credit at Closing in respect thereof against the payment of the Purchase Price due SELLER at Closing.

SECTION 12. INDEMNITIES. **The Except as otherwise provided for in this Agreement, the SELLER shall indemnify and hold the COUNTY, its representative agents and employees harmless from and against any and all third-party claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or which are related to third party claims arising from or related to acts, errors, or omissions of the SELLER, its agents, employees, servants, licensees ~~licensees~~, invitees, or contractors or by any person under the control or direction of the SELLER arising out of (1) its operation, maintenance, or management of the Utility Systems up to and including the Closing Date, (2) the Federal Case, (3) any other local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred prior to or on the Closing Date, or (4) any FPSC rate case proceeding related to the Utility systems. Furthermore, the SELLER covenants and agrees that it shall forego any surcharge due from the customers of the Utility systems arising in connection with the SELLER's current rate case before the FPSC bearing Docket Number 920199-WS or any related administrative or judicial proceeding (the "Rate Case"), and the SELLER commits to pay any refunds due to the customers of the Utility Systems arising in connection with the Rate Case. In addition, SELLER shall indemnify and hold the COUNTY, its representatives, agents, and employees harmless from:**

(a) Land deficiencies, including encumbrances or lack of fee simple or easement rights for facilities for which no survey or as-built drawing exists as described in Exhibit "14."

(b) Environmental pollution located within the land parcels associated with the facilities referred to in Exhibit "14."

(c) Inaccuracies concerning the extent, general location, material or size of water and/or wastewater facilities with respect to the master plans provided by SELLER shown as Exhibit "15."

Finally, the SELLER agrees to modify the lease agreement for irrigation of property between Chapel Hill Cemetery, Inc., and SELLER's predecessor, Southern States Utilities, Inc., dated March 13, 1983, and as amended December 23, 1983, August 17, 1984, February 19, 1985, and August 24, 1987 (the "cemetery irrigation lease") and the requirements contained in any St. Johns River Water Management District ("SJRWD") consumptive use permit such as to delete, remove, and expunge any requirement to deliver reclaimed water or treated wastewater for reuse to the Chapel Hill Cemetery in a manner that is final and non-appealable at no expense to the

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COUNTY. Should the SELLER fail to so modify the terms of the cemetery irrigation lease and the requirements contained in any SJRWMD consumptive use permit such as to delete, remove, and expunge any requirement to deliver reclaimed water or treated wastewater for reuse to the Chapel Hill Cemetery, then the SELLER shall pay for all capital and operations and maintenance costs of delivering the reclaimed water or treated wastewater for reuse to the Chapel Hill Cemetery in such a way as to indemnify the COUNTY from any such costs whatsoever. Except as otherwise provided for in this Agreement and subject to Section 768.28, F.S., the COUNTY shall indemnify and hold the SELLER, its representative agents and employees harmless from and against any and all third party claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or which are related to the acts, errors, or omissions of the COUNTY, its agents, employees, servants, licenses, invitees, or contractors or by any person under the control or direction of the COUNTY arising out of (1) its operation, maintenance, or management of the Utility Systems subsequent to the Closing Date, (2) any other local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred subsequent to the Closing Date, related to the Utility systems.

SECTION 13. ENVIRONMENTAL MATTERS. The COUNTY shall have ~~had~~ the right to ~~and did~~ perform both a Level I and Level II Environmental Audit of the Property, as such terms are generally understood by the environmental consulting industry in the State of Florida. These audits shall be ~~were~~ performed at the COUNTY's expense. These environmental audits may include, included, but ~~were~~ not be limited to, appropriate borings, samplings, "sniffer" tests, as well as an appropriate title search in order to determine that the sites are were in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations. ~~If after~~ After reviewing the environmental audits, the COUNTY reasonably ~~determines~~ determined that any a small portion of the lands to be conveyed hereunder is were not in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations, ~~the COUNTY may elect not to acquire any such lands by giving the SELLER written notice of its election not to acquire said lands at any time before the Closing Date. The COUNTY, however, shall provide the SELLER prior written notice (not less than forty eight (48) hours in advance) of any proposed inspection of the Property, which shall take place at reasonable times and without interfering with the operation of the Utility Systems by the SELLER. To the extent consistent with Section 768.28, Florida Statutes, the COUNTY shall indemnify and hold the SELLER harmless for any claims, actions, expenses or damages, including cost and attorney's fees, at trial and appeal, which the SELLER incur for personal injury or property damage that occurs as a direct result of the inspection of the Property by the COUNTY, its agents, contractors, representatives and/or employees but the COUNTY has elected to acquire the lands so long as the SELLER pays for the clean up costs, which SELLER has agreed to do.~~

SECTION 14. CLOSING. ~~Provided that all conditions precedent to closing have, in fact, been so performed, including applying for Florida Public Service Commission approval, the~~ The place of closing shall be in Orange County at the offices of Gray, Harris & Robinson, and such closing shall occur on or before December 30, 1997 (the "Closing Date"), ~~or at such earlier date or time as the parties mutually agree to in writing.~~ Notwithstanding anything to the contrary, the Closing of this transaction shall take place upon the delivery of the Purchase Price to the SELLER in the manner and on the date provided for in this Agreement, ~~provided, however, that payment of the Purchase Price by the COUNTY shall comply with this Agreement if it is delivered in accordance with Subsection 15.2 hereof on or before 2:00 p.m., of December 31, 1997.~~ Immediately following the Closing Date, COUNTY shall have full right to the possession of all of the Purchased Assets wherever the same may be located. The parties agree that the Closing closing of this transaction on or before December 31, 1997, was a material part of the negotiations and absent such agreement this transaction would not have taken place. Accordingly, the closing of this transaction shall not be extended beyond the Closing Date by reason of any failure on the part of the COUNTY to complete on or before the Closing Date any investigations regarding the Utility Systems or the Purchased Assets permitted under this Agreement for any reason, unless such failure to complete any such investigation by COUNTY on or before the Closing Date is as a direct result of the willful refusal of SELLER to materially perform any of its obligations under this Agreement that are necessary for the completion of such investigations by COUNTY on or before the Closing Date.

SECTION 15. CLOSING DOCUMENTS AND PROCEDURES.

15.1 Deliveries from SELLER. The following documents shall be delivered by the SELLER to the COUNTY ~~at least ten (10) days prior to Closing Date~~ no later than December 26, 1997, but shall be executed on the Closing Date:

(1) Warranty deeds to all of the Property owned by the SELLER as described in Exhibit "1" conveying to the COUNTY all of the SELLER'S right, title and interest in all such property and warranting that such Property is free and clear of all liens, claims and encumbrances other than Permitted Exceptions, as that term is defined in Subsection 5.1 hereof.

(2) Instruments of conveyance, in appropriate recordable form, of all the Easements as described in Exhibit "2" conveying to the COUNTY all of its right, title and interest in all such property, together with all utility improvements thereto, and warranting that such easement rights and rights to use dedicated rights-of-way are or shall be made pursuant to Subsection 6.3 hereof, free and clear of all liens, security interests, encumbrances, leasehold interests, charges or options, covenants or restrictions other than Permitted Exceptions, as that term is defined herein;

(3) General assignment to and assumption by the SELLER COUNTY of all other interests in the Property, together with a general assignment of all Contracts, Agreements, permits and approvals as provided for and in the manner specified in this Agreement;

(4) Bills of sale or other documents of assignment and transfer, with full warranties of title as specified in this Agreement, to all Water and Wastewater Systems Assets other than those assets covered by Subsections 15.1(2) and 15.1(3) hereof;

(5) Copies of all business records sold to the COUNTY hereby (originals thereof to be delivered at Closing);

(6) Copies of all permits, governmental authorizations and approvals, together with applications for or transfer approvals from any and all agencies that have issued said permits, authorizations, and approvals (originals thereof to be delivered at Closing);

(7) Standard no-lien affidavit in a form reasonably required by the title Company as to realty and personalty insuring against any liens, claims or encumbrances upon the Purchased Assets;

(8) Schedule of the customer service security deposits as of the Closing Date as described in Subsection 3.7 hereof;

(9) A "non-foreign" affidavit or certificate pursuant to Section 1445 of the Internal Revenue Code;

(10) Such other affidavits and acknowledgments as the title company shall reasonably request in order to cause the title company to issue the policy evidencing marketable title as contemplated herein;

(11) A corporate officer's certificate confirming that the SELLER's warranties hereunder are true and correct as of the Closing Date;

(12) Evidence of insurance and an original executed certification and warranty to the COUNTY as contemplated by subsection 6.13 hereof; and

(13) Such other instruments and documents, in form approved by the COUNTY's counsel as may be reasonably required in order to transfer ownership and possession of the Purchased Assets to the COUNTY; provided that none of such documents shall result in any additional liability on the part of SELLER not otherwise provided for in this Agreement.

