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L. PETER JOHNSON (1942-1988)

July 15, 1999

Via Hand Delivery

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

RE: Emergency Petition by D. R. Horton Custom Homes, Inc., to Eliminate Authority of Southlake Utilities, Inc., to Collect Service Availability Charges and AFPI Charges in Lake County, Docket No: 981609-WS ("Petition")

Dear Ms. Bayo:

In response to Staff's Second Data Request, dated June 10, 1999, Southlake Utilities, Inc., hereby files an original and five (5) copies of Southlake Utilities, Inc.'s Response to Staff's Second Data Request.

Please file the original and distribute the copies in accordance with your usual procedures.

If you have any questions or comments regarding this matter or need additional information, please do not hesitate to call me.

Sincerely yours,



Scott G. Schildberg

SGS/vkc
Enclosures

cc: Mr. Robert L. Chapman, III
Ms. Samantha Cibula, Esquire
Mr. F. Marshall Deterding, Esquire
Mr. Norman Mears

AFA _____
APP _____
CAS _____
CAU _____
CTR _____
EAG _____
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SEC _____
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DOCUMENT NUMBER-DATE

08451 JUL 15 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Emergency Petition by D.R.)
Horton Custom Homes, Inc., to) Docket No. 981609-WS
eliminate authority of Southlake)
Utilities, Inc. to collect service) Date Submitted for Filing:
availability charges and AFPI) July 15, 1999
charges in Lake County)
_____)

**RESPONSE OF SOUTHLAKE UTILITIES, INC.
TO STAFF'S SECOND DATA REQUEST**

QUESTION 1

Pursuant to Order No. PSC-96-1082-FOF-WS, issued August 22, 1996, allowance for funds prudently invested (AFPI) charges for Southlake shall cease when 940 equivalent residential connections (ERCs) and 375 ERCs for water and wastewater, respectively, are collected.

(a) Please provide the total number of ERCs for water and wastewater, each, that have been charged AFPI by Southlake since inception.

Southlake Utilities, Inc. ("Southlake Utilities"), uses a deposit and true up procedure for Allowance for Funds Prudently Invested ("AFPI") charges, which was discussed in Paragraphs 14 through 18, including exhibits A and B, of Southlake Utilities, Inc.'s Answer and Response to Complaint of D. R. Horton Custom Homes, Inc., Docket No. 980992-WS ("Answer"). A copy of Paragraphs 14 through 18 and Exhibits A and B thereto is attached as Exhibit 1A1.

Southlake Utilities collects plant capacity charges and a deposit for AFPI charges when plant capacity is reserved. Southlake Utilities uses the date of connection to determine the total amount of AFPI due. Southlake Utilities holds all payments towards AFPI charges which are made prior to the date of connection as interest-earning deposits. Southlake Utilities then determines the total amount of AFPI charges due by referring to the amount for the month and year set forth in the Commission-approved Tariff as of the date of connection. It then applies the AFPI deposit, if any, and interest on the AFPI deposit to determine the outstanding amount due. This procedure is referred to as "AFPI True Up." Therefore, there is no charge for AFPI until connection, only a deposit. This procedure has been approved by the Staff of the Florida Public Service Commission ("Commission"). See Exhibit 1A1, paragraph 18 and Exhibits A and B.

In Order No. 24564, Docket No. 900738-WS ("First Order"), the Commission initially established AFPI charges for Southlake Utilities and directed that "[t]he AFPI charges will be discontinued when the systems reach buildout." 1991 FPSC Reporter 5:412. In Order No. PSC-96-1082-FOF-WS, Docket No. 950933-WS ("Second Order"), the Commission established new AFPI charges and determined that the remaining capacity was 329,000 Gallons Per Day ("GPD") for water and 112,670 GPD for wastewater. The Second Order acknowledged that the predominant connections in the service area were master-metered apartment customers using 200 GPD of water and contributing 120 GPD of wastewater per connection and that actual flow data from the utility's records was better than relying on the First Order's use of ratios of 350 GPD for water Equivalent Residential Connections ("ERCs") and 300 GPD for wastewater ERCs.

After using the actual flow data to determine the amount of remaining capacity in gallons per day, the Second Order did not continue to use the actual flow data but instead used the 350 GPD and 300 GPD ratios for water ERCs and wastewater ERCs, respectively, to convert the remaining capacity to 940 water ERCs and 375 wastewater ERCs.

The use of the 300 GPD/ERC ratio has greatly understated the capacity of the wastewater plant in terms of ERCs. Southlake Utilities had an annual average daily flow for 1998 of 89,003 GPD (32,486,000 gallons ÷ 365 days = 89,002.7 GPD) and 541.25 average meter equivalents (Start of Year (520.0) + End of Year (562.5) ÷ 2 = 541.25 - see page S-3), resulting in a 164 GPD/ERC ratio (89,003 GPD ÷ 541.25 ERCs = 164.4 GPD/ERC). This ratio is based on actual flow data and is approximately 1/2 of the ratio used in the Second Order to restate the remaining capacity into ERCs (164 ÷ 300 = 0.55). If the 300 GPD/ERC ratio was accurate, Southlake Utilities would have exceeded its 549 ERC plant capacity at the end of 1998 with its 562.50 meter equivalents (164,750 GPD ÷ 300 GPD/ERC = 549 ERCs). Instead, Southlake Utilities was at approximately 64% of its wastewater plant capacity in December of 1998 (106,000 GPD ÷ 164,750 GPD = 64.3%).

With respect to the water plant capacity, on March 12, 1999, the Florida Department of Environmental Protection ("FDEP") informed Southlake Utilities that the stated 547,000 GPD capacity for its water treatment plant was the maximum capacity, not average daily capacity, of the plant. A copy of the letter is attached as Exhibit 1A2. The FDEP stated that the plant capacity was 681 ERU's, which corresponds to a 787.50 GPD per ERC ratio (537,000 GPD ÷ 787.5 GPD/ERC = 681.9 ERCs; 2.25 X 350 GPD/ERC = 787.50 GPD/ERC). Southlake Utilities added a 15,000 gallon hydro pneumatic tank. See FDEP Permit No. WC35-0080599-004, page 1 of 4, attached as Exhibit 1A3. The water plant capacity was increased to 1,075,200 maximum daily flow or 1,365 ERU's (1,075,200 GPD ÷ 787.50 GPD/ERC = 1,365 ERC's).

Southlake Utilities has not reached its designed plant capacity yet for either its water or wastewater treatment plant. In December 1998, the water peak flow was 556,000 GPD or 706.0 Gross Actual ERCs. See the answer to Question 1(b) for the calculation of Actual ERCs. Reducing for the 594.3 ERCs for the Pre-January 1995 and fireflow amounts from the Second Order [(537,000 GPD ÷ 350 GPD/ERC) - 940 ERCs = 594.3 ERCs] results in 111.7 water Actual AFPI ERCs. This calculation demonstrates that the Southlake Utilities Water System has not reached buildout, and thus, the water AFPI charge should not be discontinued. A similar calculation demonstrates that the Southlake Utilities wastewater system has not reached capacity, and thus, the wastewater AFPI should not be discontinued. In December 1998, the annual average wastewater flow was 106,000 GPD or 353.3 Gross Actual ERCs. Reducing for the 174.2 ERCs for the Pre-January 1995 amounts from the Second Order [(164,750 GPD ÷ 300 GPD/ERC) - 375 ERCs = 174.2 ERCs] results in 179.1 wastewater Actual AFPI ERCs. As of December

31, 1998, connections for which AFPI charges had been charged had only resulted in a small consumption of plant capacity.

As of December 31, 1998, Southlake Utilities had reserved capacity for connections to be performed after January 1, 1995 (i.e., eligible for AFPI charges), for 1,135 Water ERCs and 1,229 Wastewater ERCs. As of December 31, 1998, Southlake Utilities had Paid Connections of 102.13 Water Reserved ERCs and 547.10 Wastewater Reserved ERCs which are connections for which it had performed the AFPI True Up and charged and collected the appropriate amount of AFPI charge. The Paid Connection level is net of excess refund ERC equivalents. See Exhibit 1A4.

In the event that any corrections or recalculations of AFPI are to be performed, they should be done in a matter that combines both water and wastewater to arrive at a combined result. As noted above, the GPD/ERC ratios for both AFPI charges changed dramatically, but in opposite directions. Accordingly, a combined approach should lessen the overall impact and be fairer to all concerned.

(b) Please provide the utility's calculation of an ERC used to calculate the appropriate AFPI charge. If this varies, please provide the basis for the variance.

Southlake Utilities is required to use 350 gallons per day of water and 300 gallons per day for wastewater. To calculate ERCs for determining the appropriate amount of AFPI fees to charge a developer for reserved capacity ("Reserved ERCs"). Reserved ERCs for both water and wastewater are generally determined by the meter size of the water meter connected to the customer's location, as follows:

| | | |
|-------------|-----|----------------|
| 5/8" x 3/4" | 1 | ERC (Nominal) |
| 1" | 2.5 | ERCs (Nominal) |
| 1 1/2" | 5 | ERCs (Nominal) |
| 2" | 8 | ERCs (Nominal) |
| 3" | 16 | ERCs (Nominal) |
| 4" | 25 | ERCs (Nominal) |
| 6" | 50 | ERCs (Nominal) |

To determine reserved flows and meter sizes, Southlake Utilities uses the nominal daily flow values in the Table(s) of Daily Flows from its Water and Wastewater Tariff(s), Sheets 40.0 and 37.0. Copies of the tariff sheets are attached as Exhibit 1B.

To calculate flows of Actual ERCs for determining whether the water plant has reached its "designed capacity", as required by Section 25-30.434(3)(d), Florida Administrative Code, Southlake Utilities uses peak daily flow, as measured daily at the plant, divided by 787.50 gallons per day per ERC according to the following formula:

$$\text{Actual ERCs} = \frac{\text{Peak Flow}}{\text{Nominal ERCs}} \\ (787.50 \text{ Gallons Per Day Per Connection})$$

To calculate flows of Actual ERCs for determining whether the wastewater plant has reached its "designed capacity", as required by Section 25-30.434(3)(d), Florida Administrative Code. Southlake Utilities uses average annual daily flow, as measured daily at the plant, divided by 300 gallons per day according to the following formula:

$$\text{Actual ERCs} = \frac{\text{Average Annual Daily Flow}}{\text{Nominal ERC}} \\ (300 \text{ Gallons Per Day Per Connection})$$

(c) For AFPI collected for all ERCs in excess of 940 and 375 for water and wastewater, respectively, please list for each developer or customer the amount of AFPI paid, the month paid, the tariff rate used, and the amount of ERCs for each developer. If any amount was netted from prior refunds, please state how much.

As noted in the response to Question 1(a) above, Southlake Utilities has not exceeded its plant capacities. Accordingly, Southlake Utilities should continue to collect and charge for both water and wastewater AFPI in accordance with its tariffs. Copies of Water Tariff Sheet No. 39.0 and Wastewater Tariff Sheet No. 36.0 are attached as Exhibit 1C1.

