

*NOTE: No check enclosed APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER OF CERTIFICATE OR FACILITIES

-3/20 CTC (Pursuant to Section 367.071, Florida Statutes)

TO: Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RECEIVED FPSC
15 MAR 20 AM 9:17
COMMISSION CLERK

The undersigned hereby makes application for the sale, assignment or transfer of (all or part) of Water Certificate No.

490-W and/or Wastewater Certificate No. 425-S or facilities in MARION County, Florida, and submits

the following information:

PART I APPLICANT INFORMATION

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

East Marion Sanitary Systems, Inc.

Name of utility

(352) 625-0117

Phone No.

Fax No.

4225 Miller Rd #190

Office street address

Flint

MI

46507

City

State

Zip Code

Mailing address if different from street address

Internet address if applicable

*Plus two tariffs:

- COM
- AFD
- APA
- ECO
- ENG 2*
- GCL
- IDM
- TEL
- CLK

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

Michael Smallridge (352) 302-7406.

Name Phone No.

3336 Grand Blvd # 102

Street address

Holiday FL 34690.

City State Zip Code

C) The full name (as it will appear on the certificate), address and telephone number of the buyer:

East Marion Utilities, LLC.

Name of utility

(352) 302-7406

Phone No.

()

Fax No.

3336 Grand Blvd suite #102

Office street address

Holiday FL 34690.

City State Zip Code

Mailing address if different from street address

Internet address if applicable

D) Indicate the organizational character of the buyer: (circle one)

Corporation

Partnership

Sole Proprietorship

Other:

LLC

(specify)

E) The date and state of incorporation or organization of the buyer:

The Date is 1/12/15, organized as AN
LLC.

F) If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheet if necessary).

Michael Smalridge
3336 Grand Blvd
Suite 102
Holiday FL 34690

G) If the buyer is not a corporation, list the names, titles, and addresses of all persons owning an interest in the organization. (Use additional sheet if necessary.)

PART II FINANCIAL AND TECHNICAL INFORMATION

A) Exhibit 1 - A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

West Lakeland Wastewater, Inc - Polk County

Pinecrest Utilities, LLC - Polk County

Holiday Gardens & Crestrodge Utilities - App. Pending

- ✓ C) Exhibit 2 - A copy of the contract for sale and all auxiliary or supplemental agreements, which shall include, if applicable:

- (1) Purchase price and terms of payment.
- (2) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (a) Customer deposits and interest thereon;
- (b) Any guaranteed revenue contracts;
- (c) Developer agreements;
- (d) Customer advances;
- (e) Debt of the utility; and
- (f) Leases.

- ✓ D) Exhibit 3 - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

- ✓ E) Exhibit 4 - A statement describing the financing the purchase.

- ✓ F) Exhibit 5 - A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

PSC-02-
1168-PAA-LS
AUG 26 2002

✓ G) Exhibit 6 - The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. _____ Identify all adjustments made to update this rate base (or net book value) to the date of the proposed transfer.

✓ H) Exhibit 7 - A statement setting forth the reasons for the inclusion of an acquisition adjustment, if one is requested. (An acquisition adjustment results when the purchase price of the utility differs from the original cost calculation.)

I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

Michael Smallridge (352) 302 7406
Name Phone No.
3336 Grand Blvd Suite # 102
Street address
Holiday FL 34690
City State Zip Code

J) Exhibit N/A. - If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.

✓ K) Exhibit 8 - A statement from the buyer that is has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

L) Exhibit 9. - A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental

Protection (DEP)

If the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them.

PART III NOTICE OF ACTUAL APPLICATION

- A) Exhibit 10. - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:
- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
 - (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
 - (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
 - (4) the regional planning council;
 - (5) the Office of Public Counsel;
 - (6) the Public Service Commission's Office of Commission Clerk;
 - (7) the appropriate regional office of the Department of Environmental Protection; and
 - (8) the appropriate water management district.

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

B) Exhibit 11 - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

C) Exhibit 12 - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

PART IV FILING FEE

Indicate the filing fee enclosed with the application:

\$750 (for water) and \$750. (for wastewater).

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

- (1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be **\$750.**
- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500.**
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be **\$2,250.**
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be **\$3,000.**

PART V OTHER

- A) Exhibit 13 - Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.
- B) Exhibit 14 - The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems. **Sample tariff(s) are attached.**
- C) Exhibit 15 - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

PART VI AFFIDAVIT

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

BY: Michael Smallridge
Applicant's Signature

Michael Smallridge
Applicant's Name (Typed)

MANAGING MEMBER
Applicant's Title *

Subscribed and sworn to before me this 17 day in the month of March in the year of 2015 by Michael Smallridge who is personally known to me or produced identification

DL#
Type of Identification Produced



Evelyn E. Alicea
Notary Public's Signature

EVELYN E ALICEA
Print, Type or Stamp Commissioned Name of Notary Public

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

EXHIBIT 1.

1. The transfer is in the public interest because the new owner is experienced in Public Service Commission regulated utilities being previously approved by the commission for Pinecrest Utilities and West Lakeland Wastewater, Inc. Owner has been previously appointed as a court ordered receiver for water and wastewater utilities and has had multiple governor appointed positions including the statewide committee for Investor owned water and wastewater utilities.
2. A showing of the buyers' financial ability. To be provided separately as this is confidential information not to be made part of the public record.
3. The buyer will fulfill the commitments, obligations and representations of the seller with regards to utility matters.

EXHIBIT 2.

1. Enclosed.
2. There are no guaranteed revenue contracts.
3. There are no developer agreements.
4. There are no customer advances.

Bill of Sale

Date: 01/09/2015

I, the undersigned seller, Herbert Hein, Trustee, for the sum of \$107,000.00 (One Hundred and Seven thousand dollars) sell to the undersigned buyer, Florida Utility Services 1, LLC the following items:

All pumps, Tanks, transmission lines, valves, blowers, lift stations and rights that belonged to East Marion Sanitary Systems Inc., located in Marion county to supply water and sewer services to Lakeview Woods Subdivision.

The undersigned seller affirms that the above information is accurate to the best his knowledge.

The undersigned buyer accepts receipt of this Bill of Sale and understands that the above Items are sold in "as is" condition with no guarantees or warranties, either expressed or implied.

Seller's name : Herbert Hein Trustee

Seller's signature:  TTEE

Street address: 4225 Miller Road, Suite 190

City: Flint State: Michigan Zip: 48507

Phone # 810 733-6342

Buyer's name: Florida Utility Services 1, LLC

Buyer's signature  AS: Managing Member.