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(14) All assignments of agreements listed in Section 20 that assign the agreements to COUNTY.

15.2 Deliveries from the COUNTY. On the Closing Date, the COUNTY shall pay the Purchase Price by sending a wire transfer to the account and bank identified by SELLER or at SELLER's request shall deliver a cashiers check in the amount due to SELLER as provided in Section 4 of this Agreement, ~~reduced as per this Agreement~~ **subject to the prorations and adjustments and the creation of the escrows to be created by SELLER as provided for herein.** The COUNTY shall also deliver at the Closing, the executed form of an assumption of the agreements set forth in Section 20 of this Agreement, an assumption of the leases, permits, agreements, approvals and other interests in the Purchased Assets being assigned by the SELLER, as provided by the SELLER pursuant to Subsection 15.1 hereof, and a certified copy of a resolution of the COUNTY approving this transaction, if not previously delivered to SELLER. Said documents shall be executed on the Closing Date. The assignments and assumptions being prepared by the parties may be incorporated into one document at the convenience of the parties. COUNTY shall also deliver at Closing: (a) such affidavits and acknowledgments as the title Company shall reasonably request in order to cause said title Company to issue a title insurance policy evidencing a marketable title in COUNTY; (b) a County Officer's Certificate confirming that the warranties of COUNTY set forth in this Agreement applicable to the Closing are true and correct as of the Closing; and (c) such other instruments and documents as SELLER's Counsel may reasonably require, in form approved by COUNTY's Counsel, in order to transfer possession and control of the Purchased Assets to COUNTY, provided that none of such documents shall result in any additional liability on the part of COUNTY not otherwise provided for in this Agreement.

SECTION 16. RESPONSIBILITY FOR PROFESSIONAL FEES AND COSTS. Each party hereto shall be responsible for its own attorneys' fees, engineering fees, accounting fees and other costs in connection with the preparation and execution of this Agreement, the closing of the transaction contemplated herein and in connection with all judicial and administrative proceedings related to the acquisition of the Utility Systems.

SECTION 17. PUBLIC SERVICE COMMISSION APPROVAL. SELLER shall apply for approval by the Florida Public Service Commission for transfer of the Purchased Assets from SELLER to COUNTY. SELLER agrees to pay all fees and costs incurred by SELLER incident to such dealings with the Florida Public Service Commission. It is agreed that COUNTY shall apply every reasonable effort to cooperate with SELLER to obtain approval from the Florida Public Service Commission and will render all reasonable assistance to SELLER necessary to obtain such approval.

SECTION 18. COMMISSIONS. The SELLER and the COUNTY warrant to the other that the transaction contemplated by this Agreement is a direct, private transaction between the SELLER and the COUNTY without the use of a broker or commissioned agent.

SECTION 19. FURTHER ASSURANCES. Each of the parties hereto agrees that, from time to time, upon the reasonable request of the other party and at the expense of the requesting party, without further consideration, it shall execute and deliver to the requesting party any and all further instruments, affidavits, conveyances and transfers as may be reasonably required to carry out the provisions of this Agreement.

SECTION 20. CERTAIN AGREEMENTS.

20.1 Contracts and Agreements. The COUNTY shall take title to the Purchased Assets encumbered only by those developer, service, or wholesale contracts and agreements that are listed on Exhibit "11" attached to and incorporated in this Agreement (hereafter "Contracts and Agreements") which will be assigned to and assumed by the COUNTY. The SELLER has also supplied the COUNTY with a map series attached to and incorporated in this Agreement as Exhibit "12" which depicts all lots for which prepaid capacity, connection or capital charges have been collected. The SELLER represents and warrants that there are no other such lots, within its service area as depicted in Exhibit "7" hereof, for which prepaid capacity, connection or capital charges have been collected by SELLER. Notwithstanding anything to the contrary stated in this Agreement ~~except as provided in Subsection 20.2~~, the COUNTY is not assuming and has no obligation to honor the amount of any prepaid or discounted connections, ~~charges for or customers or for properties, dwelling or units, or commercial or industrial structures not connected to the Utility Systems ten (10) days prior to the Closing Date, but reserves the right to charge and collect its own capital charges as a precondition to providing service, giving due credit for connection fee amounts previously paid.~~

~~**20.2 New Agreements.** After the date of the execution of this Agreement, the SELLER shall notify the COUNTY of all requests for developer or service agreements and the terms thereof and shall provide a copy of the proposed agreement to the COUNTY. The COUNTY shall approve or disapprove in writing said proposed agreement within twenty (20) days of its receipt of the proposed agreement. The COUNTY shall not unreasonably withhold, delay or condition its approval of the execution by the SELLER of any such agreement. The COUNTY shall be required to grant its consent to proposed agreements which are consistent with SELLER's existing FPSC approved service availability policy and which also clearly notify the prospective customer that the COUNTY is assuming the SELLER and identify that future terms of service after the Closing Date shall be governed by applicable ordinances and resolutions of the COUNTY. In the event the COUNTY disapproves a proposed agreement(s) which is in accordance with existing FPSC approved agreements and existing FPSC approved service availability policy, then the COUNTY shall, to the extent consistent with Sect. 768.28, Fla. Stat., indemnify and hold SELLER harmless for any and all liability, claims or damages made by any person, firm, corporation, public or private, arising out of the COUNTY's refusal to approve said agreement(s). Once a proposed agreement is approved by the~~

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~~COUNTY, the COUNTY shall accept the terms of the approved agreement subsequent to the Closing Date in accordance with its terms. The SELLER shall not cause any agreement to be modified after the date of the execution of this Agreement without the prior written approval of COUNTY, which approval shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the contrary set forth herein, the SELLER need not obtain the COUNTY's approval to enter into developer or service agreements that (1) individually do not commit in excess of ten (10) equivalent residential connections ("ERCs") of water and wastewater service capacity; (2) individually do not involve obligations in excess of \$5,000; and (3) that in the aggregate do not commit in excess of three hundred (300) ERCs of water and wastewater service capacity.~~

~~20.3 20.2~~ **Other Agreements.** Except as expressly set forth in this Agreement, the COUNTY is not assuming any other agreements to which SELLER is a party.

SECTION 21. NOTICES: PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and may either be (1) hand delivered, (2) sent by recognized overnight courier (such as Federal Express) or (3) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

SELLER: John Cirello, PE, Ph.D.
President
Florida Water Services
1000 Color Place
Apopka, FL 32703

With a copy to: Brian Armstrong, Esq.
Vice President & General Counsel
Florida Water Services
1000 Color Place
Apopka, FL 32703

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COUNTY: Alan B. Ispass
Director - Utilities Division
Orange County
109 E. Church Street
Orlando, FL 32801-3318

With a copy to: Thomas A. Cloud, Esq.
Gray, Harris & Robinson, P.A.
201 Pine St.
Orlando, FL 32801

Notices personally delivered by hand or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given three (30) days after deposit in the U.S. mail.

SECTION 22. ENTIRE AGREEMENT. This instrument constitutes the entire Agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement. This Agreement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought.

SECTION 23. AMENDMENT. Amendments to and waivers to the provisions of this Agreement shall be made by the parties only in writing by formal amendment.

SECTION 24. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto.

SECTION 25. BINDING EFFECT. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of the COUNTY and the SELLER.

SECTION 26. TIME OF THE ESSENCE. Time is hereby declared of the essence in the performance of each and every provision of this Agreement.

SECTION 27. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida.

SECTION 28. CORROBORATION OF PAYMENTS AFTER CLOSING. In each instance in which either the SELLER or the COUNTY is to receive money from another party after the Closing Date pursuant to the provisions of this Agreement, the party who is entitled to receive the money under the terms of this Agreement shall have the right to

inspect, at its own expense, those books and records of the other party as may be necessary to corroborate the accuracy of the amount of money received by the party, within thirty (30) days of receipt of payment. In the event the party making the inspection discovers an error in payment, the party making the payment shall promptly transfer the difference in payment to the party who is entitled to payment; provided, however, that to the extent that the error in payment is ten percent (10%) or more, then the party making payment shall, in addition to paying the shortfall, reimburse to the party making the inspection the reasonable costs of the inspection.