Southlake has collected fewer than 940 AFPI charges. As of December 31, 1998, Southlake had collected for 547.10 wastewater AFPI charges. A chart showing the wastewater AFPI charges collected for wastewater connections beyond 375 ERCs through December 31, 1998, is attached as Exhibit 1C2. A chart showing a Summary of AFPI - Paid Connections as of December 31, 1998 is attached as Exhibit 1A4. The calculation of refunds relating to the Second Order are on the last sheet for each developer.

As set forth in Exhibit 1A4, some developers have credit balances for water AFPI deposits, wastewater AFPI deposits, or both. Any AFPI corrections should use the credit balances, as well as be based on the actual remaining capacity of the designed plant capacity. As set forth above in the answer to question 1(a), the combined approach to address water and wastewater should be used to lessen the overall impact.

Funds Prudently Invested ("AFPI") charges due per the tariff as of the date of the physical connection of such connections, and that the original payment towards AFPI charges was a deposit.

9. Southlake denies the allegations of paragraph 9, except that Southlake admits that Horton has offered payment of all the applicable miscellaneous service charges, customer deposits, meter installation fees and has demanded service for fifty-six (56) connections.

10. Southlake denies the allegations in paragraph 10, except that Southlake admits that Southlake has agreed to provide connections to Horton and assess the outstanding AFPI charges to the AFPI deposit made by Horton pursuant to the September 17, 1996, Agreement.

11. Southlake denies the allegations of paragraph 11.

12. Southlake denies the allegations in the paragraphs following paragraph 11.

13. As a further response to the Complaint filed by Horton, Southlake states as follows:

14. In Order No. 24564, Notice of Proposed Agency Action, Order Approving Rates and Charges, In re: Application of Southlake Utilities, Inc. for water and wastewater certificates in Lake County., Docket No. 900738-WS, issued May 21, 1991 ("Initial AFPI Order"), the Commission established rates and charges for Southlake, including water and wastewater AFPI charges. While AFPI charges normally coincide with the date of payment of the service availability charges, the Commission specifically noted that "[t]he amount of the AFPI charges are based upon the date future customers connect to the system" (emphasis added). The Commission also stated, "[t]he AFPI charge will enable the Utility to recover the return on the plant needed to serve future customers at the time they connect to the system." *Id.* (emphasis added).

15. The Commission's order that the amount of Southlake's AFPI charges be based upon the date that a customer connects to the system is consistent with the Florida Supreme Court's

holding in H. Miller & Sons, Inc. v Hawkins, 373 So.2d 913 (Fla. 1979). In H. Miller, the Florida Supreme Court held:

The crucial time in regard to service availability charges must be the date of connection since there can be no ascertainment of the actual cost of maintaining sufficient capacity until that date. Id. at 916.

16. In Order No. PSC-96-1082-FOF-WS, Order Denying Southlake Utilities, Inc.'s Proposed AFPI Tariff and Notice of Proposed Agency Action Cancelling Existing AFPI Tariff, Denying Waiver of Rule 25-30.434(4), Florida Administrative Code, and Requiring Refund of Previously Collected AFPI Charges, In Re: Application for Approval of Allowance for Funds Prudently Invested (AFPI) by Southlake Utilities, Inc. in Lake County, Docket No. 950933-WS, issued on August 22, 1996 ("Second AFPI Order"), the Commission (1) determined that the plant upon which the existing AFPI charges had been based had not been completed by the time period originally projected by Southlake; (2) revised Southlake's AFPI charges; (3) required refunds of previously collected AFPI charges; and (4) ordered the new AFPI charges to be effective for connections made on or after January 1, 1995. In its decision regarding refunding certain AFPI charges, the Commission used the date upon which a customer became active (i.e., "[t]his date shall be determined by which date meters were set and service was available for each building") and, as of that date, "each customer shall be charged service rates that all active customers are required to pay" (i.e., base facility charges). Accordingly, the Commission used the date of connection to determine the amount of AFPI charges consistent with its previous order.

17. Southlake has followed the directives of the Commission with respect to its AFPI charges. Southlake uses the date of connection to determine the total amount of AFPI due. Southlake holds all payments towards AFPI charges which are made prior to the date of connection as interest-earning deposits. Southlake then determines the total amount of AFPI charges due by referring to the amount for the month and year set forth in the Commission-approved Tariff as of the date of connection. It then applies the AFPI deposit, if any, and interest on the AFPI deposit to determine the outstanding amount due. This procedure is referred to as "AFPI True Up."

18. Southlake's procedures with respect to its AFPI charges have been approved by the Staff of the Commission. In Consumer Request No. 168714I, a virtually identical protest addressing Southlake's AFPI True Up in 1997, the Staff of the Commission reviewed Southlake's procedures with respect to the AFPI True Up charges and found that it does not appear that Southlake violated Commission rules or Southlake's tariffs in billing the developer. As noted by the Staff, "[d]ocumentation received from Southlake Utilities indicates that the properties you were developing in Lake County were assessed an additional fee for connection to wastewater services. This fee is in keeping with Southlake Utilities Tariff Sheet 36, which concerns charges for Allowances for Funds Prudently Invested (AFPI)." See December 9, 1997, letter from Douglas B. Martin, Consumer Complaint Analyst, Division of Consumer Affairs, Florida Public Service Commission to Martin Rosato, attached as Exhibit A, and a May 14, 1997, letter to Mr. Rosato by Robert L. Chapman, III, President of Southlake, attached as Exhibit B. Southlake continues to utilize the same AFPI procedures approved by the Staff.

19. Southlake is following the orders of the Commission and applying its tariff consistently with the Commission's orders. Accordingly, Southlake is not in violation of any rule, statute or tariff provision in connection with AFPI charges.

THEREFORE, the Commission should deny the relief sought by Horton.

DATED this 3rd day of September, 1998.

Respectfully submitted,

MARTIN, ADE, BIRCHFIELD &
MICKLER, P.A.

By: 

James L. Ade
Florida Bar No. 0000460
Scott G. Schildberg
Florida Bar No. 0613990
3000 Independent Square
Jacksonville, FL 32202
Telephone: (904) 354-2050

Attorneys for Southlake
Utilities, Inc.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA



DIVISION OF CONSUMER AFFAIRS
BEVERLEE DEMELLO
DIRECTOR
(850) 413-6100
TOLL FREE 1-800-342-3552

Public Service Commission

December 9, 1997

Mr. Martin Rosato
Wooldridge Homes
616 Grove Park Avenue
Davenport, FL 33837

Dear Mr. Rosato:

This is in response to your complaint to the Florida Public Service Commission (PSC) regarding Southlake Utilities, Inc.

Documentation received from Southlake Utilities indicates that the properties you were developing in Lake County were assessed an additional fee for connection to wastewater services. This fee is in keeping with Southlake Utilities Tariff Sheet 36, which concerns charges for Allowances for Funds Prudently Invested (AFPI).

Based upon documentation received from you and the utility, it does not appear that Southlake Utilities has violated PSC rules or its tariffs in the billing of your account.

I hope this information is helpful. If you have any questions, you may contact me, toll-free, at 1-800-342-3552.

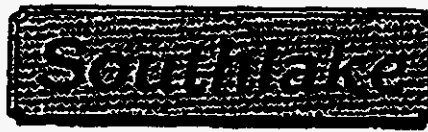
Sincerely,

A handwritten signature in black ink, appearing to read "Douglas B. Martin".

Douglas B. Martin
Consumer Complaint Analyst
Division of Consumer Affairs

DBM:ewe

EXHIBIT A



SOUTHLAKE UTILITIES, INC.
333 U.S. Highway 27
1-888-8876-FLOW
Florida PSC Certificates 464-S and 533-W
Clermont, FL 34711
FAX (352) 394-8894

May 14, 1997

Mr. Martin Rosato
Wooldridge Homes
c/o Briar Grove
616 Grove Park Avenue
Davenport, FL 33837

By Fax: (941) 424-0903

Dear Martin

I apologize for my role in the apparent confusion about pricing for Wooldridge Homes' reservation of wastewater plant capacity.*

Therefore, I am writing to provide you with a detailed statement of our understanding of the Allowance for Funds Prudently Invested (AFPI) fees and to provide you with some background information:

1. According to our records, Wooldridge Homes has reserved wastewater plant capacity by payment of the Plant Capacity Charges for 60 single family homes.
2. Reserving capacity is one step toward becoming a customer. To be connected to the utility lines, a new customer must pay other charges which include, but are not necessarily limited to, meter installation fees, initial connection fees, deposits, and AFPI fees based on the date of connection.
3. AFPI is defined by 25-30.434, Florida Statutes, as "a mechanism which allows a utility the opportunity to earn a fair rate of return on prudently constructed plant held for future use from the future customers to be served by that plant in the form of a charge paid by those customers."
4. AFPI is calculated by multiplying the number of Equivalent Residential Connections (ERCs) by the dollar amount of AFPI set forth in the Tariff for the month of connection. AFPI is based on the pre-determined

EXHIBIT B

fee for the month in which a connection takes place. The correct fees are determined by Tariff Sheet 36. It gives the price for connection by year and month.

5. The AFPI you paid in August, 1996, would have constituted full payment of AFPI for 60 wastewater ERCs if had you proceeded to connect 60 ERCs in August, 1996.

6. Because no connections were actually made in August, we now carry your payment on our books as a partial payment toward AFPI fees for future connections. Because we carry your August, 1996, payment toward AFPI as a pre-payment, we also accrue to your account a PSC approved rate of interest on the amount of AFPI which was pre-paid.

7. I believe that the source of confusion is ambiguous language which your attorney inserted into our standard PSC approved Developer's Agreement when he reviewed and retyped it. However, in spite of the ambiguity, I still read his language stating that "the fees for sewer and water shall be fixed at the amount per unit on Exhibit B. The \$74,973.60 paid with this agreement shall be credited as full payment of sewer fees at the rate of \$1,249.56 per lot" to be consistent with our policies:

- A. The price is fixed by the amount shown on Exhibit B, which states that AFPI pricing is "Per Tariff Sheet 36.00." Tariff sheet 36.0 provides a month-by-month price table. Exhibit B states that the AFPI quoted is for *August 31, 1996*. The price given is the price is for August, 1996, valid through August 31, as given by Sheet 36.0.
- B. Wooldridge Homes was credited with full payment of sewer fees at \$1,249.56 per lot, which was payment of plant capacity charges and the August, 1996, AFPI. However this clearly was not payment-in-full of all sewer fees, which will also include AFPI true-up, meter installation fees, connection fees, deposits, and possibly other fees and costs as set forth in the Tariff. When I signed the agreement, in my mind I was acknowledging full payment the amount we agreed upon for reserving capacity, as at August, 1996, at the rate of \$1,249.56 per lot for 60 lots. This was not payment of all fees.