Street address: 3336 Grand Blvd, Suite 102

City: Holiday State: Florida Zip: 346900

Phone

PROMISSORY NOTE

\$97,000.00

01/09/2015

FOR VALUE RECEIVED, the undersigned, Florida Utility Services 1, LLC, hereby promises to pay to the order of **Sam I Am Trust**, the principal sum of \$97,000.00 Dollars pursuant to the terms and conditions set forth herein.

PAYMENT OF PRINCIPAL. The principal amount of this Promissory Note (the "Note") and any accrued but unpaid interest shall be due and payable in 120 equal monthly installments, in the amount of \$1077.00 per month, starting 02/09/2015. All payments under this Note shall be applied first to any unpaid rent payment pursuant to the attached lease, then accrued but unpaid interest, and next to any unpaid late charges, then to any outstanding principal. If not sooner paid, the entire remaining indebtedness (including accrued interest) shall be due and payable on 03/09/2025. Sam I am Trust hereby agrees to make rent payments as received in a timely fashion.

ADDRESS. Payments shall be paid to the Sam I am Trust or assigns and mailed to 4225 Miller Road, Suite 190, Flint, MI 48507 or to such address as may be directed from time to time or deposited into a financial institution at the direction of note holder.

LATE CHARGE. Maker shall pay a late charge on any payment that is 5 days late in the amount of \$150.00 per late payment.

INTEREST. This Note shall bear interest, compounded annually, at six percent, (6%), provided payments are not late or past due. Interest rate to increase by 2 percent every time a payment is more than 15 days late. Should any payment be more than 30 days late interest, rate to be 18 percent from then on. Entire balance shall be due on demand anytime any payment is more than 45 days late.

PREPAYMENT. The Maker shall have the right at any time and from time to time to prepay this Note in whole or in part without premium or penalty.

REMEDIES. No delay or omission on part of the holder of this Note in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Payee shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Payee.

EVENTS OF ACCELERATION. The occurrence of any of the following shall constitute an "Event of Acceleration" by Maker under this Note:

- (a) Maker's failure to pay any part of the principal or interest as and when due under this Note; or
- (b) Maker's becoming insolvent or not paying its debts as they become due; or;

- (c) Maker does not pay any installment of rent due pursuant to the attached lease on which the Utility equipment is located on in Silver Springs Florida.

ACCELERATION. Upon the occurrence of an Event of Acceleration under this Note, and in addition to any other rights and remedies that Payee may have, Payee shall have the right, at its sole and exclusive option, to declare this Note immediately due and payable.

SUBORDINATION. The Maker's obligations under this Promissory Note are subordinated to all indebtedness, if any, of Maker, to any unrelated third party lender to the extent such indebtedness is outstanding on the date of this Note and such subordination is required under the loan documents providing for such indebtedness.

WAIVERS BY MAKER. All parties to this Note including Maker and any sureties, endorsers, and guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

EXPENSES. In the event any payment under this Note is not paid when due, the Maker agrees to pay, in addition to the principal and interest hereunder, actual attorneys' fees, plus all other reasonable expenses incurred by Payee in exercising any of its rights and remedies upon default.

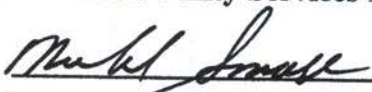
TIME IS OF THE ESSENCE. Time is of the essence with respect to each and every provision of this agreement in which time is a factor.

GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of Florida.

SUCCESSORS. All of the foregoing is the promise of Maker and shall bind Maker and Maker's successors, heirs and assigns as well as Mike Smallridge personally; provided, however, that Maker may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note.

IN WITNESS WHEREOF, Maker has executed this Promissory Note as of the day and year written below.

Maker: Florida Utility Services 1, LLC

BY: 

Date: 1-9-15

Maker: Mike Smallridge

Date: _____

**AGREEMENT FOR PURCHASE AND SALE
OF UTILITY SYSTEM ASSETS**

THIS AGREEMENT ("Agreement") is by and between Florida Utility Services 1, LLC, whose mailing address is 3336 Grand Blvd. Suite 102 Holiday Florida 346900 (collectively "Buyer") and East Marion Sanitary Systems, whose mailing address is 4225 Miller Road Flint Michigan 48507 ("Seller").

For good and valuable consideration, including the mutual promises contained herein, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. PURCHASED ASSETS. Buyer shall buy from Seller, and Seller shall sell to Buyer, the assets of the "Utility System," known as "East Marion Sanitary Systems, INC," as described below.

2. CLOSING DATE. This transaction shall be closed on or before January 9, 2015, unless extended by the parties.

3. PURCHASE PRICE. On the Closing Date, Buyer shall pay to Seller, subject to the additions, adjustments and pro-rations referenced in this Agreement as follows: \$107,000.00 ("Purchase Price"). Which shall be payable with \$10,000 down payment, 6% interest for 10 years. Subject to the terms and conditions of the note. Any payments made will first be applied to lease payments for the land, then to payments owed for purchase of the assets. Mike Smallridge shall personally guarantee all payments and obligations of Buyer

4. THE UTILITY SYSTEM. The "Utility System" means all of Seller's rights, title, and interest in and to: all assets (including parts and tools, if any), and rights, constituting the Utility System, including, but not limited to: all Customer Accounts and accounts receivables billed after the Closing Date; all wells, pumps and/or tanks, all water distribution facilities, water treatment facilities of every kind that constitute any part of the Utility System, including but not limited to generators, pumps, plants, tanks, transmission mains, distribution mains, supply pipes, collection pipes or facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, wherever they may be stored, together with all additions or replacements thereto; all certificates, permits, license rights, leaseholds, and similar rights relating to the construction, maintenance, and operation of the Utility System; all water rights, flowage rights and all renewals, extensions, additions or modifications of any of the foregoing; together with all rights granted to Seller under any Certificates; all supplier lists, customer records, and, to the extent that they exist, all prints, blueprints, plans, engineering reports, specifications, shop drawings, equipment


Buyer


Seller

manuals, maps, and other information in Seller's possession, including any rights of Seller to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form.

5. REAL PROPERTY. NONE.

At Closing, Assignment of lease, Between East Marion Sanitary Trust and East Marion Water Distribution Trust and East Marion Sanitary Systems Inc. See attached memorandum.

6. PERSONAL PROPERTY. At Closing, Seller shall deliver title, via Bill of Sale, to all personal property described herein.

7. CLOSING COSTS. At Closing, Buyer shall pay the recording costs, the documentary tax, title insurance costs, if any. Each of the parties shall pay the fees of his or her own attorneys, accountants, and other consultants incurred in connection with this Agreement.


8. TAXES. Seller shall be responsible for paying any and all federal and state taxes, to the extent that they are due from the operation of the Utility System prior to the Closing Date.