SECTION 29. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

SECTION 30. DEFENSE OF ACTIONS OR CLAIMS

30.1 Each party who is or may be entitled to indemnity under the provisions of this Agreement (the "Indemnitee") shall promptly notify the other party who is or may be required to provide indemnity under the provisions of ~~Section 14 or 12~~ this Agreement, as applicable (the "Indemnitor"), of any lawsuit or claim against such Indemnitee which it has reasonable cause to believe would entitle it to indemnification under such Section of this Agreement. Failure of such Indemnitee to promptly notify the Indemnitor of any such action or claim shall constitute a defense by Indemnitor against its obligation to indemnify the Indemnitee under this Agreement with regard to such claim or action, if such failure to provide such prompt notification reasonably prejudices the defense or other successful resolution of such action or claim by Indemnitor.

30.2 Upon receipt of such prompt notification of such claim or action, the Indemnitor shall be entitled, in its absolute discretion, to select legal counsel; to assume at its expense the defense of any such action or claim, including the prosecution of any applicable cross-claims or counter claims; to direct the manner in which such defense shall be conducted; and to determine the terms of settlement of, any such suit or claim against Indemnitee, provided that no such resolution awarding relief other than money damages against the Indemnitee may be agreed to without the consent of the Indemnitee, which consent shall not be unreasonably withheld, delayed or conditioned by Indemnitee. Indemnitee shall provide its full cooperation and assistance to Indemnitor with regard to the defense of such claim or action against Indemnitee, as afore-described, as reasonably requested by Indemnitor.

30.3 If the defendants in or to any such action or claim include both the Indemnitee and the Indemnitor and the Indemnitee reasonably concludes that there are

valid legal defenses available to the Indemnitee which are different from or additional to the legal defenses being raised by the Indemnitor, and which, after written notice thereof being given to the Indemnitor by the Indemnitee, are not being asserted by the Indemnitor on behalf of the Indemnitee regarding such action or claim, the Indemnitee shall have the right to select separate counsel to assert such additional legal defenses in such action on behalf of such Indemnitee; provided such legal defenses which Indemnitee desires to assert are not reasonably inconsistent with, contrary to or would otherwise prejudice the defenses which the Indemnitor is asserting on behalf of the Indemnitee. The Indemnitee shall take no action with regard to such claim or action which is inconsistent with or may reasonably prejudice the defenses, cross-claims or counter claims being asserted by Indemnitor on behalf of Indemnitee.

30.4 If an Indemnitor elects to assume and does assume, the defense of any such suit or claim, it shall not be liable for any legal expenses incurred by the Indemnitee with respect to such matter and if the Indemnitee, after due notice to the Indemnitor of the existence of valid defenses not being employed by the Indemnitor as afore-described, employs separate counsel in connection with the assertion of such legal defenses not being raised by the Indemnitor on behalf of the Indemnitee and the Indemnitee is, in fact, ultimately successful in the assertion of those legal defenses that the Indemnitor refused to assert after due notification by the Indemnitee.

30.5 If the Indemnitor, after receipt of such prompt notification of such claim or action, does not assume the defense of any such suit or claim, it shall thereafter be barred from disputing the nature and amount of the damages ultimately incurred or determined to have been incurred by the Indemnitee in settling or litigating the action or claim.

SECTION 31. INTERIM BILLING AND OPERATIONS BY SELLER. ~~SELLER agrees to provide the COUNTY with interim billing and operations services for up to six (6) months following the Closing Date. Billing shall be provided at a cost to be paid by the COUNTY to the SELLER at THIRTY TWO CENTS (\$.32) per bill mailed to customers and shall be due and payable to SELLER within five (5) business days following (1) the end of the six (6) months billing term, or (2) termination of these billing services by the COUNTY, whichever first occurs. Earlier termination of billing services may be accomplished by the COUNTY sending written notice to SELLER in accordance with the form specified in this Agreement. SELLER shall provide operations services following Closing Date to the COUNTY in accordance with the Operational Services Agreement attached to and incorporated in this Agreement as Exhibit "13."~~

SECTION 32. MISCELLANEOUS.

32.1 All of the parties to this Agreement have participated fully in the negotiation and preparation hereof, and, accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

32.2 Except for the provisions of Section 4 and 15.1(1) hereof, in the event any term or provision of this Agreement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

32.3 In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs at all trial and appellate levels.

32.4 In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, the use of any gender shall be held to include every other and all genders, and captions and paragraph headings shall be disregarded.

32.5 The parties shall jointly petition the Commission for either cancellation or modification of the Certificates, as appropriate, in order to terminate the Commission's jurisdiction over the Utility Systems. All costs and expenses relative to terminating its relationship with the FPSC shall be borne by the SELLER. Copies of the Order(s) of the Commission acknowledging sale of the Utility Systems to the COUNTY shall be promptly provided to the COUNTY, upon SELLER's receipt thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Signed, sealed and delivered
in the presence of:

**FLORIDA WATER SERVICES
CORPORATION**

Attest: _____
Print Name: _____
Title: _____

BY: _____
Print Name: _____
Title: _____

DATE: _____

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF ORANGE

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The foregoing instrument was acknowledged before me this ____ day of _____, 1997, by _____, as _____ of FLORIDA WATER SERVICES CORPORATION.

Signature of Notary Public

(Print Notary Name
My Commission Expires: _____
Commission No.: _____

AFFIX NOTARY STAMP

Personally known, or
 Produced Identification
Type of Identification Produced

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ORANGE COUNTY, FLORIDA

BY: _____
County Chairman

DATE: _____

**ATTEST: Martha O. Haynie as Clerk
to the Board of County Commissioners**

BY: _____
Deputy Clerk

**STATE OF FLORIDA
COUNTY OF ORANGE**

The foregoing instrument was acknowledged before me this ____ day of _____, 1997, by LINDA W. CHAPIN, as County Chairman of ORANGE COUNTY, FLORIDA, and acknowledged before me that she executed the foregoing instrument on behalf of ORANGE COUNTY, FLORIDA.

Signature of Notary Public

(Print Notary Name
My Commission Expires: _____
Commission No.: _____

- Personally known, or
 - Produced Identification
- Type of Identification Produced

AFFIX NOTARY STAMP

**FOR THE USE AND RELIANCE
OF ORANGE COUNTY ONLY.
APPROVED AS TO FORM.
_____, 1997**

Thomas A. Cloud, Utilities Counsel

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Exhibit B

A statement regarding the disposition of customer deposits and the accumulated interest thereon.

Please refer to Appendix A-1, the contract for purchase and sale, paragraph 3.7. Interest accrual on customer deposits through the date of closing will be credited to the customers' final Florida Water bills. The customer deposits (principal) will be transferred to Orange County upon closing.

Exhibit C

A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

Please refer to Appendix A-1, the contract for purchase and sale, paragraph 12, regarding any outstanding refunds/surcharges arising from Docket No. 920199-WS. At this time, no refunds or fines are outstanding. Florida Water will pay all regulatory assessment fees attributable to its Orange County operations for calendar 1997 at the time required by Rule 25-30.120(2)(a), Florida Administrative Code.

Exhibit D

A statement that the buyer (governmental authority) obtained from the utility or the Commission the utility's most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction.

Attached is a copy of the draft affidavit, Appendix D-1. A copy of the executed affidavit will be provided as a late-filed exhibit once the affidavit is signed.

Exhibit D-1

Affidavit

State of Florida)
County of Orange)

Before me, the undersigned authority, personally appeared Allan B. Ispass, P.E. and after being duly sworn, stated:

1. That I, Allan B. Ispass, P.E., am the Director of the Public Utilities Division of Orange County, Florida, and I have personal knowledge of the matters contained herein.
2. The Public Utilities Division of Orange County, Florida, has obtained from Florida Water Services Corporation ("Florida Water") the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction, to-wit: a copy of Florida Water's 1996 annual report to the Florida Public Service Commission showing Florida Water's Orange County operations.

Further Affiant sayeth not.

Allan B. Ispass, P.E., Director
Public Utilities Division
Orange County, Florida

The foregoing instrument was acknowledged before me this _____ day of December, 1997, by Allan B. Ispass, P.E., Director, Public Utilities Division, Orange County, Florida, who is personally known to me or has produced _____ identification and did/did not take an oath.