8. Under the Public Service Commission's Rules, Section 25-30.540, we are permitted to charge up to the total amount due to extend service. You agreed to pay, and paid, an amount which included the AFPI due, as of August, 1996. We reserved the capacity. However, I hope I pointed out at the time that AFPI increased each month until actual connections were made. I think we discussed the fact that the longer it takes to make connection, the greater the AFPI will be.

In summary, the full amount of the connection fees can only be determined as connections are made, based on the month of connection, using the AFPI table in the Tariff. AFPI covers the time prior to the point in time when a new residence begins using our water and sewer service, and providing revenue to us as a customer.

As a regulated public utility we are required to carefully comply with very specific regulations administered by the Florida Public Service Commission. Florida Statutes 367.091: "A utility may only impose and collect those rates and charges approved by the commission for the particular class of service involved. A change in any rate schedule may not be made without commission approval."

According to Florida Public Commission Rule 25-30.115, Allowance for Funds Prudently Invested are accounted for as Guaranteed Revenues, which are defined under Rule 25-30.515 as "a charge designed to cover the utility's costs including, but not limited to the cost of operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers." This type of charge is designed to help the utility recover a portion of its cost from the time capacity is reserved until a customer begins to pay monthly service fees."

In structuring our tariff, the PSC elected to use the a method in which AFPI accrues until connection is made and a customer begins buying service as an appropriate alternative to separate guaranteed revenue charges.

If you still have questions after reading this letter, I would be happy to see if we can schedule a conference call with a PSC staff member to review our policy. If our procedure is not correct, we will, of course, refund the true-up amounts which Wooldridge Homes has recently paid.

Again, I apologize for my role in letting this confusion happen.

Let me assure you that we are delighted at the prospect of working with Wooldridge Homes and that we look forward to providing reliable and economical service to you and your customers.

Sincerely,



Robert L. Chapman, III
President

cc: Mr. Rob Lewis, Controller,
Wooldridge Homes by Fax (510) 680-7685
Mr. Norman Mears
Mr. Jeff Cagan

* To avoid possible future confusion, please note that under PSC rules, incorporated by reference in our Service Availability Policy, the utility does not have to refund payment for plant capacity to you if you do not proceed further with the development (unless we are able to sell the reserved capacity within four years).



Department of Environmental Protection

Lawton Chiles
Governor

Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767

Virginia B. Wetherell
Secretary

March 12, 1998

Southlake Utilities, Inc.
333 U.S. Highway 27
Clermont, Fl. 34711

Attention: Robert L. Chapman, III, President

Lake County - PW
Southlake Utilities
Potable Water System

Your March 10 FAX regarding the subject water system was received on March 11, 1998.

Thank you for your update on the current number of service connections (257) and projected population served (1,214). Please continue to provide this updated information to your certified operator monthly for inclusion on the monthly operational reports.

Because the number of active service connections does not all consist of standard single family residences (Southlake Townhouses and Summer Bay, for example, would be classified as multifamily units), it would be helpful to know what the basis is for your total population estimates. Also, because the projected population and number of service connections served does not correlate with the standard 3 1/2 person connection single family residence, we will assume that the current number of service connections (257) equates to 347 e.r.u.'s (1,214 persons/3 1/2 persons per e.r.u.) based on your population estimate.

Regarding your request that we reverse our decision to no longer issue permits for additional distribution extensions until additional storage and supply facilities are in place, please note the following:

- Our determination that the total connections permitted for construction to date has exceeded current plant capacity was not inaccurate. The permitted capacity of 537,000 gpd is the maximum daily capacity, and was based on chlorine contact time available in the hydropneumatic tank. It is not the average daily capacity. This capacity equates to 681 eru's. The 537,000 gpd maximum daily flow is projected as 2.25 x average daily flow. Your permitted capacity figure of 1,534 eru's is incorrect, since it is based on the 537,000 gpd being average daily flow capacity.

Because the updated total on current number of connections (and calculated e.r.u.'s) that you provided is well below the current design capacity, we will not insist that the additional storage and supply facilities are actually in place prior to issuing additional distribution system permits. However, we at least need to receive the application for plant expansion along with a projected schedule for plant improvements commensurate with expected growth of active services. This is because there are at least 1,100 e.r.u.'s permitted for construction, with only 681 e.r.u.'s available with the current plant. Building is actively proceeding in several of these projects, and ground is being broken in others. As discussed with your engineer, fire flows in conjunction with 1/2 maximum day domestic demand also need to be satisfied, and this needs to be documented in the design. At some point, ground and/or elevated storage will be necessary as the system grows.

EXHIBIT 1A2 (page 1 of 3)

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

The discrepancies between our # of e.r.u.'s permitted and your figures (some of which refer to builders' names instead of the actual subdivisions) still needs to be resolved and refined. If you would provide information as to which projects or subdivisions your listed names are associated with, this would be helpful in coordinating our records.

The following is a summary of both our records and yours relative to e.r.u.'s and commitments:

DEP Permits Issued e.r.u.'s Southlake Paid Southlake Reserve's Capacity Reserve's

| | | | |
|------------------------------------------------------|-------|-------------------------------------|-------|
| Southlake Community "dry-line" Ctd 5/24/94 | 305 | Southlake Apts. | 171 |
| Woodridge S/D dry-line converted to wet-line 7/18/94 | 330 | Jones Construction - Stafford Homes | 118 |
| Well #2/aux. power Ctd 7/14/94 | | D.R. Horton | 367 |
| Summer Bay - Unit "dry-line" | 0 | Woodridge Homes | 10 |
| Summer Bay | 43 | Ware Oil Co. | 4 |
| Southlake Townhouses | 238 | Miller Brothers | 8 |
| Clear Creek PUD not Ctd. | 246 | Winn Dixie | 16 |
| W/D/Marketplace @ Woodridge Not Ctd. | 15 | Worthwhile Development | 247 |
| Sarah's Place Apts. Not Ctd. | 245 | Summer Bay | 160 |
| Total ERU's | 1,422 | | 1,100 |

You state that our calculations include "hypothetical developments" which have not reserved capacity from Southlake Utilities. There is a question on the 305 e.r.u.'s in the "Southlake Utility Dry-Line" permit (which did not contain a reference to a specific development). If you do not believe that there are permitted connections associated with this permit, please advise, as this may account for 305 of the 322 connections difference between our totals.

Due to the size of the service area and future growth that can be expected, it is felt that a master plan for future water system improvements is needed. Do you have an overall map of the total distribution system which locates existing and future developments? Has a hydraulic analysis been performed to determine where and when future system improvements will be needed? A meeting with you and your consultant would be helpful to learn of future plans.

Your continued cooperation in our drinking water program will be appreciated.

Sincerely,



Joseph M. McNamara, P.E., DEE
Program Manager
Drinking Water

JMMc/n:rr

cc: Ron Wilson, P.E.



Department of Environmental Protection

Lawton Chiles
Governor

Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803-3767

Virginia B. Wetherell
Secretary

Permittee:
Southlake Utilities, Inc.
800 U.S. Highway 27
Clermont, FL 34711

Permit Number: WC35-0080599-004

Date of Issue:

Expiration Date: 06/15/99

County: Lake

Project: Southlake Utilities

Second Hydropneumatic Tank

Attention: Robert L. Chapman, III
President

This permit is issued under the provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Rule 62-555, (F.A.C.). The above named permittee is hereby authorized to perform the work shown on the application and approved drawing, plans, and other documents attached hereto or on file with the Department and made a part hereof and specifically described as follows:

This project consists of installing a second 15,000-gallon hydropneumatic tank at the Southlake Utilities Water Plant #1. Included are associated eight-inch ductile iron and PVC yard piping, valves, controls and appurtenances. The effective volume of the tank will be 11,200-gallons. Combined with the effective volume of the existing 15,000-gallon tank, this will expand the maximum daily design capacity of the plant to 1,075,200 gpd or 1,365 eru's. This will require a minimum Class C or higher certified water plant operator on-site for five visits per week and on weekend visit (no increase over current staffing requirement).

The project is located on the east side of U.S. Highway 27 north of U.S. Highway 192 in Section 35, Township 24 South, Range 26 East at Latitude 28 21 40 N, Longitude 81 41 16 West.

General Conditions are attached to be distributed to the permittee only.

DEP FORM 62-1.201(5) Effective November 30, 1982 Page 1 of 4

EXHIBIT 1A3

Pittman\0080599-004

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

SOUTHLAKE UTILITIES, INC.
Summary of A.F.P.I.
For Paid Connections as of December 31, 1998

File: Staff2nd1a10.xls
 Updated 07/15/99

| Builder | WATER | | | | WASTEWATER | | | |
|-----------------------------|---------------|------------------|------------------|------------------|---------------|-------------------|-------------------|-------------------|
| | ERCs | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| Jones | 9.19 | 2,833.07 | 4,009.74 | (1,176.67) | 49.76 | 60,845.78 | 52,006.27 | 8,839.51 |
| Horton--Woodridge | (424.99) | (14,600.83) | 5,726.52 | (20,327.35) | 82.22 | 48,565.96 | 75,700.05 | (27,134.09) |
| Horton--Clear Creek | 58.00 | 9,252.06 | 4,852.14 | 4,399.92 | 58.00 | 122,773.68 | 63,825.99 | 58,947.69 |
| Southlake Apartments | - | - | - | - | - | - | - | - |
| Southlake Development, Ltd. | - | 17,410.73 | - | 17,410.73 | - | 251,250.72 | - | 251,250.72 |
| Summer Bay | 155.55 | 31,018.41 | 8,737.32 | 22,281.09 | 24.83 | 68,571.62 | 120,905.94 | (52,334.32) |
| US Highway 27 | 277.38 | 27,039.53 | 23,107.23 | 3,932.30 | 305.29 | 358,832.13 | 298,514.41 | 60,317.72 |
| Woodridge | 27.00 | 1,309.55 | 1,837.32 | (527.77) | 27.00 | 36,417.62 | 24,128.35 | 12,289.27 |
| Total | 102.13 | 74,262.52 | 48,270.27 | 25,992.25 | 547.10 | 947,257.51 | 635,081.01 | 312,176.50 |

SOUTHLAKE UTILITIES, INC.

Record of J.E Jones A.F.P.I.