9. ENTITY NAME. Buyer shall utilize, and may acquire title in the name of "East Marion Utilities, LLC," and no trademark infringement shall be claimed by Seller.

10. POST-CLOSING RESPONSIBILITIES. Buyer shall assume all obligations and liabilities arising from the operation of the Utility System, from and after the Closing Date. Seller acknowledges that there are no known contracts to be assumed by Buyer.

11. LIABILITIES NOT ASSUMED. Buyer shall not be liable for any expense or liability to the extent that it arises prior to the Closing Date, or arises out of any act or violation of law, breach of permit obligation, breach of contract, tort, contract, or other act or omission of Seller occurring prior to the Closing Date. Seller shall be remain responsible for all costs for services, materials and supplies incurred in connection with the operation of the Utility System prior to and including the day of Closing, including, but not limited to, electricity or telephone service. Buyer shall be responsible for all such costs and expenses incurred after Closing. Not with standing the foregoing, Buyer hereby acknowledges that all permits or inspections may not be up to date and shall at his expense bring current any requirements imposed either by the dep, FPSC, and shall pay any transfer fees or obligations necessary to effect the transfer.


Buyer


Seller

12. REPRESENTATIONS OF SELLER. As a material inducement to Buyer to execute this Agreement and perform its obligations hereunder, Seller represents and warrants to Buyer as follows:

- a. The Utility System has authority to enter into this Agreement, and all Shareholders of Seller have approved Seller entering into this Agreement.
- b. Seller is not in bankruptcy.
- c. Seller has exclusive possession, control and ownership to Assets being sold.
- d. Seller shall not enter into any new contracts or obligations prior to Closing.

13. "AS-IS" CONDITION. Buyer accepts the Purchased

Assets in their "As Is," "Where Is" condition, at the time of closing. Seller represents that Buyer has had ample opportunity to inspect the Utility is a professional in the Utility field and owns several Utilities. Buyer has been doing the billing for the Utility and is aware of and familiar with the Utility and any issues with the Home Owners Association. There are no known defects other than: a pump is out at the surge tank, there is no bar screen and water tank has not had its required inspection which buyer agrees to do at his expense. Buyer further agrees to be responsible for any claims by Utility customers for security deposits paid if any.

14. DOCUMENTS TO BE PROVIDED BY SELLER. At or

before Closing, Seller shall provide Buyer with all of the permits, deeds, surveys, plans, maps or documents described above, which Seller has in Seller's possession.

15. TERMINATION. Seller shall have the right to terminate

this Agreement for any reason, in Seller's sole discretion, prior to closing. Buyer may terminate this Agreement only upon a material breach of this Agreement by Seller.

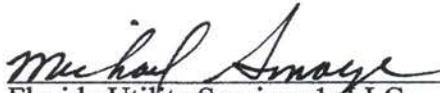
16. POST CLOSING COOPERATION. After Closing, Seller

and Buyer shall upon reasonable request of the other, sign any corrective deeds, assignments or transfers as may be required to perform any of the obligations contained in this Agreement. The representations and warranties of the parties contained in this Agreement shall survive the closing.


Buyer


Seller

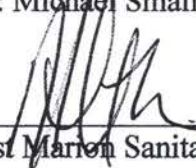
17. This sale and purchase of said assets is subject to the approval of the Florida Public Service Commissions approval of the transfer, which Buyer shall apply and pay for and shall do everything in his power to procure.



Florida Utility Services 1, LLC
By: Michael Smallridge, Managing Member

1 - 6 - 15.

Date



East Marion Sanitary Systems

2-4-15

Date

By: Herbert Hein, Trustee

EXHIBIT 3.

1. The statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed will be pending until a resolution is reached concerning customer refunds for the utility.

EXHIBIT 4.

1. The total purchase price is \$ 107,000 with \$10,000 payed at closing at 6% interest for 10 years, as stated on the purchase and sale agreement (copy enclosed). A promissory Note (copy enclosed) for \$97,000 with 120 payments of \$ 1,077.00 per month.

EXHIBIT 5.

1. No one is providing funding to the buyer. The LLC is 100% owned by Michael Smallridge.

EXHIBIT 6.

1. Rate Base was last established by the Commission in order # PSC-02-1168-PAA-WS on August 26, 2002.

EXHIBIT 7.

1. An acquisition adjustment is not requested.

EXHIBIT 8.

1. Buyer has notified seller in writing requesting a copy of the utilities tax returns.

EXHIBIT 9.

1. The system is in overall satisfactory condition but is not in compliance with DEP regulations as the hydro tank has not had its 5 year inspection. Buyer is currently making efforts to correct this and has made contact with DEP regarding this matter. Buyer anticipates having the tank inspected and cleaned by the end of April 2015.

List of repairs.

1. Tank inspection \$2,000
2. Replace some piping at water plant \$ 300(will be done at the time of the tank inspection)

Subject: 3424789 LAKEVIEW WOODS/TRAILS EAST S/D
From: Cardona, Manuel (Manuel.Cardona@dep.state.fl.us)
To: utilityconsultant@yahoo.com;
Cc: smcgee4252@yahoo.com;
Date: Thursday, January 22, 2015 10:52 AM

Good Morning Mike,

It was a pleasure speaking with you yesterday. Below, please find hyperlinks for the WWTF permit transfer paperwork. Please note that there is a \$50.00 fee that should be included with the application.

I am also including a summary of the deficiencies that were noted during the 1/6/15 site visit and, a copy of the warning letter dated 7/24/14.

Please provide a corrective action schedule once you get up to speed with the system.

http://www.dep.state.fl.us/water/wastewater/dom/forms/62-620.910_11_FLA.pdf

http://www.dep.state.fl.us/water/wastewater/dom/forms/Domestic_Wastewater_Permit_Applications_Fees.pdf

- Water treatment plant
 - o Hydropneumatic tank is overdue for 5-year inspection
 - o The well discharge piping (the portion that runs through the housing), has some deep corrosion that needs attention
 - o The hypochlorite feed is not proportional to flow (this has since been corrected)
- Wastewater treatment plant
 - o Solids were noted on the facility grounds, chlorine contact chamber (CCC), and rapid infiltration basins(RIBs).
 - o Hypochlorite was only being fed in one side of the CCC
 - o Some berm areas need stabilization
 - o Trees located in RIBs must be removed.

Feel free to call me with any questions or concerns.

Manny

Manuel F. Cardona

Environmental Specialist III

DEP Central District Office

3319 Maguire Blvd. Ste 232

Orlando, FL 32803

manuel.cardona@dep.state.fl.us

O: 407-897-4134



EXHIBIT 10.