Name: _____
Notary Public
Commission No.: _____
My Commission Expires: _____

EXHIBIT E

The original and two copies of tariff sheet(s) revised to show correct service territory.

An original and two copies of revised tariff sheets reflecting the removal of Florida Water's Orange County service areas from its consolidated tariffs have been filed with the original application.

The Commission should note that it has not cancelled specific tariff sheets or taken other action on Florida Water's consolidated tariffs with respect to Collier and Hernando County service areas, presumably on the basis of the Commission's and/or the First District Court of Appeal's continuing jurisdiction over pending matters. See Section 367.171(5), Florida Statutes. The appeals of the Commission's final order in Docket No. 950495-WS, which addressed rates and charges for Florida Water's Orange County service areas, remain pending before the First District Court of Appeals.

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Effective Date:

By:


**Forrest L. Ludsen, Vice President
Business Development**

SUMMARY OF TERRITORY SERVED

Plant Name	County Name	Carl. No.	Order No.	Order Issued	Decket Number	Filing Type
Amelia Island	Nassau	171-W	19393	05/31/66	670571-WS	Transfer
Apache Shores	Citrus	189-W	1309	09/09/63	930147-WS	Additional Territory
Apache Shores	Citrus	189-W	9055	09/17/79	780981-WS(TC)	Transfer
Apache Shores	Citrus	189-W	6315	10/17/74	74261-W	Original Certificate
Apple Valley	Seminole	279-W	0414	03/27/65	930130-WS	Additional Territory
Apple Valley	Seminole	279-W	9843	03/03/61	780982-W	Additional Territory
Apple Valley	Seminole	279-W	9843	03/03/61	780913-WS	Additional Territory
Apple Valley	Seminole	279-W	9843	03/03/61	780727-W(EX)	Additional Territory
Apple Valley	Seminole	279-W	7713	03/24/77	780769-WS(EX)	Additional Territory
Apple Valley	Seminole	279-W	7588	01/17/77	750760-W	Original Certificate
Bay Lake Estates	Oceola	089-W	19182	04/20/66	871139-WU	Transf. Addl. Terr.
Beacon Hills	Duval	177-W	18512	12/08/67	851082-WS	Additional Territory
Beacon Hills	Duval	177-W	16377	07/18/66	880404-WS	Additional Territory
Beacon Hills	Duval	177-W	10636	09/03/62	810499-WS(TC)	Transf. Addl. Terr.
Beecher's Point	Pulman	078-W	1293	09/07/63	930443-WS	Additional Territory
Beecher's Point	Pulman	078-W	20499	12/20/66	880292-WS	Transf. Addl. Terr.
Buena Ventura Lakes	Oceola	089-W	1325	10/31/65	941151-WS	Transf. Addl. Terr.
Burnt Store	Charlotte/Lee	308-W	24411	04/22/61	900999-WS	Additional Territory
Burnt Store	Charlotte/Lee	308-W	21632	07/31/69	881340-WS	Transfer
Carlton Village	Lake	108-W	8075	12/02/77	770678-W(TC)	Transf. Addl. Terr.
Chulusta	Seminole	279-W	0414	03/27/65	930130-WS	Additional Territory
Chulusta	Seminole	279-W	16162	05/28/66	890595-WS	Additional Territory
Chulusta	Seminole	279-W	9866	05/05/61	780278-WS(TC)	Transf. Terr. Amend.
Citrus Park	Marion	373-W	16108	05/13/66	850878-WS	Transfer
Citrus Springs	Citrus	189-W	1309	09/09/63	930147-WS	Additional Territory
Citrus Springs	Citrus	189-W	25575	01/07/82	910882-WS	Corp. Reorg.
Citrus Springs Utilities	Citrus	211-W	22307	12/12/69	881601-WS	Transf. Org. Control
Citrus Springs Utilities	Citrus	211-W	16292	08/30/66	880872-WS	Re-issue Certificate
Citrus Springs Utilities	Citrus	211-W	10186	08/06/61	810113-WS(TC)	Transf. to Subsidiary
Citrus Springs Utilities	Citrus	211-W	6546	03/05/75	74244-W	Original Certificate
Crystal River Highlands	Citrus	189-W	1309	09/09/63	930147-WS	Additional Territory
Crystal River Highlands	Citrus	189-W	18900	02/22/66	870915-WU	Transf. Addl. Terr.
Deep Creek	Charlotte	570-W	1164	09/20/65	941301-WS	Grandfather Cert.

Effective Date:

By:

Forrest L. Ludsen
**Forrest L. Ludsen, Vice President
 Business Development**

SUMMARY OF TERRITORY SERVED (Cont.)

Plant Name	County Name	Cont. No.	Order No.	Order Issued	Deed# Number	Filing Type
Grand Terrace	Lake	108-W	24230	03/12/81	800702-WU	Additional Territory
Grand Terrace	Lake	108-W	23856	10/23/80	881320-WU	Transf; Addl. Terr.
Harmony Homes	Seminole	278-W	7588	01/17/77	780780-W	Original Certificate
Hermits Cove	Pulman	078-W	13519	07/17/84	840023-WU	Transf; Addl. Terr.
Hobby Hills	Lake	108-W	1150	08/08/83	830128-WU	Additional Territory
Hobby Hills	Lake	108-W	8078	12/02/77	770877-W(TC)	Transf; Addl. Terr.
Holiday Haven	Lake	108-W	1180	08/08/83	830128-WU	Additional Territory
Holiday Haven	Lake	108-W	20888	03/08/88	880805-WS	Transf; Addl. Terr.
Imperial Mobile Terrace	Lake	108-W	1308	08/08/83	830128-WU	Additional Territory
Imperial Mobile Terrace	Lake	108-W	21636	07/31/88	880348-WU	Transf; Addl. Terr.
Intercession City	Oceola	088-W	7512	11/18/76	760828-W(TC)	Transfer
Interlachen Lake Est.	Pulman	078-W	1283	08/07/83	830443-WS	Additional Territory
Interlachen Lake Est.	Pulman	078-W	14058	02/05/85	840388-WS	Transf; Addl. Terr.
Jungle Den	Volusia	238-W	1448	10/04/83	830153-WS	Additional Territory
Jungle Den	Volusia	238-W	20888	03/08/88	880805-WS	Transf; Addl. Terr.
Keystone Club Estates	Bradford	884-W	0713	05/10/83	821284-WU	Grandfather Cert.
Keystone Heights	Clay	003-W	15588	01/28/88	880552-WU	Transfer
Kingswood	Brevard	002-W	18505	08/18/88	880208-WU	Transfer
Lake Ajay Estates	Oceola	088-W	21200	05/08/88	881200-WU	Transf; Addl. Terr.
Lake Brantley	Seminole	278-W	0414	03/27/85	830130-WS	Additional Territory
Lake Brantley	Seminole	278-W	7588	01/17/77	780780-W	Original Certificate
Lake Harriet Estates	Seminole	278-W	0414	03/27/85	830130-WS	Additional Territory
Lake Harriet Estates	Seminole	278-W	7588	01/17/77	780780-W	Original Certificate
Lakeside	Citrus	188-W	0189	02/08/85	831122-WU	Transf; Addl. Terr.
Lakeview Villas	Clay	003-W	22915	05/08/80	881317-WU	Transf; Addl. Terr.
Lehigh	Lee	8-W	0500	04/05/83	830088-WS	Corp. Reorg.
Lehigh Utilities	Lee	8-W	25381	11/25/81	810781-WS	Transf. Org. Control
Lehigh Utilities	Lee	8-W	12167	08/23/83	830240-WS(EX)	Additional Territory
Lehigh Utilities	Lee	8-W	4837	08/08/70	70164-W	Original Certificate
Lelani Heights	Martin	388-W	0882-A	08/30/84	830888-WS	Additional Territory
Lelani Heights	Martin	388-W	0882	08/18/84	830888-WS	Additional Territory
Lelani Heights	Martin	388-W	11248	10/14/82	810084-WS(CR)	Original Certificate

Effective Date:

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Forrest L. Ludsen
**Forrest L. Ludsen, Vice President
 Business Development**

SUMMARY OF TERRITORY SERVED (Cont.)