For Paid Connections as of December 31, 1998

| Conn | Date | Phase 1 Lot | Account Number | WATER | | | WASTEWATER | | | | |
|------|----------|----------------|-------------------|-------|-----------|-----------|------------|------|-----------|-----------|-----------|
| | | | | ERCs | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| | 03/31/95 | | | | 41,754.60 | | 41,754.60 | | 55,939.60 | | 55,939.60 |
| 1 | 09/20/95 | 2 | 12-0190-1 | 1.00 | | 15.66 | 41,738.94 | 1.00 | 208.79 | | 55,731.01 |
| 2 | 09/20/95 | 4 | 12-0170-1 | 1.00 | | 15.66 | 41,723.28 | 1.00 | 208.79 | | 55,522.22 |
| 3 | 02/12/96 | 20 | 12-0010-1 | 1.00 | | 24.60 | 41,698.68 | 1.00 | 208.79 | | 55,313.43 |
| 4 | 02/12/96 | 39 | 12-0720-1 | 1.00 | | 24.60 | 41,674.08 | 1.00 | 327.43 | | 54,986.00 |
| 5 | 02/12/96 | 58 | 12-1010-1 | 1.00 | | 24.60 | 41,649.48 | 1.00 | 327.43 | | 54,658.57 |
| 6 | 02/12/96 | 60 | 12-0990-1 | 1.00 | | 24.60 | 41,624.88 | 1.00 | 327.43 | | 54,331.14 |
| 7 | 05/01/96 | 21 | 12-1220-1 | 1.00 | | 30.17 | 41,594.71 | 1.00 | 400.99 | | 53,930.15 |
| 8 | 05/01/96 | 53 | 12-1060-1 | 1.00 | | 30.17 | 41,564.54 | 1.00 | 400.99 | | 53,529.16 |
| 9 | 07/12/96 | 8 | 12-0130-1 | 1.00 | | 33.89 | 41,530.65 | 1.00 | 450.03 | | 53,079.13 |
| 10 | 07/12/96 | 10 | 12-0110-1 | 1.00 | | 33.89 | 41,496.76 | 1.00 | 450.03 | | 52,629.10 |
| 11 | 08/21/96 | 50 | 12-1090-1 | 1.00 | | 35.75 | 41,461.01 | 1.00 | 474.56 | | 52,154.54 |
| 12 | 08/21/96 | 54 | 12-1050-1 | 1.00 | | 35.75 | 41,425.26 | 1.00 | 474.56 | | 51,679.98 |
| 13 | 08/21/96 | Pool | 12-3380-1 | 1.71 | | 61.13 | 41,364.13 | - | - | | 51,679.98 |
| 14 | 09/05/96 | 28 | 12-0670-1 | 1.00 | | 37.61 | 41,326.52 | 1.00 | 499.08 | | 51,180.90 |
| 15 | 09/05/96 | 51 | 12-1080-1 | 1.00 | | 37.61 | 41,288.91 | 1.00 | 499.08 | | 50,681.82 |
| 16 | 09/23/96 | 40 | 12-1190-1 | 1.00 | | 37.61 | 41,251.30 | 1.00 | 499.08 | | 50,182.74 |
| 17 | 09/23/96 | 45 | 12-1140-1 | 1.00 | | 37.61 | 41,213.69 | 1.00 | 499.08 | | 49,683.66 |
| 18 | 09/23/96 | 52 | 12-1070-1 | 1.00 | | 37.61 | 41,176.08 | 1.00 | 499.08 | | 49,184.58 |
| 19 | 12/21/96 | 19 | 12-0020-1 | 1.00 | | 43.18 | 41,132.90 | 1.00 | 572.64 | | 48,611.94 |
| 20 | 12/21/96 | 5 | 12-0160-1 | 1.00 | | 43.18 | 41,089.72 | 1.00 | 572.64 | | 48,039.30 |
| 21 | 12/21/96 | 9 | 12-0120-1 | 1.00 | | 43.18 | 41,046.54 | 1.00 | 572.64 | | 47,466.66 |
| 22 | 01/31/97 | 15 | 12-0060-1 | 1.00 | | 45.16 | 41,001.38 | 1.00 | 598.60 | | 46,868.06 |
| 23 | 02/19/97 | 12 | 12-0090-1 | 1.00 | | 47.15 | 40,954.23 | 1.00 | 624.56 | | 46,243.50 |
| 24 | 02/19/97 | 27 | 12-0680-1 | 1.00 | | 47.15 | 40,907.08 | 1.00 | 624.56 | | 45,618.94 |
| 25 | 03/21/97 | 11 | 12-0100-1 | 1.00 | | 49.13 | 40,857.95 | 1.00 | 650.52 | | 44,968.42 |
| 26 | 03/21/97 | 16 | 12-0050-1 | 1.00 | | 49.13 | 40,808.82 | 1.00 | 650.52 | | 44,317.90 |
| 27 | 05/15/97 | ComRms | 12-3381-1 | 1.00 | | 53.10 | 40,755.72 | 1.00 | 702.43 | | 43,615.47 |
| 28 | 05/16/97 | 68 | 12-1970-1 | 1.00 | | 53.10 | 40,702.62 | 1.00 | 702.43 | | 42,913.04 |

SOUTHLAKE UTILITIES, INC.

Record of J.E Jones A.F.P.I.

For Paid Connections as of December 31, 1998

| Conn | Date | Phase 1 Lot | Account Number | WATER | | | | WASTEWATER | | | |
|------|----------|----------------|-------------------|---------|-------------|-----------|------------|------------|-------------|-----------|-------------|
| | | | | ERCs | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| 29 | 06/24/97 | 59 | 12-1000-1 | 1.00 | | 55.08 | 40,647.54 | 1.00 | | 728.39 | 42,184.65 |
| 30 | 06/24/97 | 13 | 12-0080-1 | 1.00 | | 55.08 | 40,592.48 | 1.00 | | 728.39 | 41,456.26 |
| 31 | 06/24/97 | 17 | 12-0040-1 | 1.00 | | 55.08 | 40,537.38 | 1.00 | | 728.39 | 40,727.87 |
| 32 | 06/24/97 | 36 | 12-0750-1 | 1.00 | | 55.08 | 40,482.30 | 1.00 | | 728.39 | 39,999.48 |
| 33 | 06/24/97 | 7 | 12-0140-1 | 1.00 | | 55.08 | 40,427.22 | 1.00 | | 728.39 | 39,271.09 |
| 34 | 06/24/97 | 26 | 12-0690-1 | 1.00 | | 55.08 | 40,372.14 | 1.00 | | 728.39 | 38,542.70 |
| 35 | 08/06/97 | 6 | 12-0150-1 | 1.00 | | 59.05 | 40,313.09 | 1.00 | | 780.30 | 37,762.40 |
| 36 | 08/06/97 | 29 | 12-0660-1 | 1.00 | | 59.05 | 40,254.04 | 1.00 | | 780.30 | 36,982.10 |
| 37 | 09/17/97 | 65 | | 1.00 | | 61.03 | 40,193.01 | 1.00 | | 806.26 | 36,175.84 |
| 38 | 09/26/97 | 14 | 12-0070-1 | 1.00 | | 61.03 | 40,131.98 | 1.00 | | 806.26 | 35,369.58 |
| 39 | 09/26/97 | 43 | 12-1160-1 | 1.00 | | 61.03 | 40,070.95 | 1.00 | | 806.26 | 34,563.32 |
| 40 | 10/24/97 | 30 | 12-0650-1 | 1.00 | | 63.02 | 40,007.93 | 1.00 | | 832.22 | 33,731.10 |
| 41 | 10/24/97 | 34 | 12-0610-1 | 1.00 | | 63.02 | 39,944.91 | 1.00 | | 832.22 | 32,898.88 |
| 42 | 12/05/97 | 56 | 12-1030-1 | 1.00 | | 66.98 | 39,877.93 | 1.00 | | 884.13 | 32,014.75 |
| 43 | 12/05/97 | 49 | 12-1100-1 | 1.00 | | 66.98 | 39,810.95 | 1.00 | | 884.13 | 31,130.62 |
| 44 | 12/05/97 | 23 | 12-1200-1 | 1.00 | | 66.98 | 39,743.97 | 1.00 | | 884.13 | 30,246.49 |
| | 12/31/97 | | | (45.72) | (42,806.37) | | (3,062.40) | (18.24) | (46,373.56) | | (16,127.07) |
| | 12/31/97 | | | | 3,884.84 | | 822.44 | | 51,279.54 | | 35,152.47 |
| 45 | 01/28/98 | 38 | 12-0730-1 | 1.00 | | 69.11 | 753.33 | 1.00 | | 911.65 | 34,240.82 |
| 46 | 01/28/98 | 25 | 12-0700-1 | 1.00 | | 69.11 | 684.22 | 1.00 | | 911.65 | 33,329.17 |
| 47 | 01/28/98 | 32 | 12-0630-1 | 1.00 | | 69.11 | 615.11 | 1.00 | | 911.65 | 32,417.52 |
| 48 | 01/28/98 | 18 | 12-0030-1 | 1.00 | | 69.11 | 546.00 | 1.00 | | 911.65 | 31,505.87 |
| 49 | 03/06/98 | 41 | 12-1180-1 | 1.00 | | 73.35 | 472.65 | 1.00 | | 966.68 | 30,539.19 |
| 50 | 03/06/98 | 57 | 12-1020-1 | 1.00 | | 73.35 | 399.30 | 1.00 | | 966.68 | 29,572.51 |
| 51 | 04/06/98 | 42 | 12-1170-1 | 1.00 | | 75.47 | 323.83 | 1.00 | | 994.19 | 28,578.32 |
| 52 | 04/06/98 | 48 | 12-1110-1 | 1.00 | | 75.47 | 248.36 | 1.00 | | 994.19 | 27,584.13 |
| 53 | 05/11/98 | 37 | 12-0740-1 | 1.00 | | 77.59 | 170.77 | 1.00 | | 1,021.70 | 26,562.43 |
| 54 | 05/11/98 | 46 | 12-1130-1 | 1.00 | | 77.59 | 93.18 | 1.00 | | 1,021.70 | 25,540.73 |
| 55 | 05/11/98 | 31 | 12-0640-1 | 1.00 | | 77.59 | 15.59 | 1.00 | | 1,021.70 | 24,519.03 |
| 56 | 05/11/98 | 33 | 12-0620-1 | (0.80) | | 77.59 | (62.00) | 1.00 | | 1,021.70 | 23,497.33 |

SOUTHLAKE UTILITIES, INC.

Record of J.E Jones A.F.P.I.