1. This will be a late filed exhibit. Please send list.

EXHIBIT 11.

1. This will be a late filed exhibit. Please send list.

EXHIBIT 12.

1. This will be a late filed exhibit. Please send list.

EXHIBIT 13.

1. Copy of lease enclosed.

LEASE AGREEMENT FOR
WATER AND WASTEWATER TREATMENT FACILITIES

THIS LEASE AGREEMENT (hereafter, the "Agreement") is made and entered into this 3rd day of February, 2003, by and between EAST MARION WATER DISTRIBUTION TRUST & EAST MARION SANITARY SYSTEM TRUST, both dated May 4th, 1995 ("Lessors"), and EAST MARION SANITARY SERVICES, INC., a Florida corporation ("Lessee").

RECITALS

1. Lessors as Successor Trustees, are the owner of the real property in Marion County, Florida described as : SEE ATTACHED EXHIBIT "A".
2. Lessee is the owner of a water production, storage, treatment, transmission, and distribution system (the "Water Plant"), and a wastewater collection, transmission, treatment and disposal system (the "Wastewater Treatment Plant"), (the Water Plant and the Wastewater Treatment Plant are sometimes hereafter collectively referred to as the "Systems"). The Systems are located within the boundaries of and service, the Development referred to as the "Systems".
3. Lessors are the owners of land in Marion County, Florida lying under the Systems, said land being more particularly described as: SEE ATTACHED EXHIBIT "A" collectively referred to as the "Leased Premises".
4. Lessors have agreed to lease the Leased Premises to Lessee pursuant to the Recitals dated as of the date of this Agreement, the terms of which grant Lessee the right to lease the Leased Premises from Lessor; to grant a separate non-exclusive perpetual easement and rights of way through, under, over, on and across the Development to patrol, inspect, alter, improve, repair, rebuild, remove, replace, construct, reconstruct, operate and maintain Systems and other attachments, fixtures, equipment, and accessories desirable in connection therewith over, under, through, upon, and across the Development at such places, streets, parcels and lots as may be necessary for efficient delivery of utility services to all occupants in the Development, and to assign such existing easements to Lessee as may be necessary for the foregoing purposes.
5. Lessors desire that Lessee act as the sole and exclusive provider of water and wastewater utility service to the Development and Lessee agrees to provide such utility services to the residents and the common areas of the Development under the terms and conditions set forth in this Agreement.
6. Lessors and Lessee desire to set forth herein the terms and conditions under which the Lessee shall be granted the sole and exclusive right to use the Leased Premises to operate and maintain the Systems and shall be granted the sole and exclusive right to provide water and wastewater utility services to the residents of the Development.

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

ACCORDINGLY, for and in consideration of the sum of Ten (\$10.00) Dollars, 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. AGREEMENT TO LEASE. Subject to the terms and conditions hereinafter set forth, Lessors hereby demises and leases the Leased Premises exclusively to Lessee and Lessee does hereby hire and take the Leased Premises from Lessors.

SECTION 2. TERM. To have and to hold for a term of ninety-nine (99) years for both parcels one and two, unless sooner terminated, as provided herein below. The term of this lease shall commence on January 1st, 2002 and shall expire ninety-nine (99) years from that date for both parcels one and two.

SECTION 3. RENTAL. The rent reserved under this Agreement shall be as follows:

1. Annual rental of \$3,000 per year for parcel 1 and annual rental of \$4,200 per year for parcel 2, payable in equal monthly installments of \$250.00 per month, for Parcel 1 and \$350.00 per month for parcel 2, payable on the eighth day of each month.
2. The annual rental amounts in-subparagraphs 1 above shall increase based upon the following:
 - A. Consumer Price Index (as hereinafter defined) commencing on the twenty-fourth (24th) month from the date of this Agreement. Every two (2) years thereafter, rental amounts shall be increased to an amount equal to the increase in the Consumer Price Index which shall be determined every two (2) years and paid at the new rental rate adjusted by the cumulative increase over the prior two (2) years. "Consumer Price Index" shall mean the Consumer Price Index which is presently designated as the United States City Average for All Urban Consumers, All Items, with a base period equaling 100 in 1982-1984. In the event the statistics are not available or in the event that publication of the Consumer Price Index is modified or discontinued in its entirety, the adjustment provided for herein shall be made on the basis of an index chosen by Lessor as a comparable and recognized index of the purchasing power of the United States consumer dollar published by the United States Department of Labor or other governmental agency, or 3% whichever is greater.
 - B. Each time the rental amounts are paid more than fifteen days late after January 1st, 2004, Rental amount shall increase by 4%.
3. Real estate taxes (both ad valorem taxes and non ad valorem taxes) and special assessments, if any, for parcels one and two shall be paid by Lessee.
4. Personal property taxes on the Systems, and necessary license and occupational fees, insurance, repair, maintenance and compliance costs for the Systems shall be paid by Lessee.

SECTION 4. USE OF LEASED PREMISES; EXCLUSIVE PROVIDER OF UTILITY SERVICES. Lessee agrees that, throughout the term of this Agreement, it shall utilize the Leased Premises for water production, storage, treatment, transmission, distribution, and for wastewater collection, transmission, treatment and disposal, and for no other purpose, except upon the express written consent of the Lessors. Lessee further agrees that it shall maintain, operate and

administer the Leased Premises and Systems in a manner consistent with customary standards. Lessor agrees that, throughout the term of this Agreement, Lessee shall be the sole and exclusive provider of water and wastewater utility services for the residents of the Development.

SECTION 5. SERVICE TO THE DEVELOPMENT. Lessee shall provide water and wastewater services to each homesite and the common areas within the Development.

SECTION 6. CUSTOMER RATES. Lessee shall charge each customer/ account, the approved rates in accordance with of Florida Public Service Commission ("PSC") ruling. Lessee may pursue collection of delinquent accounts, including, the filing of legal actions and termination of service to customers consistent with the practice of other independent utility providers in the Marion County area. It shall be the Lessee's sole responsibility to insure that all applicable statues or laws are followed.

SECTION 7. LIMITED OPTION TO PURCHASE PROPERTY Lessors, subject to the limitations hereinafter set forth, grants to the Lessee, a limited option to purchase all of Lessor's right, title, and interest in and to the Leased Premises, together with all easements, rights of way, licenses, privileges, hereditaments, and appurtenances, if any, inuring to the benefit of the Lessor,

A. Term. The option hereby granted must be exercised by the Lessee no later than December 15th, 2018. This option shall expire without notice and be of no further effect upon the earlier of December 15th, 2018. or notification from Lessee of a bona fide offer to purchase Lessor's interest in the Leased Premises pursuant to Lessee's right of first refusal to acquire the Land described above. Upon such notification of a bona fide offer and purchase the Property pursuant to its right of first refusal set forth in subsection 7(K) below, Lessee's sole and exclusive right with respect to acquiring the Property; shall be its right of first refusal set forth in subsection 7(K) below.