Plant Name	County Name	Cart. No.	Order No.	Order Issued	Decket Number	Filing Type
Spring Hill	Hernando	048-W	1182	09/27/94	990768-WS	Additional Territory
Spring Hill	Hernando	048-W	0425	05/28/92	920078-WU	Additional Territory
Spring Hill	Hernando	048-W	25575	01/07/92	910882-WS	Corp. Reorg.
Spring Hill Utilities	Hernando	048-W	22307	12/12/89	891501-WS	Transf. Org. Control
Spring Hill Utilities	Hernando	048-W	21198	05/08/89	891183-WS	Territory Amend.
Spring Hill Utilities	Hernando	048-W	18005	09/14/87	870874-WS	Additional Territory
Spring Hill Utilities	Hernando	048-W	9377	05/21/80	780324-WS(TC)	Transf. to Subsidiary
Spring Hill Utilities	Hernando	048-W	4914-A	08/18/70	68394-W	Correction
Spring Hill Utilities	Hernando	048-W	4914	07/09/70	68394-W	Original Certificate
St. Johns Highlands	Pulman	078-W	14059	02/05/85	840389-WS	Transf. Addl. Terr.
Stone Mountain	Lake	108-W	15295	10/25/85	850885-WU	Additional Territory
Sugar Hill	Volusia	239-W	19841	09/22/88	870836-WS	Transfer
Sugarmill Woods	Citrus	189-W	1309	09/08/83	930147-WS	Additional Territory
Sugarmill Woods	Citrus	189-W	21831-A	11/14/89	891338-WS	Correction; Addl Terr.
Sugarmill Woods	Citrus	189-W	21831	09/02/89	891338-WS	Transf. Addl. Terr.
Sugarmill Woods	Citrus	187-W	20931	03/24/89	891347-WS	Additional Territory
Sunny Hills	Washington	901-W	25575	01/07/92	910882-WS	Corp. Reorg.
Sunny Hills Utilities	Washington	901-W	22307	12/12/89	891501-WS	Transf. Org. Control
Sunny Hills Utilities	Washington	901-W	18902	02/22/88	870884-WS	Original Certificate
Sunshine Parkway	Lake	108-W	0569	05/08/85	850183-WS	Additional Territory
Sunshine Parkway	Lake	108-W	1150	08/08/83	930129-WU	Additional Territory
Sunshine Parkway	Lake	108-W	17180	02/11/87	861177-WS	Transf. Addl Terr.
Tropical Park	Oceola	088-W	1427	11/21/84	930437-WU	Additional Territory
Tropical Park	Oceola	088-W	9883	03/17/81	780087-W(TC)	Transf. Addl. Terr.
Valencia Terrace	Lake	108-W	0288	02/28/85	840081-WS	Transf. Addl. Terr.

Effective Date:

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Forrest L. Ludsen
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Business Development**

SUMMARY OF TERRITORY SERVED (Cont.)

Plant Name	County Name	Carl No.	Order No.	Order Issued	Deebet Number	Filing Type
Venetian Village	Lake	108-W	1180	08/08/83	830128-WU	Additional Territory
Venetian Village	Lake	108-W	10108-A	07/31/81	800838-W8(MC)	Correctin; Add'l. Terr.
Venetian Village	Lake	108-W	10108	08/28/81	800838-W8(TC)	Transfer
Wetaka	Pulnam	078-W	13519	07/17/84	840023-WU	Transfr; Add'l. Terr.
Western Shores	Lake	108-W	0754-A	08/07/83	821044-WU	Correction
Western Shores	Lake	108-W	0754	08/18/83	821044-WU	Additional Territory
Western Shores	Lake	108-W	8888	12/10/80	791043-W(TC)	Supplement Order
Western Shores	Lake	108-W	9483	08/05/80	791043-W	Transfr; Add'l. Terr.
Windsong	Osceola	888-W	17031	12/30/88	880043-WU	Transfr; Add'l. Terr.
Woodmere	Duval	177-W	8808	03/31/81	810028-W8(TC)	Transfer
Wootens	Pulnam	078-W	1289	08/07/83	830443-W8	Additional Territory
Wootens	Pulnam	078-W	13519	07/17/84	840023-WU	Transfr; Add'l. Terr.
Zephyr Shores	Pasco	208-W	18248	10/05/87	870572-W8	Transfer

Effective Date:

By:

Forrest L. Ludeen
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 Business Development**

SUMMARY OF COMMUNITIES SERVED

Plant Name	County Name	Development Name
Amelia Island	Nassau	Amelia Island
Apache Shores	Citrus	Apache Shores
Apple Valley	Seminole	Apple Valley/Sanlando
Apple Valley	Seminole	Robin Hills
Apple Valley	Seminole	Sanlando Estates
Apple Valley	Seminole	Victoria Park
Bay Lake Estates	Osceola	Bay Lake Estates
Beacon Hills	Duval	Beacon Hills
Beecher's Point	Putnam	Riverbend
Buenaventura Lakes	Osceola	Buenaventura Lakes
Burnt Store	Charlotte/Lee	Burnt Store
Carlton Village	Lake	Carlton Village
Chuluota	Seminole	Chuluota
Citrus Park	Marion	Citrus Park
Citrus Park	Marion	Courtney Plaza
Citrus Park	Marion	Shadow Wood
Citrus Springs	Citrus	Citrus Springs
Crystal River Highlands	Citrus	Crystal River Highlands
Deep Creek	Charlotte	Punta Gorda Isles Section 20
Deep Creek	Charlotte	Punta Gorda Isles Section 23
Dellona	Volusia	Dellona Lakes
Dellona	Volusia	Enterprise
Dellona	Volusia	Enterprise Elementary School
Dellona	Volusia	Florida Lakes Park
Dellona	Volusia	Orange City Estate
Dol Ray Manor	Seminole	Dol Ray Manor

Effective Date:

By:


**Forrest L. Ludsen, Vice President
Business Development**

SUMMARY OF COMMUNITIES SERVED (Cont.)

Plant Name	County Name	Development Name
Druid Hills	Orange	Druid Hills
Druid Hills	Seminole	Bretton Woods
Druid Hills	Seminole	Druid Hill Park
Druid Hills	Seminole	Hidden Estates
East Lake Harris Estates	Lake	East Lake Harris Estates
Fern Park	Seminole	Fern Park
Fern Park	Seminole	Prairie Lake Heights
Fern Park	Seminole	Prairie Lake Manor
Fern Terrace	Lake	Fern Terrace
Fisherman's Haven	Martin	Fisherman's Haven
Fountains	Oceola	Fountains
Fox Run	Martin	Fox Run
Friendly Center	Lake	Friendly Center
Geneva Lake Estates	Bradford	Geneva Lake Estates
Golden Terrace	Citrus	Golden Terrace
Goepel Island	Citrus	Goepel Island
Grand Terrace	Lake	Grand Terrace
Harmony Homes	Seminole	Harmony Homes
Hermits Cove	Putnam	Hermits Cove
Hobby Hills	Lake	Hobby Hills
Holiday Haven	Lake	Holiday Haven
Imperial Mobile Terrace	Lake	Imperial Mobile Terrace
Intercession City	Oceola	Intercession City
Interlachen Lake Estates	Putnam	Interlachen Lake Estates
Jungle Den	Volusia	Jungle Den

Effective Date:

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Forrest L. Ludsen
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SUMMARY OF COMMUNITIES SERVED (Cont.)

Plant Name	County Name	Development Name
Keystone Club Estates	Bradford	Keystone Club Estates
Keystone Heights	Clay	Keystone Heights
Kingwood	Brevard	Kingwood
Lake Ajay Estates	Osceola	Lake Ajay Estates
Lake Brantley	Seminole	Lake Brantley Isles
Lake Harriet Estates	Seminole	Lake Harriet Estates
Lakeaide	Citrus	Lakeaide Country Club
Lakeview Villas	Clay	Lakeview Villas
Lehigh	Lee	Lehigh
Lelani Heights	Martin	Lelani Heights
Leisure Lakes	Highlands	Covered Bridge
Marco Island	Collier	Key Marco
Marco Island	Collier	Marco Beach
Marco Island	Collier	Marco Island
Marco Shores	Collier	Marco Shores
Marco Shores	Collier	Marco Shores Air Terminal
Marion Oaks	Marion	Marion Oaks
Meredith Manor	Seminole	Brantley Harbor
Meredith Manor	Seminole	East Lake Brantley Shores
Meredith Manor	Seminole	Gene Gables
Meredith Manor	Seminole	Golfview Estates
Meredith Manor	Seminole	Mobile Manor
Meredith Manor	Seminole	Saniendo Estates
Morningview	Lake	Morningview
Oak Forest	Citrus	Oak Forest

Effective Date:

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Forrest L. Ludeen
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 Business Development**

SUMMARY OF COMMUNITIES SERVED (Cont.)