For Paid Connections as of December 31, 1998

| Conn | Date | Phase 1 Lot | Account Number | WATER | | | | WASTEWATER | | | |
|--------------|----------|----------------|-------------------|-------------|-----------------|-----------------|-------------------|--------------|------------------|------------------|-----------------|
| | | | | ERCs | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| 57 | 08/11/98 | 47 | 12-1120-1 | - | | 79.71 | (141.71) | 1.00 | | 1,049.22 | 22,448.11 |
| 58 | 08/22/98 | 55 | 12-1040-1 | - | | 79.71 | (221.42) | 1.00 | | 1,049.22 | 21,388.89 |
| 59 | 08/22/98 | 73 | 12-4480-1 | - | | 79.71 | (301.13) | 1.00 | | 1,049.22 | 20,349.67 |
| 60 | 08/12/98 | 92 | 12-4740-1 | - | | 83.95 | (385.08) | 1.00 | | 1,104.24 | 19,245.43 |
| 61 | 08/12/98 | 102 | 12-4840-1 | - | | 83.95 | (469.03) | 1.00 | | 1,104.24 | 18,141.19 |
| 62 | 08/12/98 | 118 | 12-5000-1 | - | | 83.95 | (552.98) | 1.00 | | 1,104.24 | 17,036.95 |
| 63 | 10/27/98 | 77 | 12-4590-1 | - | | 88.19 | (641.17) | 1.00 | | 1,159.27 | 15,877.68 |
| 64 | 10/27/98 | 88 | 12-4700-1 | - | | 88.19 | (729.36) | 1.00 | | 1,159.27 | 14,718.41 |
| 65 | 10/27/98 | 93 | 12-4750-1 | - | | 88.19 | (817.55) | 1.00 | | 1,159.27 | 13,559.14 |
| 66 | 10/27/98 | 114 | 12-4960-1 | - | | 88.19 | (905.74) | 1.00 | | 1,159.27 | 12,399.87 |
| 67 | 10/27/98 | 61 | 12-4430-1 | - | | 88.19 | (993.83) | 1.00 | | 1,159.27 | 11,240.60 |
| 68 | 11/02/98 | 70 | 12-4530-1 | - | | 90.31 | (1,084.24) | 1.00 | | 1,186.79 | 10,053.81 |
| 69 | 12/28/98 | 112 | 12-4940-1 | - | | 92.43 | (1,176.67) | 1.00 | | 1,214.30 | 8,839.51 |
| Total | | | | 9.19 | 2,833.07 | 4,009.74 | (1,176.67) | 49.76 | 60,845.78 | 52,006.27 | 8,839.51 |

SOUTHLAKE UTILITIES, INC.
Record of D.R. Horton A.F.P.I. - Woodridge
For Paid Connections as of December 31, 1998

| Conn | Date | Phase 2 Lot | Account Number | ERCs | WATER | | | WASTEWATER | | | |
|------|----------|----------------|-------------------|------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| | 09/27/95 | | | | 8,058.10 | | 8,058.10 | | 10,825.90 | | 10,825.90 |
| 1 | 11/09/95 | 76 | 12-1890-1 | 1.00 | | 19.14 | 8,038.96 | 1.00 | | 255.19 | 10,570.71 |
| 2 | 11/09/95 | 78 | 12-1870-1 | 1.00 | | 19.14 | 8,019.82 | 1.00 | | 255.19 | 10,315.52 |
| 3 | 11/09/95 | 77 | 12-1880-1 | 1.00 | | 19.14 | 8,000.68 | 1.00 | | 255.19 | 10,060.33 |
| 4 | 11/09/95 | 84 | 12-2990-1 | 1.00 | | 19.14 | 7,981.54 | 1.00 | | 255.19 | 9,805.14 |
| 5 | 11/09/95 | 83 | 12-2980-1 | 1.00 | | 19.14 | 7,962.40 | 1.00 | | 255.19 | 9,549.95 |
| 6 | 11/20/95 | 80 | 12-1850-1 | 1.00 | | 19.14 | 7,943.26 | 1.00 | | 255.19 | 9,294.76 |
| 7 | 11/20/95 | 79 | 12-1860-1 | 1.00 | | 19.14 | 7,924.12 | 1.00 | | 255.19 | 9,039.57 |
| 8 | 01/18/96 | 85 | 12-3000-1 | 1.00 | | 22.74 | 7,901.38 | 1.00 | | 302.91 | 8,736.66 |
| 9 | 01/18/96 | 82 | 12-2970-1 | 1.00 | | 22.74 | 7,878.64 | 1.00 | | 302.91 | 8,433.75 |
| 10 | 01/18/96 | 81 | 12-2940-1 | 1.00 | | 22.74 | 7,855.90 | 1.00 | | 302.91 | 8,130.84 |
| | 02/13/96 | | | | 36,959.45 | | 44,815.35 | | 49,765.80 | | 57,896.64 |
| 11 | 03/04/96 | 5 | 12-0210-1 | 1.00 | | 26.46 | 44,788.89 | 1.00 | | 351.95 | 57,544.69 |
| 12 | 03/04/96 | 4 | 12-0220-1 | 1.00 | | 26.46 | 44,762.43 | 1.00 | | 351.95 | 57,192.74 |
| 13 | 03/04/96 | 3 | 12-0230-1 | 1.00 | | 26.46 | 44,735.97 | 1.00 | | 351.95 | 56,840.79 |
| 14 | 04/19/96 | 51 | 12-2170-1 | 1.00 | | 28.32 | 44,707.65 | 1.00 | | 376.47 | 56,464.32 |
| 15 | 04/19/96 | 50 | 12-2180-1 | 1.00 | | 28.32 | 44,679.33 | 1.00 | | 376.47 | 56,087.85 |
| 16 | 04/19/96 | 48 | 12-2200-1 | 1.00 | | 28.32 | 44,651.01 | 1.00 | | 376.47 | 55,711.38 |
| 17 | 04/19/96 | 49 | 12-0190-1 | 1.00 | | 28.32 | 44,622.69 | 1.00 | | 376.47 | 55,334.91 |
| 18 | 05/15/96 | 47 | 12-2210-1 | 1.00 | | 30.17 | 44,592.52 | 1.00 | | 400.99 | 54,933.92 |
| 19 | 05/15/96 | 42 | 12-2260-1 | 1.00 | | 30.17 | 44,562.35 | 1.00 | | 400.99 | 54,532.93 |
| 20 | 05/15/96 | 39 | 12-2290-1 | 1.00 | | 30.17 | 44,532.18 | 1.00 | | 400.99 | 54,131.94 |
| 21 | 06/21/96 | 45 | 12-2230-1 | 1.00 | | 32.03 | 44,500.15 | 1.00 | | 425.51 | 53,706.43 |
| 22 | 06/21/96 | 53 | 12-2150-1 | 1.00 | | 32.03 | 44,468.12 | 1.00 | | 425.51 | 53,280.92 |
| 23 | 06/21/96 | 57 | 12-2110-1 | 1.00 | | 32.03 | 44,436.09 | 1.00 | | 425.51 | 52,855.41 |
| 24 | 07/30/96 | 54 | 12-2140-1 | 1.00 | | 33.89 | 44,402.20 | 1.00 | | 450.03 | 52,405.38 |
| 25 | 07/30/96 | 55 | 12-2130-1 | 1.00 | | 33.89 | 44,368.31 | 1.00 | | 450.03 | 51,955.35 |
| 26 | 07/30/96 | 59 | 12-2090-1 | 1.00 | | 33.89 | 44,334.42 | 1.00 | | 450.03 | 51,505.32 |
| 27 | 07/30/96 | 60 | 12-2080-1 | 1.00 | | 33.89 | 44,300.53 | 1.00 | | 450.03 | 51,055.29 |

SOUTHLAKE UTILITIES, INC.
Record of D.R. Horton A.F.P.I. - Woodridge
For Paid Connections as of December 31, 1998

| Conn | Date | Phase 2 Lot | Account Number | ERCs | WATER | | | ERCs | WASTEWATER | | |
|------|----------|------------------------|-------------------|----------|-------------|-----------|-------------|------|-------------|-----------|-----------|
| | | | | | Paid | Connected | Prepaid | | Paid | Connected | Prepaid |
| 28 | 07/30/96 | 75 | 12-1900-1 | 1.00 | | 33.89 | 44,266.64 | 1.00 | | 450.03 | 50,605.26 |
| | 09/30/96 | Split with Clear Creek | | | 2,632.70 | | 46,899.34 | | 34,935.60 | | 85,540.86 |
| | 09/30/96 | Refund | | (452.99) | (62,251.08) | | (15,351.74) | | (46,961.34) | | 38,579.52 |
| 29 | 10/14/96 | 40 | 12-2280-1 | - | | 39.46 | (15,391.20) | 1.00 | | 523.60 | 38,055.92 |
| 30 | 10/14/96 | 70 | 12-1950-1 | - | | 39.46 | (15,430.66) | 1.00 | | 523.60 | 37,532.32 |
| 31 | 10/14/96 | 72 | 12-1930-1 | - | | 39.46 | (15,470.12) | 1.00 | | 523.60 | 37,008.72 |
| 32 | 10/31/96 | 68 | 12-1970-1 | - | | 39.46 | (15,509.58) | 1.00 | | 523.60 | 36,485.12 |
| 33 | 10/31/96 | 69 | 12-1960-1 | - | | 39.46 | (15,549.04) | 1.00 | | 523.60 | 35,961.52 |
| 34 | 10/31/96 | 73 | 12-1920-1 | - | | 39.46 | (15,588.50) | 1.00 | | 523.60 | 35,437.92 |
| 35 | 11/14/96 | 46 | 12-2220-1 | - | | 41.32 | (15,629.82) | 1.00 | | 548.12 | 34,889.80 |
| 36 | 12/21/96 | 63 | 12-2020-1 | - | | 43.18 | (15,673.00) | 1.00 | | 572.64 | 34,317.16 |
| 37 | 01/31/97 | 44 | 12-2240-1 | - | | 45.16 | (15,718.16) | 1.00 | | 598.60 | 33,718.56 |
| 38 | 02/20/97 | 41 | 12-2270-1 | - | | 47.15 | (15,765.31) | 1.00 | | 624.56 | 33,094.00 |
| 39 | 02/25/97 | 30 | 12-2380-1 | - | | 47.15 | (15,812.46) | 1.00 | | 624.56 | 32,469.44 |
| 40 | 02/25/97 | 32 | 12-2380-1 | - | | 47.15 | (15,859.61) | 1.00 | | 624.56 | 31,844.88 |
| 41 | 02/25/97 | 37 | 12-2310-1 | - | | 47.15 | (15,906.76) | 1.00 | | 624.56 | 31,220.32 |
| 42 | 02/25/97 | 56 | 12-2120-1 | - | | 47.15 | (15,953.91) | 1.00 | | 624.56 | 30,595.76 |
| 43 | 02/25/97 | 58 | 12-2100-1 | - | | 47.15 | (16,001.06) | 1.00 | | 624.56 | 29,971.20 |
| 44 | 03/27/97 | 71 | 12-1940-1 | - | | 49.13 | (16,050.19) | 1.00 | | 650.52 | 29,320.68 |
| 45 | 03/27/97 | 29 | 12-2390-1 | - | | 49.13 | (16,099.32) | 1.00 | | 650.52 | 28,670.16 |
| 46 | 03/27/97 | 109 | 12-2830-1 | - | | 49.13 | (16,148.45) | 1.00 | | 650.52 | 28,019.64 |
| 47 | 03/27/97 | 64 | 12-2010-1 | - | | 49.13 | (16,197.58) | 1.00 | | 650.52 | 27,369.12 |
| 48 | 03/27/97 | 61 | 12-2070-1 | - | | 49.13 | (16,246.71) | 1.00 | | 650.52 | 26,718.60 |
| 49 | 04/22/97 | 28 | 12-2400-1 | - | | 51.11 | (16,297.82) | 1.00 | | 676.47 | 26,042.13 |
| 50 | 04/22/97 | 31 | 12-2370-1 | - | | 51.11 | (16,348.93) | 1.00 | | 676.47 | 25,365.66 |
| 51 | 04/22/97 | 35 | 12-2330-1 | - | | 51.11 | (16,400.04) | 1.00 | | 676.47 | 24,689.19 |
| 52 | 04/22/97 | 52 | 12-2160-1 | - | | 51.11 | (16,451.15) | 1.00 | | 676.47 | 24,012.72 |
| 53 | 04/22/97 | 43 | 12-2250-1 | - | | 51.11 | (16,502.26) | 1.00 | | 676.47 | 23,336.25 |
| 54 | 05/14/97 | 26 | 12-2420-1 | - | | 53.10 | (16,555.36) | 1.00 | | 702.43 | 22,633.82 |
| 55 | 05/14/97 | 27 | 12-2410-1 | - | | 53.10 | (16,608.46) | 1.00 | | 702.43 | 21,931.39 |