B. Exercise of option. The option granted may be exercised by written notice delivered by the Lessee to the Lessor at the address stated in Section 10 of this Agreement.

C. Purchase price. Subject to the adjustments hereinafter described, the purchase price to be paid by the Lessee to the Lessor for the purchase of the Lands and Lessor's interest in the Leased Premises shall be Seventy-two Thousand Dollars (\$72,000), and adjusted annually by the greater of; either three percent (3%), or the average increase in valuation of all the Land in Marion County Florida. The purchase price of the Property shall be payable in cash at closing.

D. PHYSICAL CONDITION OF PROPERTY. Lessee acknowledges that upon the exercise of its option to purchase the Property or upon its exercise of its right of first refusal described below, the Property will be acquired by Lessee **AS IS, WITH ALL FAULTS, AND WITHOUT EXPRESSED OR IMPLIED WARRANTY AS TO THE FITNESS FOR ANY PARTICULAR PURPOSE.**

E. Default: Remedy. In the event that either party fails to perform such party's obligations hereunder (except as excused by the other party's default), the party claiming default will make

written demand for performance. If either party fails to comply with such written demand within 25 days after receipt thereof, the non-defaulting party will have the option to waive such default, to demand specific performance or to terminate this Agreement. On termination of this Agreement by reason of default, the parties will be discharged from all further obligations and liabilities hereunder, provided, however, all rights and remedies set forth in Section 35 of this Agreement shall survive termination.

F. Lessor's-Indemnification of Lessee. After the Closing of purchase of Lessee's rights in the Property ("Closing", the Lessee agrees to defend, indemnify, and hold the Lessors harmless from all damages, liabilities, costs and expenses (including attorneys fees and other litigation expenses) arising from the ownership, and use of the Property incurred or accrued after the Closing or which are specifically assumed by the Lessee. The indemnification procedures to be followed will be those set forth in Section 9 of this Agreement

H. Assignability. This option is personal to Lessee and may not be assigned. Any attempt to assign this option shall be null and void.

I. De posit. At the time of the exercise of the option of right of refusal described below. Lessor shall make a \$25,000 earnest money deposit to be credited to Lessor at Closing, which deposit will be held by a mutually agreeable escrow agent.

J. Closing. Closing on the option to purchase the Systems or under Lessee's exercise of its right of first refusal shall occur on or before 45 calendar days from Lessee's exercise of the option or right of first refusal as the case may be.

K. Lessee's Right of First Refusal. In addition to the option granted in this Section 7. Lessee shall have the right to purchase the Property by meeting the exact terms and conditions of any bona fide offer to purchase the Property that Lessors receive. Lessee shall have 30 days from notification of the bona fide offer to accept and exercise its right of first refusal, which acceptance must be in writing and delivered to Lessors as provided in, the Notice provision in Section 10 of this Agreement. This right of first refusal is personal to Lessee's interest in the Property and in the event that Lessor sells the property to a third party and Lessee fails to exercise its right of first refusal, then Lessee's right of first refusal shall expire without notice and be of no further effect. This right of first refusal is not assignable. Any attempt to assign this right of first refusal shall be void.

SECTION 8. TERMINATION OF LEASE Lessors and Lessee agree that this Agreement may be terminated during the ninety-nine (99) year term as follows: This Agreement may be terminated by Lessee as to either parcel, or both of them, solely, at Lessee's discretion, with termination to be effective 180 days after written notice to Lessor. (the "Termination Date"). In the event that this Agreement is terminated, as aforesaid, then Lessee agrees that it shall deliver up possession of the Leased Premises to Lessors as of the Termination Date.

SECTION 9. LIABILITY OF PARTIES. Lessee shall indemnify and hold Lessors harmless for any claims, actions, expenses or damages, including costs and attorney's fees, at trial and appeal.

which Lessors may incur for personal injury or property damage, that occurs, as a direct result of the negligent act or omission of Lessee, its agents, contractors, representatives and/or employers in the operation or maintenance of the Systems, under the following terms and conditions:

(a) A party seeking indemnification (the "Claimant") shall promptly notify the party from whom indemnification is sought (the "Indemnitor") of any liabilities for which the Indemnitor may be liable hereunder. A Claimant seeking indemnification for any claims brought by third parties shall endeavor to notify the Indemnitor in writing within fifteen (15) days after receipt of written notice of the third party claim (which notice of claim from a third party shall be of a nature which will reasonably advise the recipient of the fact that such a claim is being made). The notice will, to the extent possible, be sufficiently detailed so the Indemnitor is or will be able to reasonably understand the nature of the claim. The right of indemnification under the Agreement shall not be affected by any failure to give or any delaying giving any notice required herein, unless, and then only to the extent that, the rights and remedies of the Indemnitor shall have been prejudiced thereby.

(b) The Indemnitor shall have the right to negotiate with the third party relative to a claim, to control all settlements and to select lead counsel to defend any and all claims. The Claimant may select counsel to participate in any defense at the Claimant's sole cost and expense.

(c) In connection with any claim, all parties shall cooperate with each other and provide each other with access to relevant books and records in their possession or under their control, all at the cost of the Indemnitor.

(d) Lessors shall only be liable hereunder for actual claims, losses, damages, costs and expenses arising from matters covered under this indemnity. In no event shall Indemnitor be liable to Claimant for consequential, special, incidental or punitive damages, which are expressly excluded from this indemnity.

SECTION 10. NOTICES. Any notices which are required or permitted hereunder shall be delivered by United States mail, return receipt requested, postage prepaid or by hand delivery, to the parties at the following addresses:

LESSEE: East Marion Sanitary Systems Inc.	with copy to: Jimmy Gooding
G4225 Miller Rd. Suite 190	Gilligan, King & Gooding, P.A.
Flint, MI 48507	1531 SE 36th Ave.
	Ocala, Florida 34471
LESSOR: East Marion Sanitary Trust	East Marion Water Distribution Trust
P.O. Box 21	P.O. Box 902
Silver Springs, FL 34489	Elon, NC 27244

Notice of an address change shall be given in writing by the appropriate party to the other prior to the change. All notices shall be deemed delivered six (6) days after deposit in the United States mail, or at the time of hand delivery. Facsimile transmissions shall be treated as originals for purposes of giving notice under this Agreement.