Plant Name	County Name	Development Name
Salt Springs	Marion	American Resort
Salt Springs	Marion	Salt Springs
Semira Villas	Marion	Semira Villas
Saratoga Harbour	Putnam	Saratoga Harbour
Silver Lake Estates	Lake	Scottish Highland
Silver Lake Estates	Lake	Silver Lake Estates
Silver Lake Oaks	Putnam	Silver Lake Oaks
Skycrest	Lake	Skycrest
Spring Gardens	Citrus	Spring Gardens
Spring Hill	Hernando	Preston Hollow
Spring Hill	Hernando	Spring Hill
Spring Hill	Hernando	Timber Ridge
St. Johns Highlands	Putnam	St. Johns Highlands
Stone Mountain	Lake	Stone Mountain
Sugar Mill	Volusia	Sugar Mill
Sugarmill Woods	Citrus	Sugarmill Woods
Sunny Hills	Washington	Sunny Hills
Sunshine Parkway	Lake	Sunshine Parkway
Tropical Park	Osceola	Tropical Park
Valencia Terrace	Lake	Valencia Terrace
Venetian Village	Lake	Venetian Village

Effective Date:

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Forrest L. Ludeen
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Business Development**

SUMMARY OF COMMUNITIES SERVED (Cont.)

Plant Name	County Name	Development Name
Welaka	Putnam	Welaka Mobile Home Park
Western Shores	Lake	Western Shores
Windsong	Oceola	Windsong
Woodmere	Duval	Woodmere
Wootens	Putnam	Wootens
Zephyr Shores Zephyr Shores	Pasco Pasco	American Condominium Park Zephyr Shores

Effective Date:

By:


**Forrest L. Ludeen, Vice President
Business Development**

ORANGE COUNTY

Territory Served

Plant Name	Cert. No.	Order No.	Order Issued	Docket Number	Filing Type
Druid Hills	084-W	0687	06/08/95	930439-W8	Additional Territory

Effective Date:

By:

Forrest L. Ludeen
**Forrest L. Ludeen, Vice President
Business Development**

ORANGE COUNTY

Communities Served

**Plant
Name**

**Development
Name**

Druid Hills

Druid Hills

Effective Date:

By:

Forrest L. Ludsen
**Forrest L. Ludsen, Vice President
Business Development**

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INDEX OF RATE SCHEDULES

**ES = Emergency Service
PA = Public Authority**

**GS = General Service
PF = Private Fire
RW = Raw Water**

**MF = Multi-Family Master Meter
RG = Residential and General**

Plant	County	Schedules	Sheet No.'s
Amelia Island	Nassau	RG, MF, PF	2.0 - 2.3
Apache Shores	Citrus	RG, MF, PF	3.0 - 3.3
Apple Valley	Seminole	RG, MF, PF	4.0 - 4.3
Bay Lake Estates	Osceola	RG, MF, PF	5.0 - 5.3
Beecon Hills	Duval	RG, MF, PF	6.0 - 6.3
Beecher's Point	Putnam	RG, MF, PF	7.0 - 7.3
Buena Ventura Lakes	Osceola	RG, MF, PF	8.0 - 8.3
Burnt Store	Charlotte/Lee	RG, MF, PA, PF	9.0 - 9.3
Carlton Village	Lake	RG, MF, PF	10.0 - 10.3
Chuluota	Seminole	RG, MF, PF	11.0 - 11.3
Citrus Park	Marion	RG, MF, PF	12.0 - 12.3
Citrus Springs	Citrus	RG, MF, PF	13.0 - 13.3
Crystal River Highlands	Citrus	RG, MF, PF	14.0 - 14.3
Deep Creek	Charlotte	RG, MF, PF	16.0 - 16.3
Deltona	Volusia	RG, MF, PF	17.0 - 17.3
Dol Ray Manor	Seminole	RG, MF, PF	18.0 - 18.3
Druid Hills	Seminole	RG, MF, PF	19.0 - 19.3
East Lake Harris Estates	Lake	RG, MF, PF	20.0 - 20.3
Fern Park	Seminole	RG, MF, PF	21.0 - 21.3
Fern Terrace	Lake	RG, MF, PF	22.0 - 22.3
Fisherman's Haven	Martin	RG, MF, PF	23.0 - 23.3
Fountains	Osceola	RG, MF, PF	24.0 - 24.3
Fox Run	Martin	RG, MF, PF	25.0 - 25.3
Friendly Center	Lake	RG, MF, PF	26.0 - 26.3
Geneva Lake Estates	Bradford	RG, MF, PF	27.0 - 27.3
Gibsonia Estates	Polk	RG, MF	28.0 - 28.1
Golden Terrace	Citrus	RG, MF, PF	29.0 - 29.3
Gospel Island Estates	Citrus	RG, MF, PF	30.0 - 30.3
Grand Terrace	Lake	RG, MF, PF	31.0 - 31.3
Harmony Homes	Seminole	RG, MF, PF	32.0 - 32.3
Hermits Cove	Putnam	RG, MF, PF	33.0 - 33.3
Hobby Hills	Lake	RG, MF, PF	34.0 - 34.3
Holiday Haven	Lake	RG, MF, PF	35.0 - 35.3
Imperial Mobile Terrace	Lake	RG, MF, PF	37.0 - 37.3
Intercession City	Osceola	RG, MF, PF	38.0 - 38.3
Interlachen Lakes/Park Manor	Putnam	RG, MF, PF	39.0 - 39.3

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By: 
**Forrest L. Ludeen, Vice President
 Business Development**

INDEX OF RATE SCHEDULES

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Keystone Club Estates	Bradford	RG, MF, PF	41.0 - 41.3
Keystone Heights	Clay	RG, MF, PF	42.0 - 42.3
Kingwood	Brevard	RG, MF, PF	43.0 - 43.3
Lake Ajay Estates	Osceola	RG, MF, PF	44.0 - 44.3
Lake Branley	Seminole	RG, MF, PF	45.0 - 45.3
Lake Gibson Estates	Polk	RG, MF	47.0 - 47.1
Lake Harriet Estates	Seminole	RG, MF, PF	48.0 - 48.3
Lakeside	Citrus	RG, MF, PF	49.0 - 49.3
Lakeview Villas	Clay	RG, MF, PF	50.0 - 50.3
Lehigh	Lee	RG, MF, PF	51.0 - 51.3
Leland Heights	Martin	RG, MF, PF	52.0 - 52.3
Leisure Lakes (Covered Bridge)	Highlands	RG, MF, PF	53.0 - 53.3
Marco Island	Collier	RG, MF, PF, RW	54.0 - 54.5
Marco Shores	Collier	RG, MF, PF	55.0 - 55.3
Marion Oaks	Marion	RG, MF, PF	56.0 - 56.3
Meredith Manor	Seminole	RG, MF, PF	57.0 - 57.3
Morningview	Lake	RG, MF, PF	58.0 - 58.3
Oak Forest	Citrus	RG, MF, PF	59.0 - 59.3
Oakwood	Brevard	RG, MF, PF	60.0 - 60.3
Orange Hill/Sugar Creek	Polk	RG, MF	61.0 - 61.1
Palisades Country Club	Lake	RG, MF, PF	62.0 - 62.3
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Palm Terrace	Pasco	RG, MF, PF	64.0 - 64.3
Palm Valley	St. Johns	RG, MF, PF	65.0 - 65.3
Palm Mobile Home Park	Lake	RG, MF, PF	66.0 - 66.3
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Pine Ridge	Citrus	RG, MF, PF	68.0 - 68.3
Pine Ridge Estates	Osceola	RG, MF, PF	69.0 - 69.3
Piney Woods	Lake	RG, MF, PF	70.0 - 70.3
Point O' Woods	Citrus	RG, MF, PF	71.0 - 71.3
Pomona Park	Putnam	RG, MF, PF	72.0 - 72.3
Postmaster Village	Clay	RG, MF, PF	73.0 - 73.3
Quail Ridge	Lake	RG, MF, PF	74.0 - 74.3