SOUTHLAKE UTILITIES, INC.
Record of D.R. Horton A.F.P.I. - Woodridge
For Paid Connections as of December 31, 1998

| Conn | Date | Phase 2 Lot | Account Number | ERCs | WATER | | | WASTEWATER | | |
|------|----------|----------------|-------------------|------|-------|-----------|-------------|------------|--------|-----------|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected |
| 56 | 05/14/97 | 38 | 12-3200-1 | - | | 53.10 | (16,661.56) | 1.00 | 702.43 | 21,228.98 |
| 57 | 05/14/97 | 74 | 12-1910-1 | - | | 53.10 | (16,714.66) | 1.00 | 702.43 | 20,526.53 |
| 58 | 06/03/97 | 111 | 12-2850-1 | - | | 55.08 | (16,769.74) | 1.00 | 728.39 | 19,798.14 |
| 59 | 06/03/97 | 23 | 12-2450-1 | - | | 55.08 | (16,824.82) | 1.00 | 728.39 | 19,069.75 |
| 60 | 06/03/97 | 24 | 12-2440-1 | - | | 55.08 | (16,879.90) | 1.00 | 728.39 | 18,341.36 |
| 61 | 06/03/97 | 62 | 12-1640-1 | - | | 55.08 | (16,934.98) | 1.00 | 728.39 | 17,612.97 |
| 62 | 07/07/97 | 67 | 12-1980-1 | - | | 57.07 | (16,992.05) | 1.00 | 754.35 | 16,858.62 |
| 63 | 07/07/97 | 25 | 12-2430-1 | - | | 57.07 | (17,049.12) | 1.00 | 754.35 | 16,104.27 |
| 64 | 07/17/97 | 33 | 12-2350-1 | - | | 57.07 | (17,106.19) | 1.00 | 754.35 | 15,349.92 |
| 65 | 07/17/97 | 34 | 12-2340-1 | - | | 57.07 | (17,163.26) | 1.00 | 754.35 | 14,595.57 |
| 66 | 07/21/97 | 66 | 12-2340-1 | - | | 57.07 | (17,220.33) | 1.00 | 754.35 | 13,841.22 |
| 67 | 08/15/97 | 22 | 12-2460-1 | - | | 59.05 | (17,279.38) | 1.00 | 780.30 | 13,060.92 |
| 68 | 08/15/97 | 15 | 12-2530-1 | - | | 59.05 | (17,338.43) | 1.00 | 780.30 | 12,280.62 |
| 69 | 08/15/97 | 18 | 12-2500-1 | - | | 59.05 | (17,397.48) | 1.00 | 780.30 | 11,500.32 |
| 70 | 08/15/97 | 19 | 12-2490-1 | - | | 59.05 | (17,456.53) | 1.00 | 780.30 | 10,720.02 |
| 71 | 08/15/97 | 20 | 12-2480-1 | - | | 59.05 | (17,515.58) | 1.00 | 780.30 | 9,939.72 |
| 72 | 08/25/97 | 110 | 12-2840-1 | - | | 59.05 | (17,574.63) | 1.00 | 780.30 | 9,159.42 |
| 73 | 08/25/97 | 16 | 12-2520-1 | - | | 59.05 | (17,633.68) | 1.00 | 780.30 | 8,379.12 |
| 74 | 08/25/97 | 91 | 12-2650-1 | - | | 59.05 | (17,692.73) | 1.00 | 780.30 | 7,598.82 |
| 75 | 08/25/97 | 21 | 12-2470-1 | - | | 59.05 | (17,751.78) | 1.00 | 780.30 | 6,818.52 |
| 76 | 09/17/97 | 65 | 12-1615-1 | - | | 61.03 | (17,812.81) | 1.00 | 806.26 | 6,012.26 |
| 77 | 10/03/97 | 108 | 12-2820-1 | - | | 63.02 | (17,875.83) | 1.00 | 832.22 | 5,180.04 |
| 78 | 10/03/97 | 107 | 12-2810-1 | - | | 63.02 | (17,938.85) | 1.00 | 832.22 | 4,347.82 |
| 79 | 10/03/97 | 106 | 12-2800-1 | - | | 63.02 | (18,001.87) | 1.00 | 832.22 | 3,515.60 |
| 80 | 10/03/97 | 105 | 12-2790-1 | - | | 63.02 | (18,064.89) | 1.00 | 832.22 | 2,683.38 |
| 81 | 10/03/97 | 12 | 12-2560-1 | - | | 63.02 | (18,127.91) | 1.00 | 832.22 | 1,851.16 |
| 82 | 10/03/97 | 13 | 12-2550-1 | - | | 63.02 | (18,190.93) | 1.00 | 832.22 | 1,018.94 |
| 83 | 10/03/97 | 14 | 12-2540-1 | - | | 63.02 | (18,253.95) | 1.00 | 832.22 | 186.72 |
| 84 | 10/03/97 | 17 | 12-2510-1 | - | | 63.02 | (18,316.97) | (0.78) | 832.22 | (645.50) |

SOUTHLAKE UTILITIES, INC.
Record of D.R. Horton A.F.P.I. - Woodridge
For Paid Connections as of December 31, 1998

| Conn | Date | Phase 2 Lot | Account Number | ERCs | WATER | | | WASTEWATER | | |
|------|----------|----------------|-------------------|------|-------|-----------|-------------|------------|----------|-------------|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected |
| 85 | 10/03/97 | 36 | 12-2325-1 | - | | 63.02 | (18,379.99) | - | 832.22 | (1,477.72) |
| 86 | 12/17/97 | 11 | 12-2570-1 | - | | 66.98 | (18,446.97) | - | 884.13 | (2,361.85) |
| 87 | 12/17/97 | 10 | 12-2580-1 | - | | 68.98 | (18,513.95) | - | 884.13 | (3,245.98) |
| 88 | 01/19/98 | 97 | 12-2710-1 | - | | 69.11 | (18,583.06) | - | 911.65 | (4,157.63) |
| 89 | 01/19/98 | 115 | 12-2890-1 | - | | 69.11 | (18,652.17) | - | 911.65 | (5,069.28) |
| 90 | 01/22/98 | 119 | 12-2930-1 | - | | 69.11 | (18,721.28) | - | 911.65 | (5,980.93) |
| 91 | 01/22/98 | 120 | 12-2940-1 | - | | 69.11 | (18,790.39) | - | 911.65 | (6,892.58) |
| 92 | 03/02/98 | 118 | 12-2920-1 | - | | 73.35 | (18,863.74) | - | 966.68 | (7,859.26) |
| 93 | 03/02/98 | 96 | 12-2700-1 | - | | 73.35 | (18,937.09) | - | 966.68 | (8,825.94) |
| 94 | 03/02/98 | 95 | 12-2690-1 | - | | 73.35 | (19,010.44) | - | 966.68 | (9,792.62) |
| 95 | 03/02/98 | 94 | 12-2680-1 | - | | 73.35 | (19,083.79) | - | 966.68 | (10,759.30) |
| 96 | 03/02/98 | 93 | 12-2670-1 | - | | 73.35 | (19,157.14) | - | 966.68 | (11,725.98) |
| 97 | 03/02/98 | 92 | 12-2660-1 | - | | 73.35 | (19,230.49) | - | 966.68 | (12,692.66) |
| 98 | 03/02/98 | 90 | 12-2640-1 | - | | 73.35 | (19,303.84) | - | 966.68 | (13,659.34) |
| 99 | 03/02/98 | 89 | 12-2630-1 | - | | 73.35 | (19,377.19) | - | 966.68 | (14,626.02) |
| 100 | 03/02/98 | 88 | 12-2620-1 | - | | 73.35 | (19,450.54) | - | 966.68 | (15,592.70) |
| 101 | 03/02/98 | 87 | 12-2610-1 | - | | 73.35 | (19,523.89) | - | 966.68 | (16,559.38) |
| 102 | 03/02/98 | 86 | 12-2600-1 | - | | 73.35 | (19,597.24) | - | 966.68 | (17,526.06) |
| 103 | 04/06/98 | 104 | 12-2780-1 | - | | 75.47 | (19,672.71) | - | 994.19 | (18,520.25) |
| 104 | 05/11/98 | 9 | 12-3010-1 | - | | 77.59 | (19,750.30) | - | 1,021.70 | (19,541.95) |
| 105 | 05/11/98 | 100 | 12-2740-1 | - | | 77.59 | (19,827.89) | - | 1,021.70 | (20,563.65) |
| 106 | 05/11/98 | 102 | 12-2760-1 | - | | 77.59 | (19,905.48) | - | 1,021.70 | (21,585.35) |
| 107 | 05/11/98 | 103 | 12-2770-1 | - | | 77.59 | (19,983.07) | - | 1,021.70 | (22,607.05) |
| 108 | 09/29/98 | 122 | 12-2960-1 | - | | 86.07 | (20,069.14) | - | 1,131.76 | (23,738.81) |
| 109 | 09/29/98 | 117 | 12-2910-1 | - | | 86.07 | (20,155.21) | - | 1,131.76 | (24,870.57) |
| 110 | 09/29/98 | 114 | 12-2880-1 | - | | 86.07 | (20,241.28) | - | 1,131.76 | (26,002.33) |
| 111 | 09/29/98 | 99 | 12-2730-1 | - | | 86.07 | (20,327.35) | - | 1,131.76 | (27,134.09) |

SOUTHLAKE UTILITIES, INC.
Record of D.R. Horton A.F.P.I. - Woodridge
For Paid Connections as of December 31, 1998

| <u>Conn</u> | <u>Date</u> | <u>Phase 2 Lot</u> | <u>Account Number</u> | <u>ERCs</u> | <u>WATER</u> | | | <u>WASTEWATER</u> | | | |
|--------------|-------------|------------------------|---------------------------|-----------------|--------------------|------------------|--------------------|-------------------|------------------|------------------|--------------------|
| | | | | | <u>Paid</u> | <u>Connected</u> | <u>Prepaid</u> | <u>ERCs</u> | <u>Paid</u> | <u>Connected</u> | <u>Prepaid</u> |
| Total | | | | <u>(424.99)</u> | <u>(14,600.83)</u> | <u>5,726.52</u> | <u>(20,327.35)</u> | <u>82.22</u> | <u>48,565.96</u> | <u>75,700.05</u> | <u>(27,134.09)</u> |