SECTION 11. INSURANCE. Lessee agrees to provide and maintain hazard and liability insurance upon the Systems and Leased Premises throughout the term of this Agreement. Lessors shall be named as an additional insured.

SECTION 12. ASSIGNMENT AND SUBLEASE. Lessee may not assign or sublease any part of the Systems and Leased Premises without the prior written consent of the Lessor.

SECTION 13. QUIET ENJOYMENT. Lessee, upon paying the rent reserved hereunder and performing all the other covenants and conditions required to be performed under this Agreement, shall and may peaceably and quietly have, hold and enjoy the Systems and the Leased Premises hereby demised for the term aforesaid, free from disturbance by the Lessor or anyone claiming by, through or under the Lessor.

SECTION 14. ENVIRONMENTAL INDEMNITY. Lessee, subject to the procedures and the limitations set forth in Section 9 of this Agreement, hereby agrees to indemnify, reimburse, defend and hold harmless Lessors, directors, employees, successors and assigns from and against all demands, claims, civil or criminal actions or causes of action, liens, assessments, civil or criminal penalties or fines, losses, damages, liability, obligations. Costs, disbursements, expenses or fees of any kind or of any nature (including, without limitation, cleanup costs, attorneys', paralegal's, consultants' or experts' fees and disbursements and costs of litigation) which may at any time be imposed upon, incurred by or asserted or awarded against Lessor directly or indirectly, related to or resulting from: (a) any acts or omissions of Lessee on or about the Leased Premises which contaminate air, soils, surface waters or ground waters over, on or under the Leased Premises; (b) the breach of any representation or warranty under this Agreement; (c) pursuant to or in connection with the application of any Environmental Law, the acts or omissions of Lessee or its affiliates which result in any environmental damage alleged to have been caused, in whole or in part, by the manufacture, processing, distribution, use, handling, transportation, treatment, storage, or disposal of any Hazardous Substance on, in or about the Leased Premises; or (d) the presence, whether past present or future, of any Hazardous Substances introduced by Lessee or its agents, successors, assigns, contractors or employees, on, in or about the Leased Premises. (a) Lessee's indemnification obligation under this section shall be subject to and limited by the procedures and the limitations set forth in Section 9 of this Agreement and shall continue, survive and remain in full force and effect notwithstanding termination of this Agreement. (b) Those liabilities, losses, claims, damages and expenses for which a lender is indemnified under this section shall be reimbursable to Lessor at Lessor's option to make payments with respect thereto, without any requirement of waiting for ultimate outcome of any litigation, claim or other proceeding, and Lessee shall pay such liability, losses, claims, damages and expenses to Lessor as so incurred within thirty (30) days after notice from Lessor itemizing the amounts incurred to the date of such notice. (c) Lessee waives any acceptance of this indemnity by Lessors. The failure of Lessors to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy, shall not constitute a waiver thereof nor give rise to any estoppel against Lessors, nor excuse Lessee from its obligations hereunder. Any waiver of such right or remedy must be in writing and signed by Lessors. This indemnity is subject to enforcement at law and/or equity, including actions for actual damages and/or specific performance; provided, however, any provision in this Section 14 to the contrary notwithstanding, Lessee may be liable for consequential, special, incidental or punitive damages.

(d) For purposes of this Agreement, "Environmental Law" shall mean any applicable federal, state, or local statutory or common law, ordinance, rule or regulation, relating to pollution or protection of the environment, including without limitation, any common law of nuisance or trespass, and any law, rule or regulation relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or chemicals, or industrial, toxic or hazardous substances or waste into the environment (including without limitation, ambient, air, surface water, groundwater, land surface or subsurface strats) or otherwise relating to the manufacture, processing distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or chemicals or industrial, toxic or hazardous substances or wastes.

(e) For the purposes of this Agreement, the term "Hazardous Substance" means any substance or material (i) identified in Section 101(14) of CERCLA, 42 U.S.C. Statute 9601(14) and as set forth in Title 40, Code of Federal Regulations, part 302, as the same may be amended from time to time, or (ii) determined to be toxic, a pollutant or contaminant- under Federal, state or local statute, law, ordinance, rule, or regulation or judicial or administrative order or decision, as same may be amended from time to time, (iii) asbestos, (iv) radon, (v) polychlorinated biphenyls and (vi) such other materials, substances or waste which are otherwise dangerous, hazardous, harmful or deleterious to human health or the environment.

SECTION 15. 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 16. WAIVER AND ACCEPTANCE. No provision of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by both parties. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion. No acceptance by Lessors of an amount less than the annual rent set forth in Section 3 shall be deemed to be other than a payment on account of the earliest such rent or other payments then due or in arrears nor shall any endorsement or statement on any check or letter accompanying any such payment be deemed a waiver of Lessor's right to collect any unpaid amounts or an accord and satisfaction.

SECTION 17. SUCCESSORS BOUND. Except as otherwise specifically provided herein, the terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

SECTION 18. NO MERGER. The Voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation thereof, shall not result in a merger of Lessor's and Lessee's estates, and shall, at the option of Lessors, either terminate any or all existing subleases or subtenancies, or operate as an assignment to Lessors of any or all of such subleases or subtenancies.

SECTION 19. CAPTIONS. Captions are used throughout this Agreement for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof.

SECTION 20. SEVERABILITY. The provisions of this Agreement shall be deemed severable. If any part of this Agreement shall be held unenforceable by any court of competent jurisdiction, the remainder shall remain in full force and effect, and such unenforceable provision shall be reformed by such court so as to give maximum legal effect to the intention of the parties, as expressed therein.

SECTION 21. CHARACTERIZATION. It is the intent of the parties hereto that the business relationship created by this Agreement and any related documents is solely that of a long term commercial lease between Lessors and Lessee and has been entered into by both parties in reliance upon the economic and legal bargains contained herein. None of the agreements contained herein are intended, nor shall the same be deemed or construed, to create a partnership between Lessors and Lessee, to make them joint venturers, to make Lessee an agent, legal representative, partner, subsidiary or employee of Lessors, nor to make Lessors in any way responsible for the debts, obligations or losses of Lessee.

SECTION 22. EASEMENTS. During the Lease Term, Lessor shall have the right to grant non-exclusive electric or cable utility easements on, over, under and above the Leased Premises without the prior consent of Lessee, provided that such non-exclusive electric or cable utility easements will not materially interfere with Lessee's long-term use of the Premises.

SECTION 23. FURTHER ASSURANCES. Each of the parties agrees to sign such other and further documents and otherwise cooperate with each other as may be necessary or appropriate to carry out the intentions expressed in this Agreement.

SECTION 24. ENTIRE AGREEMENT. This Agreement, and any other instruments or agreements referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof and there are no other representations, warranties or agreements except as herein provided.