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<u>Plant</u>	<u>County</u>	<u>Schedules</u>	<u>Sheet No.'s</u>
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River Grove	Putnam	RG, MF, PF	76.0 - 76.3
Rosemont/Rolling Green	Citrus	RG, MF, PF	77.0 - 77.3
Salt Springs	Marion	RG, MF, PF	78.0 - 78.3
Semira Villas	Marion	RG, MF, PF	79.0 - 79.3
Silver Lake Est./Western Shores	Lake	RG, MF, PF	80.0 - 80.3
Silver Lake Oaks	Putnam	RG, MF, PF	81.0 - 81.3
Skycrest	Lake	RG, MF, PF	82.0 - 82.3
Spring Gardens	Citrus	RG, MF, PF	83.0 - 83.3
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St. Johns Highlands	Putnam	RG, MF, PF	85.0 - 85.3
Stone Mountain	Lake	RG, MF, PF	86.0 - 86.3
Sugar Mill	Volusia	RG, MF, PF	87.0 - 87.3
Sugarmill Woods	Citrus	RG, MF, PF	88.0 - 88.3
Sunny Hills	Washington	RG, MF, PF	89.0 - 89.3
Sunshine Parkway	Lake	GS, PF	90.0 - 90.3
Tropical Park	Osceola	RG, MF, PF	91.0 - 91.3
Valencia Terrace	Lake	RG, MF, PF	93.0 - 93.3
Venetian Village	Lake	RG, MF, PF	94.0 - 94.3
Volusia/Baratoga Harbour	Putnam	RG, MF, PF	95.0 - 95.3
Windsong	Osceola	RG, MF, PF	97.0 - 97.3
Woodmere	Duval	RG, MF, PF	98.0 - 98.3
Wootens	Putnam	RG, MF, PF	99.0 - 99.3
Zephyr Shores	Pasco	RG, MF, PF	100.0 - 100.3

Effective Date:

By:

Forrest L. Ludeen

**Forrest L. Ludeen, Vice President
Business Development**

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**Forrest L. Hudson, Vice President
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Forrest L. Ludsen
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**Forrest L. Hudson, Vice President
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Business Development**

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Effective Date:

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Business Development

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**Forrest L. Ludeen, Vice President
Business Development**

SERVICE AVAILABILITY CHARGES

Allowance For Funds Prudently Invested (Cont.)

Hold For Future Use

Effective Date:

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Forrest L. Ludeen
**Forrest L. Ludeen, Vice President
Business Development**

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Effective Date:

By: 
Forrest L. Ludsen, Vice President
Business Development

SERVICE AVAILABILITY CHARGES

Allowance For Funds Prudently Invested (Cont.)

Hold For Future Use

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Forrest L. Ludeen
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SERVICE AVAILABILITY CHARGES

Allowance For Funds Prudently Invested (Cont.)

Held For Future Use

Effective Date:

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Forrest L. Ludeen
**Forrest L. Ludeen, Vice President
Business Development**

SERVICE AVAILABILITY CHARGES

Allowance For Funds Prudently Invested (Cont.)

Hold For Future Use

Effective Date:

By:

Forrest L. Ludden
**Forrest L. Ludden, Vice President
Business Development**

SERVICE AVAILABILITY CHARGES

Allowance For Funds Prudently Invested (Cont.)

Hold For Future Use

Effective Date:

By:

Forrest L. Ludson
**Forrest L. Ludson, Vice President
Business Development**

SERVICE AVAILABILITY CHARGES

AVAILABILITY: List of Plants (Reference from Sheet No. 3.0) - cont.

<u>Plant</u>	<u>County</u>
Jungle Den	Volusia
Keystone Club Estates	Bradford
Keystone Heights	Clay
Kingswood	Brevard
Lake Ajay Estates	Osceola
Lake Brantley	Seminole
Lake Gibson Estates	Polk
Lake Harriet Estates	Seminole
Lakeside	Citrus
Lakeview Villas	Clay
Lehigh	Lee
Lelani Heights	Martin
Leisure Lakes	Highlands
Marco Island	Collier
Marco Shores	Collier
Marion Oaks	Marion
Meredith Manor	Seminole
Morningview	Lake
Oak Forest	Citrus
Oakwood	Brevard
Orange Hill/Sugar Creek	Polk
Palleades Country Club	Lake
Palm Port	Putnam
Palm Terrace	Pasco
Palm Valley	St. Johns
Palm Mobile Home Park	Lake
Piccola Island	Lake
Pine Ridge	Citrus
Pine Ridge Estates	Osceola
Piney Woods	Lake
Point O' Woods	Citrus
Pomona Park	Putnam
Postmaster Village	Clay
Quail Ridge	Lake
Remington Forest	St. Johns

Effective Date:

By:

Forrest L. Ludeen
**Forrest L. Ludeen, Vice President
Business Development**

SERVICE AVAILABILITY CHARGES

AVAILABILITY: List of Plants (Reference from Sheet No. 3.0)

<u>Plant</u>	<u>County</u>
Amelia Island	Nassau
Apache Shores	Citrus
Apple Valley	Seminole
Bay Lake Estates	Osceola
Beacon Hills	Duval
Beecher's Point	Putnam
Buena Ventura Lakes	Osceola
Burnt Store	Charlotte/Lee
Carlton Village	Lake
Chuluota	Seminole
Citrus Park	Marion
Citrus Springs	Citrus
Crystal River Highlands	Citrus
Deep Creek	Charlotte
Deltona	Volusia
Dol Ray Manor	Seminole
Druid Hills	Seminole
East Lake Harris Estates	Lake
Fern Park	Seminole
Fern Terrace	Lake
Fisherman's Haven	Martin
Fountains	Osceola
Fox Run	Martin
Friendly Center	Lake
Geneva Lake Estates	Bradford
Gibsonia Estates	Polk
Golden Terrace	Citrus
Gospel Island Estates	Citrus
Grand Terrace	Lake
Harmony Homes	Seminole
Hermita Cove	Putnam
Hobby Hills	Lake
Holiday Haven	Lake
Imperial Mobile Terrace	Lake
Intercession City	Osceola
Interlachen Lake Estates/Park Manor	Putnam

Effective Date:

By: 
**Forrest L. Ludsen, Vice President
Business Development**

CUSTOMER DEPOSITS (Cont.)

SYSTEM NAME	COUNTY	DEPOSIT
Amelia Island	Nassau	\$50.00
Apache Shores	Citrus	
Apple Valley	Seminole	
Bay Lake Estates	Osceola	\$10.00
Beacon Hills	Duval	
Beecher's Point	Putnam	\$20.00
Buena Ventura Lakes	Osceola	\$35.00
Burnt Store	Charlotte/Lee	\$30.00
Carlton Village	Lake	
Chuluota	Seminole	
Citrus Park	Marion	
Citrus Springs	Citrus	
		5/8" x 3/4": \$20; 1": \$30; 1 1/2": add; 2" and over: \$100
Crystal River Highlands	Citrus	
Deep Creek	Charlotte	\$100.00
Deltona	Volusia	\$20.00
Dol Ray Manor	Seminole	
Druid Hills	Seminole	
East Lake Harris Estates	Lake	
Fern Park	Seminole	
Fern Terrace	Lake	
Fisherman's Haven	Martin	\$10.00
Fountains	Osceola	
Fox Run	Martin	
Friendly Center	Lake	
Geneva Lake Estates	Bradford	\$45.00
Gibsonia Estates	Polk	\$20.00
Golden Terrace	Citrus	
Gospel Island Estates	Citrus	\$40.00
Grand Terrace	Lake	\$40.00
Harmony Homes	Seminole	
Hermits Cove	Putnam	
Hobby Hills	Lake	
Holiday Haven	Lake	
Imperial Mobile Terrace	Lake	\$35.00
Intercession City	Osceola	
Interlachen Lakes/Park Manor	Putnam	
Jungle Den	Volusia	\$25.00

Effective Date:

By:

Forrest L. Ludeen
**Forrest L. Ludeen, Vice President
 Business Development**

SERVICE AVAILABILITY CHARGES

AVAILABILITY: List of Plants (Reference from Sheet No. 3.2) - cont.

<u>Plant</u>	<u>County</u>
River Grove	Putnam
Rosemont/Rolling Green	Citrus
Salt Springs	Marion
Samira Villas	Marion
Silver Lake Estates/Western Shores	Lake
Silver Lake Oaks	Putnam
Skycrest	Lake
Spring Gardens	Citrus
St. Johns Highlands	Putnam
Stone Mountain	Lake
Sugar Mill	Volusia
Sugarmill Woods	Citrus
Sunny Hills	Washington
Sunshine Parkway	Lake
Tropical Park	Osceola
Valencia Terrace	Lake
Venetian Village	Lake
Weika/Saratoga Harbour	Putnam
Windsong	Osceola
Woodmere	Duval
Woolens	Putnam
Zephyr Shores	Pasco

Effective Date:

By:


**Forrest L. Ludeen, Vice President
Business Development**

CUSTOMER DEPOSITS (Cont.)