SOUTHLAKE UTILITIES, INC.
Allocation of Refund for D. R. Horton - Woodridge

| | <u>Water</u> | <u>Wastewater</u> | <u>Total</u> |
|------------------------------------------------------------------------------|------------------|-------------------|-------------------|
| A.F.P.I. Originally Charged | 45,017.55 | 60,591.70 | 105,609.25 |
| A.F.P.I. Tariffed Charges | <u>2,078.03</u> | <u>27,560.62</u> | <u>29,638.65</u> |
| A.F.P.I. Charges To Be Refunded | <u>42,939.52</u> | <u>33,031.08</u> | <u>75,970.60</u> |
| Percent | <u>57%</u> | <u>43%</u> | <u>100%</u> |
| AFPI & Interest Refunded as Credit Toward Additional Connections: | | | |
| 1996 CR10-01 | | | 88,931.52 |
| 1998 CR08-10 | | | 28,646.64 |
| 1998 JE09-40 | | | 8,490.36 |
| Total | | | <u>126,068.52</u> |
| Interest Accrued on AFPI Subject to Refund: | | | |
| 1996 JE08-23 | | | 15,675.23 |
| 1996 JE12-22 | | | 981.74 |
| 1997 JE12-45 | | | 199.13 |
| Total | | | <u>16,856.10</u> |
| A.F.P.I. Refunded | <u>62,251.08</u> | <u>46,961.34</u> | <u>109,212.42</u> |

SOUTHLAKE UTILITIES, INC.
 Record of D.R. Horton A.F.P.I. - Clear Creek
 For Paid Connections as of December 31, 1998

| Conn | Date | Phase 1 Lot | Account Number | ERCs | WATER | | | WASTEWATER | | | |
|------|----------|----------------------|-------------------|------|----------|-----------|----------|------------|------------|-----------|------------|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| | 09/30/98 | Split with Woodridge | | | 9,252.06 | | 9,252.06 | | 122,773.68 | | 122,773.68 |
| 1 | 07/06/98 | 1 | 14-0010-1 | 1.00 | | 81.83 | 9,170.23 | 1.00 | 1,076.73 | | 121,698.95 |
| 2 | 07/06/98 | 2 | 14-0020-1 | 1.00 | | 81.83 | 9,088.40 | 1.00 | 1,076.73 | | 120,620.22 |
| 3 | 07/06/98 | 3 | 14-0030-1 | 1.00 | | 81.83 | 9,006.57 | 1.00 | 1,076.73 | | 119,543.49 |
| 4 | 07/06/98 | 4 | 14-0040-1 | 1.00 | | 81.83 | 8,924.74 | 1.00 | 1,076.73 | | 118,466.76 |
| 5 | 07/06/98 | 5 | 14-0050-1 | 1.00 | | 81.83 | 8,842.91 | 1.00 | 1,076.73 | | 117,390.03 |
| 6 | 07/06/98 | 6 | 14-0060-1 | 1.00 | | 81.83 | 8,761.08 | 1.00 | 1,076.73 | | 116,313.30 |
| 7 | 07/06/98 | 7 | 14-0070-1 | 1.00 | | 81.83 | 8,679.25 | 1.00 | 1,076.73 | | 115,236.57 |
| 8 | 07/06/98 | 30 | 14-0300-1 | 1.00 | | 81.83 | 8,597.42 | 1.00 | 1,076.73 | | 114,159.84 |
| 9 | 07/06/98 | 31 | 14-0310-1 | 1.00 | | 81.83 | 8,515.59 | 1.00 | 1,076.73 | | 113,083.11 |
| 10 | 07/06/98 | 32 | 14-0320-1 | 1.00 | | 81.83 | 8,433.76 | 1.00 | 1,076.73 | | 112,006.38 |
| 11 | 07/06/98 | 33 | 14-0330-1 | 1.00 | | 81.83 | 8,351.93 | 1.00 | 1,076.73 | | 110,929.65 |
| 12 | 07/06/98 | 34 | 14-0340-1 | 1.00 | | 81.83 | 8,270.10 | 1.00 | 1,076.73 | | 109,852.92 |
| 13 | 07/30/98 | 8 | 14-0080-1 | 1.00 | | 81.83 | 8,188.27 | 1.00 | 1,076.73 | | 108,776.19 |
| 14 | 07/30/98 | 9 | 14-0090-1 | 1.00 | | 81.83 | 8,106.44 | 1.00 | 1,076.73 | | 107,699.46 |
| 15 | 07/30/98 | 10 | 14-0100-1 | 1.00 | | 81.83 | 8,024.61 | 1.00 | 1,076.73 | | 106,622.73 |
| 16 | 07/30/98 | 11 | 14-0110-1 | 1.00 | | 81.83 | 7,942.78 | 1.00 | 1,076.73 | | 105,546.00 |
| 17 | 07/30/98 | 12 | 14-0120-1 | 1.00 | | 81.83 | 7,860.95 | 1.00 | 1,076.73 | | 104,469.27 |
| 18 | 07/30/98 | 13 | 14-0130-1 | 1.00 | | 81.83 | 7,779.12 | 1.00 | 1,076.73 | | 103,392.54 |
| 19 | 07/30/98 | 14 | 14-0140-1 | 1.00 | | 81.83 | 7,697.29 | 1.00 | 1,076.73 | | 102,315.81 |
| 20 | 07/30/98 | 15 | 14-0150-1 | 1.00 | | 81.83 | 7,615.46 | 1.00 | 1,076.73 | | 101,239.08 |
| 21 | 07/30/98 | 16 | 14-0160-1 | 1.00 | | 81.83 | 7,533.63 | 1.00 | 1,076.73 | | 100,162.35 |
| 22 | 07/30/98 | 17 | 14-0170-1 | 1.00 | | 81.83 | 7,451.80 | 1.00 | 1,076.73 | | 99,085.62 |
| 23 | 07/30/98 | 18 | 14-0180-1 | 1.00 | | 81.83 | 7,369.97 | 1.00 | 1,076.73 | | 98,008.89 |
| 24 | 07/30/98 | 19 | 14-0190-1 | 1.00 | | 81.83 | 7,288.14 | 1.00 | 1,076.73 | | 96,932.16 |
| 25 | 08/10/98 | 20 | 14-0200-1 | 1.00 | | 83.95 | 7,204.19 | 1.00 | 1,104.24 | | 95,827.92 |
| 26 | 08/10/98 | 21 | 14-0210-1 | 1.00 | | 83.95 | 7,120.24 | 1.00 | 1,104.24 | | 94,723.68 |
| 27 | 08/10/98 | 22 | 14-0220-1 | 1.00 | | 83.95 | 7,036.29 | 1.00 | 1,104.24 | | 93,619.44 |
| 28 | 08/10/98 | 23 | 14-0230-1 | 1.00 | | 83.95 | 6,952.34 | 1.00 | 1,104.24 | | 92,515.20 |

SOUTHLAKE UTILITIES, INC.

Record of D.R. Horton A.F.P.L - Clear Creek
 For Paid Connections as of December 31, 1998

| Conn | Date | Phase 1 Lot | Account Number | ERCs | WATER | | | WASTEWATER | | | |
|------|----------|----------------|-------------------|------|-------|-----------|----------|------------|------|-----------|-----------|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| 29 | 08/10/98 | 24 | 14-0240-1 | 1.00 | | 83.95 | 6,868.39 | 1.00 | | 1,104.24 | 91,410.96 |
| 30 | 08/10/98 | 25 | 14-0250-1 | 1.00 | | 83.95 | 6,784.44 | 1.00 | | 1,104.24 | 90,306.72 |
| 31 | 08/10/98 | 26 | 14-0260-1 | 1.00 | | 83.95 | 6,700.49 | 1.00 | | 1,104.24 | 89,202.48 |
| 32 | 08/10/98 | 27 | 14-0270-1 | 1.00 | | 83.95 | 6,616.54 | 1.00 | | 1,104.24 | 88,098.24 |
| 33 | 08/10/98 | 28 | 14-0280-1 | 1.00 | | 83.95 | 6,532.59 | 1.00 | | 1,104.24 | 86,994.00 |
| 34 | 08/10/98 | 29 | 14-0290-1 | 1.00 | | 83.95 | 6,448.64 | 1.00 | | 1,104.24 | 85,889.76 |
| 35 | 08/10/98 | 35 | 14-0350-1 | 1.00 | | 83.95 | 6,364.69 | 1.00 | | 1,104.24 | 84,785.52 |
| 36 | 08/10/98 | 36 | 14-0360-1 | 1.00 | | 83.95 | 6,280.74 | 1.00 | | 1,104.24 | 83,681.28 |
| 37 | 08/10/98 | 37 | 14-0370-1 | 1.00 | | 83.95 | 6,196.79 | 1.00 | | 1,104.24 | 82,577.04 |
| 38 | 08/10/98 | 38 | 14-0380-1 | 1.00 | | 83.95 | 6,112.84 | 1.00 | | 1,104.24 | 81,472.80 |
| 39 | 08/10/98 | 39 | 14-0390-1 | 1.00 | | 83.95 | 6,028.89 | 1.00 | | 1,104.24 | 80,368.56 |
| 40 | 08/10/98 | 40 | 14-0400-1 | 1.00 | | 83.95 | 5,944.94 | 1.00 | | 1,104.24 | 79,264.32 |
| 41 | 08/10/98 | 41 | 14-0410-1 | 1.00 | | 83.95 | 5,860.99 | 1.00 | | 1,104.24 | 78,160.08 |
| 42 | 08/10/98 | 42 | 14-0420-1 | 1.00 | | 83.95 | 5,777.04 | 1.00 | | 1,104.24 | 77,055.84 |
| 43 | 08/10/98 | 43 | 14-0430-1 | 1.00 | | 83.95 | 5,693.09 | 1.00 | | 1,104.24 | 75,951.60 |
| 44 | 08/10/98 | 44 | 14-0440-1 | 1.00 | | 83.95 | 5,609.14 | 1.00 | | 1,104.24 | 74,847.36 |
| 45 | 09/03/98 | 55 | 14-0550-1 | 1.00 | | 86.07 | 5,523.07 | 1.00 | | 1,131.76 | 73,715.60 |
| 46 | 09/03/98 | 57 | 14-0570-1 | 1.00 | | 86.07 | 5,437.00 | 1.00 | | 1,131.76 | 72,583.84 |
| 47 | 09/03/98 | 58 | 14-0580-1 | 1.00 | | 86.07 | 5,350.93 | 1.00 | | 1,131.76 | 71,452.08 |
| 48 | 09/03/98 | 60 | 14-0600-1 | 1.00 | | 86.07 | 5,264.86 | 1.00 | | 1,131.76 | 70,320.32 |
| 49 | 09/03/98 | 61 | 14-0610-1 | 1.00 | | 86.07 | 5,178.79 | 1.00 | | 1,131.76 | 69,188.56 |
| 50 | 09/03/98 | 62 | 14-0620-1 | 1.00 | | 86.07 | 5,092.72 | 1.00 | | 1,131.76 | 68,056.80 |
| 51 | 09/03/98 | 63 | 14-0630-1 | 1.00 | | 86.07 | 5,006.65 | 1.00 | | 1,131.76 | 66,925.04 |
| 52 | 09/03/98 | 68 | 14-0680-1 | 1.00 | | 86.07 | 4,920.58 | 1.00 | | 1,131.76 | 65,793.28 |
| 53 | 09/03/98 | 69 | 14-0690-1 | 1.00 | | 86.07 | 4,834.51 | 1.00 | | 1,131.76 | 64,661.52 |
| 54 | 09/03/98 | 70 | 14-0700-1 | 1.00 | | 86.07 | 4,748.44 | 1.00 | | 1,131.76 | 63,529.76 |
| 55 | 09/03/98 | 72 | 14-0720-1 | 1.00 | | 86.07 | 4,662.37 | 1.00 | | 1,131.76 | 62,398.00 |
| 56 | 09/03/98 | 73 | 14-0730-1 | 1.00 | | 86.07 | 4,576.30 | 1.00 | | 1,131.76 | 61,266.24 |