SECTION 25. CHOICE OF LAW; VENUE. The creation of this Agreement and the rights and remedies of Lessors with respect to the Premises shall be governed by and construed in accordance with the internal laws of the State of Nevada. Venue for the resolution of any dispute between the Lessors and Lessee shall be in the State and federal courts whose jurisdiction the Lessors reside in, unless otherwise agreed to by Lessors in writing.

SECTION 27. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all such counterparts shall constitute but one agreement.

SECTION 28. RECORDING OF LEASE. After execution of this Agreement, the parties shall execute and record in Marion County, Florida, a short form memorandum describing the Land

and the stating the Lease Term and other information the parties agree to include. The Memorandum of Lease to be executed and recorded is attached as Exhibit "B".

SECTION 29. NO BROKERAGE. Lessor and Lessee represent and warrant to each other that they have not contracted with any broker for compensation for real estate services in connection with this Agreement. Each of Lessor and Lessee agrees to protect, indemnify, save and keep harmless the other, against and from all liabilities, claims, losses, costs, damages and expenses, including attorneys' fees, arising out of, resulting from or in connection with their breach of the foregoing warranty and representation.

SECTION 30. NO ASSUMPTION OF LIABILITIES BY LESSOR. The parties acknowledge that Lessor shall not incur any liabilities with respect to Lessee. Accordingly, in addition to the other terms and conditions of this Agreement, Lessor shall neither assume nor be liable for any payments and benefits to past and/or present employees of Lessee in connection with the business it conducts on or from the Premises except as otherwise agreed to in writing by Lessor, including, but not limited to, salaries, wages, commission, bonuses, vacation pay, health and welfare contributions, pensions, profit sharing, severance or termination pay, or any other form of compensation or fringe benefit.

SECTION 31. NO JOINT VENTURE. Lessee acknowledges that Lessor shall not be deemed a partner or joint venturer with Lessee or any contractor, agent, representative, management company or broker affiliated with Lessee. Lessee shall indemnify and hold Lessor harmless from and against any and all liabilities, damages, claims of losses, demands, costs or fees (including attorney's fees) incurred based on any such assertion under the procedures and subject to the limitations set forth in Section 10 of this Agreement.

SECTION 32. NO CONSTRUCTION. No construction shall be commenced on any portion of either parcel without the prior written consent of Lessor.

SECTION 33. IMPACT FEES. Any impact fees relating to the Systems or any improvements shall be paid by Lessee. In no event shall Lessor be responsible for any impact fees relating to the Systems,

SECTION 34. TIME IS OF THE ESSENCE. Time is of the essence with respect to each and every provision of this Agreement in which time is a factor.

SECTION 35. COMPLIANCE WITH THE LAWS. The use, operation and occupation of the Leased Premises, and the condition thereof, shall, be at the sole cost and expense of Lessee and Lessee shall fully comply with all applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals or any governmental agencies, departments, commissions, bureaus, boards or instrumentalities of the United States, the state in which the Leased Premises are located and, all political subdivisions thereof, including, without limitation, all health, building, fire, safety, and other codes, ordinances and requirements.

2. 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.

Dated February 3rd, 2003

WITNESSES:

Donna Congdon

Print name: Donna Congdon

Troy Parker

Print name: Troy Parker

LESSOR:

C. J. Doerr

C. J. Doerr, Successor Trustee of
East Marion Water Distribution Trust,
Dated May, 4th, 1995

Rebecca Sergeant
Rebecca Sergeant, Successor Trustee of
East Marion Sanitary Trust, Dated 5/4/95

2002

EXHIBIT "B"
MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE between EAST MARION WATER DISTRIBUTION TRUST & EAST MARION SANITARY SYSTEM TRUST, BOTH DATED May 4th, 1995 (hereinafter referred to as "Lessors") and East Marion Sanitary SYSTEMS, INC. A Florida corporation (hereinafter referred to as "Lessee"), dated this 3rd day of February, 2003. The substantive terms and conditions as set forth in an unrecorded Lease between the parties are as follows:

AW
C.C.D.
R.S.

1. Grant of Lease: Lessor demises and leases unto Lessee the Real Property described as Tract "B" and Tract "C" of Trails East Subdivision as recorded in Plat Book Z, Pages 37-40, Marion County Florida
2. Leased Premises: The Leased Premises are described as follows: Tract "B" and Tract "C" of Trails East Subdivision as recorded in Plat Book Z, Pages 37-40, Marion County Florida
3. Use of Property: Operation of water plant and wastewater treatment plant and related production, storage, collection transmission, distribution, and disposal systems.
4. Term of Lease: Ninety nine (99) years as to both parcels one and two of the Leased Premises, unless earlier terminated as set forth in the unrecorded Lease of even date.
5. Construction: This Memorandum of Lease is not a complete summary of the unrecorded Lease described above. The provisions in this Memorandum should not be used in interpreting the Lease. In the event of conflict between this Memorandum and the unrecorded Lease, the provisions of the unrecorded Lease shall control.

Dated February 3rd, 2003

WITNESSES:

Donny Longdon
Print name: Donny Longdon

Terry Rader
Print name: Terry Rader

LESSOR:

C.J. Doerr
C.J. Doerr, Successor Trustee of East Marion Water Distribution Trust, Dated May, 4th, 1995

Rebecca Sergeant
Rebecca Sergeant, Successor Trustee of East Marion Sanitary Trust, Dated 5/4/95

LESSEE:

[Signature]

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P. 12



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DATE: 05/20/2003 04:54:23 PM
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RECORDING FEES 6.00



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DATE: 06/03/2003 04:34:34 PM
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EXHIBIT 14.

1. Enclosed.

NAME OF COMPANY EAST MARION UTILITIES, LLC
WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

DISCONNECTION CHARGE - This charge would be levied for disconnection of services.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill or when a service representative visits a premises at a customer's request, for a complaint & the problem is found to be a customer's responsibility.

Schedule of Miscellaneous Service Charges

	<u>Business Hours</u>	<u>After Hours</u>
Initial Connection Fee	\$ 45.00	\$75.00
Normal Reconnection Fee	\$ 45.00	\$75.00
Disconnection Fee	\$ 45.00	\$75.00
Violation Reconnection Charge	\$Actual Cost	\$Actual Cost(1)
Premises Visit Charge	\$55.00	\$85.00
Returned Check Charge	\$ <u>Actual Cost</u>	

(1) Actual Cost is equal to the total cost incurred for services.