SYSTEM NAME	COUNTY	DEPOSIT
Keystone Club Estates	Bradford	\$30.00
Keystone Heights	Clay	
Kingswood	Brevard	\$15.00
Lake Ajay Estates	Osceola	\$50.00
Lake Branley	Seminole	
Lake Gibson Estates	Polk	\$25.00
Lake Harriet Estates	Seminole	
Lakeside	Citrus	\$50.00
Lakeview Villas	Clay	\$10.00
Lehigh	Lee	\$35.00
Lefani Heights	Martin	
Leisure Lakes (Covered Bridge)	Highlands	\$30.00
Marco Island	Collier	\$25.00
Marco Shores	Collier	\$25.00
Marion Oaks	Marion	\$20.00
Meredith Manor	Seminole	
Morningview	Lake	
Oak Forest	Citrus	
Oakwood	Brevard	\$15.00
Orange Hill/Sugar Creek	Polk	\$40.00
Palisades Country Club	Lake	
Palm Port	Putnam	
Palm Terrace	Pasco	\$10.00
Palm Valley	St. Johns	\$25.00
Palms Mobile Home Park	Lake	
Piccola Island	Lake	
Pine Ridge Estates	Osceola	
Pine Ridge	Citrus	5/8" x 3/4": \$20; 1": \$30; 1 1/2": \$50 2" and over: \$100
Piney Woods	Lake	
Point O' Woods	Citrus	\$30.00
Pomona Park	Putnam	
Postmaster Village	Clay	
Quail Ridge	Lake	\$25.00
Remington Forest	St. Johns	\$25.00
River Grove	Putnam	
Rosemont/Rolling Green	Citrus	\$30.00
Salt Springs	Marion	

Effective Date:

By:

Forrest L. Ludeen
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Business Development

CUSTOMER DEPOSITS (Cont.)

<u>SYSTEM NAME</u>	<u>COUNTY</u>	<u>DEPOSIT</u>
Samira Villas	Marion	\$50.00
Silver Lake Oaks	Putnam	\$30.00
Silver Lake Estates/Western Shores	Lake	\$10.00
Skycrest	Lake	
Spring Gardens	Citrus	\$30.00 (Res) \$60.00 (Gen Svc)
Spring Hill	Herando	\$20.00
St. Johns Highlands	Putnam	
Stone Mountain	Lake	
Sugar Mill	Volusia	\$63.00
Sugarmill Woods	Citrus	\$10.00
Sunny Hills	Washington	\$25.00
Sunshine Parkway	Lake	
Tropical Park	Osceola	
Valencia Terrace	Lake	\$10.00
Venetian Village	Lake	
Wetaka/Sarasota Harbour	Putnam	
Windsong	Osceola	
Woodmere	Duval	
Wooters	Putnam	
Zephyr Shores	Pasco	

Effective Date:

By:


**Forrest L. Ludeen, Vice President
Business Development**

UTILITY TAX RIDER

<u>COUNTY</u>	<u>PLANT</u>	<u>TYPE OF TAX</u>	<u>RATE OF TAX</u>
Duval	Beacon Hills Woodmere	Jacksonville Public Service Tax	10.0%
Seminole	Apple Valley Chuluota Del Ray Manor Druid Hills Fern Park Harmony Homes Lake Branley Lake Harriet Estates Meredith Manor	Public Service Tax	4.0%

Effective Date:

By:


**Forrest L. Ludeen, Vice President
Business Development**

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Effective Date:

By:


**Forrest L. Ludsen, Vice President
Business Development**

SUMMARY OF TERRITORY SERVED (Cont.)

Plant Name	County Name	Cart. No.	Order No.	Order Issued	Debit Number	Filing Type
Valencia Terrace	Lake	120-S	0288	02/28/85	840081-WS	Transfer; Add'l. Terr.
Venetian Village	Lake	120-S	10108-A	07/31/81	800636-WS(MC)	Correctn; Add'l. Terr.
Venetian Village	Lake	120-S	10108	08/29/81	800636-WS(TC)	Transfer
Woodmere	Duval	124-S	8809	03/31/81	810028-WS(TC)	Transfer
Zephyr Shores	Pasco	154-S	18243	10/05/87	870572-WS	Transfer

Effective Date:

By:

Forrest L. Ludeen
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Business Development**

SUMMARY OF COMMUNITIES SERVED (Cont.)

Plant Name	County Name	Development Name
Valencia Terrace	Lake	Valencia Terrace
Venetian Village	Lake	Venetian Village
Woodmere	Duval	Woodmere
Zephyr Shores	Pasco	Zephyr Shores

Effective Date:

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**Forrest L. Ludeen, Vice President
Business Development**

INDEX OF RATES SCHEDULES

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Effective Date:

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**Forrest L. Ludeen, Vice President
Business Development**

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Effective Date:

By: *Forrest L. Hudson*
**Forrest L. Hudson, Vice President
 Business Development**

SERVICE AVAILABILITY CHARGES

Allowance For Funds Prudently Invested (Cont.)

Held For Future Use

Effective Date:

By:


**Forrest L. Ludden, Vice President
Business Development**

SERVICE AVAILABILITY CHARGES

AVAILABILITY: List of Plants (Reference from Sheet No. 3.0) - cont.

<u>Plant</u>	<u>County</u>
Salt Springs	Marion
Silver Lake Oaks	Putnam
South Forty	Marion
Spring Gardens	Citrus
Sugar Mill	Volusia
Sugarmill Woods	Citrus
Sunny Hills	Washington
Sunshine Parkway	Lake
Tropical Isles	St. Lucie
Valencia Terrace	Lake
Venetian Village	Lake
Woodmere	Duval
Zephyr Shores	Pasco

Effective Date:

By:


**Forrest L. Lutzon, Vice President
Business Development**

**FLORIDA WATER SERVICES CORPORATION
WASTEWATER TARIFF**

**VOLUME II SECTION VII
1st Revised Sheet No. 3.1
Cancels Original Sheet No. 3.1**

CUSTOMER DEPOSITS (Cont.)

<u>SYSTEM NAME</u>	<u>COUNTY</u>	<u>DEPOSIT</u>
Amelia Island	Nassau	
Apache Shores	Citrus	
Apple Valley	Seminole	
Beacon Hills	Duval	
Beecher's Point	Putnam	\$30.00
Buenaventura Lakes	Osceola	\$15.00 (Res)
Burnt Store	Charlotte/Lee	\$30.00
Chuluota	Seminole	
Citrus Park	Marion	
Citrus Springs	Citrus	\$30.00
Deep Creek	Charlotte	\$100.00
Deltona	Volusia	\$30.00
Fisherman's Haven	Martin	\$10.00
Florida Central Commerce Park	Seminole	
Fox Run	Martin	
Holiday Haven	Lake	\$25.00
Jungle Den	Volusia	\$25.00
Lake Gibeon Estates	Polk	\$35.00
Lehigh	Lee	\$50.00
Lelani Heights	Martin	
Leisure Lakes (Covered Bridge)	Highlands	\$30.00
Marco Island	Collier	\$25.00
Marco Shores	Collier	\$25.00
Marion Oaks	Marion	\$30.00
Meredith Manor	Seminole	
Morningview	Lake	
Palm Port	Putnam	
Palm Terrace	Pasco	\$10.00
Park Manor	Putnam	
Point O' Woods	Citrus	\$30.00
Salt Springs	Marion	
Silver Lake Oaks	Putnam	\$30.00
South Forty	Marion	
Spring Gardens	Citrus	\$37.00 (Res) \$120.00 (Gen Svc)
Spring Hill	Hernando	\$30.00
Super Mill	Volusia	\$63.00
Sugarmill Woods	Citrus	\$10.00
Sunny Hills	Washington	\$25.00
Sunshine Parkway	Lake	
Tropical Isles	St. Lucie	\$25.00
Valencia Terrace	Lake	\$10.00
Venetian Village	Lake	
Woodmere	Duval	
Zephyr Shores	Pasco	

Effective Date:

By:

Forrest L. Ludsen
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Business Development