EFFECTIVE DATE -

TYPE OF FILING - Transfer Application

Michael Smallridge
ISSUING OFFICER
Managing Member
TITLE

NAME OF COMPANY: EAST MARION UTILITIES, LLC

WASTEWATER TARIFF

RESIDENTIAL SERVICE
RATE SCHEDULE (RS)

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	All Meter Sizes	\$ 15.16
	Charge per 1000 gallons	
	10,000 Gallon Cap	\$ 4.63

MINIMUM BILL - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered in accordance with Rule 25-30.320. Florida Administrative Code. If a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILLING - Transfer Application

Michael Smallridge

ISSUING OFFICER

Managing Member

Title

NAME OF COMPANY: EAST MARION UTILITIES, LLC

WATER TARIFF

GENERAL
RATE SCHEDULE (GS)

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For water service to all Customers for which no other schedule applies.

LIMITATIONS - Subject to all the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8"	\$ 15.16
	3/4"	\$ 22.73
	1"	\$ 37.89
	1 1/2"	\$ 75.79
	2"	\$ 121.23
	3"	\$ 242.49
	4"	\$ 378.89
	6"	\$ 757.75
	Charge per 1000 gallons	\$ 5.55

MINIMUM BILL - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered in accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILLING - Transfer Application

Michael Smallridge

ISSUING OFFICER

Managing Member

Title

NAME OF COMPANY: **EAST MARION UTILITIES, LLC**

WATER TARIFF

RESIDENTIAL
RATE SCHEDULE (RS)

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8"	\$ 9.88
	3/4"	\$ 14.84
	1"	\$ 24.72
	1 1/2"	\$ 49.44
	2"	\$ 79.11
	3"	\$ 158.22
	4"	\$ 247.22
	6"	\$ 494.43
	Charge per 1000 gallons	
	0 – 10,000	\$ 2.07
	Over 10,000	\$ 3.10

MINIMUM BILL - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered in accordance with Rule 25-30.320. Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILLING - Transfer Application

Michael Smallridge

ISSUING OFFICER

Managing Member

Title

NAME OF COMPANY: EAST MARION UTILITIES, LLC

WATER TARIFF

GENERAL
RATE SCHEDULE (GS)

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For water service for all Customers for which no other schedule applies.

LIMITATIONS - Subject to all the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8"	\$ 9.88
	3/4"	\$ 14.84
	1"	\$ 24.72
	1 1/2"	\$ 49.44
	2"	\$ 79.11
	3"	\$ 158.22
	4"	\$ 247.22
	6"	\$ 494.43

Charge per 1000 gallons \$ 2.42

MINIMUM BILL - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code. If a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILLING - Transfer Application

Michael Smallridge

ISSUING OFFICER

Managing Member

Title

EXHIBIT 15.

1. Buyer will contact seller to see if it is available.

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS



Detail by Entity Name

Florida Limited Liability Company

EAST MARION UTILITIES, LLC

Filing Information

Document Number	L15000006879
FEI/EIN Number	NONE
Date Filed	01/13/2015
Effective Date	01/12/2015
State	FL
Status	ACTIVE

Principal Address

3336 GRAND BLVD
102
HOLIDAY, FL 34690

Mailing Address

3336 GRAND BLVD
102
HOLIDAY, FL 34690

Registered Agent Name & Address

SMALLRIDGE, MICHAEL A
3336 GRAND BLVD
102
HOLIDAY, FL 34690

Authorized Person(s) Detail

Name & Address

Title MGR

SMALLRIDGE, MICHAEL A
3336 GRAND BLVD #102
HOLIDAY, FL 34690

Annual Reports

No Annual Reports Filed

Document Images

[01/13/2015 -- Florida Limited Liability](#)

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State of Florida, Department of State

This is a draft copy of the transfer notice for staff approval. Please let me know of any changes that need to be made.

APPLICATION FOR TRANSFER OF CERTIFICATE
(Section 367.071, Florida Statutes)

LEGAL NOTICE

Notice is hereby given on 3/19/2015, pursuant to Section 367.071, Florida Statutes, of the application for a transfer of Water Certificate No. 490-W and Wastewater certificate 425-S held by East Marion Sanitary Systems, INC. . from East Marion Sanitary Systems, Inc. to East Marion Utilities, LLC, providing service to the following described territory in Marion County , Florida.

The following described lands located in portions of Sections 7, 8, and 17, Township 15 South, Range 24 East, Marion County, Florida

Beginning at the Southwest corner of the Southeast 1/4 of the Northeast 1/4 of Section 8, Township 15 South, Range 24 East, Marion County, Florida, thence North 00°29 ' 46" West along the west Boundary of said Section 8 a distance of 839.97 feet to the Southwesterly right-of-way line of State Road No. 40, thence south 56 '59'12" East along said Southwesterly right-of-way line 531.25 Feet, thence South 33°01' 47" West 89 . 79 feet, thence south 00°11'26" East 1385.87 feet, thence South 36°25'52" East 285.41 feet to the approximate shoreline of Lake Walenda, thence run into said Lake South 29°57 '59" East 201.43 feet to a point in said Lake, Said point being the Southeast corner of the West 1/2 of the Northwest 1/4 of the southwest 1/4 of said Section 8, thence south 89.30' 58" West along said South boundary 329. 84 Feet to a point on the aforesaid approximate shoreline of Lake Walenda, thence Continue South 89°30'58" West along said South boundary 330.29 feet to the Southwest corner of said West 1/2 of the Northwest 1/4 of the Southwest 1/ 4, thence North 00.10 ' 04" along the West boundary of said Section B a distance 1319. 86 feet to the POINT OF BEGINNING.

Also: Lots 107, 108, and 109, in the Town of Walenda, situated in the Southwest 1/4 of Section 8, Township 15 South, Range 24 East, as per plat thereof recorded in Plat Book "E", page 23, Public Records of Marion County, Florida. Less and excepting therefrom that part of the East 200 feet of West 1181.38 feet of the Southwest 1/4 of said Section 8, Township 15 South, Range 24 East, lying South of Lake Walenda, all of which lies in Lot 109.

Also: South 1/2 of Southeast 1/4 of Section 7 , Township 15 South , Range 24 East, except the West 70 acres, thereof.

Also: That part of the West 3/4 of the Northwest 1/4 of Section 17, Township 15 South, Range 24 East, lying north of Fort Gates Road, except additional road right -of- way conveyed in Official Records Book 991, page173.

Any objection to the said application must be made in writing and filed with Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL. 32399, Within thirty (30) days from the date of this notice. At the same time, a copy of said objection should be mailed to the applicant whose address is set forth below. The objection must state the grounds for the objection with particularity.

East Marion Utilities, LLC
3336 Grand Blvd.
Suite 102
Holiday, FL. 34690