SOUTHLAKE UTILITIES, INC.
Record of D.R. Horton A.F.P.I. - Clear Creek
For Paid Connections as of December 31, 1998

| <u>Conn</u> | <u>Date</u> | <u>Phase 1 Lot</u> | <u>Account Number</u> | <u>ERCs</u> | <u>WATER</u> | | | <u>WASTEWATER</u> | | | | |
|--------------|-------------|------------------------|---------------------------|-------------|--------------|------------------|-----------------|-------------------|--------------|-------------------|------------------|------------------|
| | | | | | <u>Paid</u> | <u>Connected</u> | <u>Prepaid</u> | <u>ERCs</u> | <u>Paid</u> | <u>Connected</u> | <u>Prepaid</u> | |
| 57 | 09/29/98 | 64 | 14-0640-1 | 1.00 | | 86.07 | 4,490.23 | 1.00 | | 1,131.76 | 60,134.48 | |
| 58 | 11/13/98 | 48 | 14-0480-1 | 1.00 | | 90.31 | 4,399.92 | 1.00 | | 1,186.79 | 58,947.69 | |
| Total | | | | | <u>58.00</u> | <u>9,252.06</u> | <u>4,852.14</u> | <u>4,399.92</u> | <u>58.00</u> | <u>122,773.68</u> | <u>63,825.99</u> | <u>58,947.69</u> |

SOUTHLAKE UTILITIES, INC.
Record of Southlake Development, Ltd. A.F.P.I.
For Paid Connections as of December 31, 1998

| Conn | Date | Phase | Account Number | ERCs | WATER | | | ERCs | WASTEWATER | | |
|------|----------|-------|-------------------|------|-----------|-----------|-----------|------|------------|-----------|------------|
| | | | | | Paid | Connected | Prepaid | | Paid | Connected | Prepaid |
| | 12/00/98 | | | 0.00 | 17,410.73 | 0.00 | 17,410.73 | 0.00 | 251,250.72 | 0.00 | 251,250.72 |

SOUTHLAKE UTILITIES, INC.
 Record of Summer Bay A.F.P.I.
 For Paid Connections as of December 31, 1998

| Conn | Date | Building | Account Number | ERCs | WATER | | | | WASTEWATER | | | | |
|------|----------|------------|----------------|------|------------|-----------|------------|-----------|------------|------------|-----------|------------|-----------|
| | | | | | Paid | Connected | Prepaid | Cum. Ppd. | ERCs | Paid | Connected | Prepaid | Cum. Ppd. |
| | 07/11/95 | | | | 13,158.17 | | 13,158.17 | 13,158.17 | | 20,602.20 | | 20,602.20 | 20,602.20 |
| 1 | 08/28/95 | 202 | 13-0560-1 | 5.71 | - | 79.48 | (79.48) | 13,078.69 | 6.27 | - | 1,163.65 | (1,163.65) | 19,438.55 |
| 2 | 09/13/95 | 311 | 13-0390-1 | 1.00 | - | 15.66 | (15.66) | 13,063.03 | 1.00 | - | 208.79 | (208.79) | 19,229.76 |
| 3 | 09/13/95 | 312 | 13-0400-1 | 1.00 | - | 15.66 | (15.66) | 13,047.37 | 1.00 | - | 208.79 | (208.79) | 19,020.97 |
| 4 | 09/13/95 | 319 | 13-0420-1 | 1.00 | - | 15.66 | (15.66) | 13,031.71 | 1.00 | - | 208.79 | (208.79) | 18,812.18 |
| 5 | 09/13/95 | 320 | 13-0410-1 | 1.00 | - | 15.66 | (15.66) | 13,016.05 | 1.00 | - | 208.79 | (208.79) | 18,603.39 |
| 6 | 10/03/95 | 201 | 13-0570-1 | 8.57 | - | 149.12 | (149.12) | 12,866.93 | 9.40 | - | 2,180.71 | (2,180.71) | 16,422.68 |
| 7 | 10/03/95 | 203 | 13-0550-1 | 8.57 | - | 149.12 | (149.12) | 12,717.81 | 9.40 | - | 2,180.71 | (2,180.71) | 14,241.97 |
| | 12/31/95 | | | | 4,289.83 | - | 4,289.83 | 17,007.64 | | 5,771.39 | - | 5,771.39 | 20,013.36 |
| | 01/00/96 | | | | 2,681.15 | | 2,681.15 | 19,688.79 | | 3,607.12 | | 3,607.12 | 23,620.48 |
| | 01/00/96 | | | | 1,586.91 | | 1,586.91 | 21,275.70 | | 2,134.98 | | 2,134.98 | 25,755.44 |
| 8 | 02/09/96 | 309 | 13-0370-1 | 1.00 | 901.45 | 24.60 | 876.85 | 22,152.55 | 1.00 | 1,213.80 | 327.43 | 886.37 | 26,641.81 |
| 9 | 02/09/96 | 310 | 13-0380-1 | 1.00 | 901.45 | 24.60 | 876.85 | 23,029.40 | 1.00 | 1,213.80 | 327.43 | 886.37 | 27,526.16 |
| 10 | 02/09/96 | 317 | 13-0440-1 | 1.00 | 901.45 | 24.60 | 876.85 | 23,906.25 | 1.00 | 1,213.80 | 327.43 | 886.37 | 28,414.55 |
| 11 | 02/09/96 | 318 | 13-0430-1 | 1.00 | 901.45 | 24.60 | 876.85 | 24,783.10 | 1.00 | 1,213.80 | 327.43 | 886.37 | 29,300.92 |
| | 02/09/96 | 208 | | | 7,726.71 | - | 7,726.71 | 32,509.81 | | 11,409.72 | - | 11,409.72 | 40,710.64 |
| 12 | 04/09/96 | 180 | 13-0580-1 | 1.65 | 1,546.49 | 46.73 | 1,499.76 | 34,009.57 | 1.92 | 2,431.26 | 722.82 | 1,708.44 | 42,419.08 |
| | 05/00/96 | | | | (172.52) | | (172.52) | 33,837.05 | | (984.17) | | (984.17) | 41,434.91 |
| 13 | 06/27/96 | 208 | 13-0500-1 | 8.57 | - | 274.50 | (274.50) | 33,562.55 | 9.40 | - | 3,999.79 | (3,999.79) | 37,435.12 |
| | 06/30/96 | 204 | | | 8,382.60 | | 8,382.60 | 41,945.15 | | 12,398.34 | | 12,398.34 | 49,831.46 |
| | 08/09/96 | | | | 1,176.47 | | 1,176.47 | 43,121.62 | | 17,653.63 | | 17,653.63 | 67,485.09 |
| | 08/09/96 | | | | (8,779.42) | | (8,779.42) | 34,342.20 | | (7,478.76) | | (7,478.76) | 60,006.33 |
| 14 | 10/24/96 | 204 | 13-0540-1 | 8.57 | | 338.17 | (338.17) | 34,004.03 | 9.40 | | 4,921.84 | (4,921.84) | 55,084.49 |
| 15 | 03/25/97 | Pool | 13-0445-1 | 7.14 | | 350.79 | (350.79) | 33,653.24 | - | | - | - | 55,084.49 |
| 16 | 03/25/97 | Ctbs | 300 13-0480-1 | 3.00 | | 147.39 | (147.39) | 33,505.85 | 3.50 | | 2,276.82 | (2,276.82) | 52,807.67 |
| 17 | 05/08/97 | 205 | 13-0530-1 | 8.57 | | 455.07 | (455.07) | 33,050.78 | 9.40 | | 6,602.84 | (6,602.84) | 46,204.83 |
| 18 | 05/14/97 | 315 | 13-0480-1 | 1.00 | 15.36 | 53.10 | (37.74) | 33,013.04 | 1.00 | 201.91 | 702.43 | (500.52) | 45,704.31 |
| 19 | 05/14/97 | 316 | 13-0450-1 | 1.00 | 15.36 | 53.10 | (37.74) | 32,975.30 | 1.00 | 201.91 | 702.43 | (500.52) | 45,203.79 |
| 20 | 07/09/97 | Const Trlr | 13-0682-1 | 1.00 | 57.07 | 57.07 | - | 32,975.30 | 1.00 | (754.35) | 754.35 | (1,508.70) | 43,895.09 |

SOUTHLAKE UTILITIES, INC.
 Record of Summer Bay A.F.P.I.
 For Paid Connections as of December 31, 1998

| Conn | Date | Building | Account Number | ERCs | WATER | | | | WASTEWATER | | | | |
|--------------|----------|-------------|----------------|---------------|------------------|-----------------|------------------|-----------|--------------|------------------|-------------------|--------------------|-------------|
| | | | | | Paid | Connected | Prepaid | Cum. Ppd. | ERCs | Paid | Connected | Prepaid | Cum. Ppd. |
| 21 | 07/09/97 | 208 | 13-0520-1 | 8.57 | 198.65 | 489.09 | (280.44) | 32,884.86 | 9.40 | (2,630.03) | 7,090.89 | (9,720.92) | 33,974.17 |
| 22 | 07/09/97 | 307 | 13-0350-1 | 1.00 | 23.18 | 57.07 | (33.89) | 32,650.97 | 1.00 | (279.79) | 754.35 | (1,034.14) | 32,940.03 |
| 23 | 07/09/97 | 308 | 13-0360-1 | 1.00 | 23.18 | 57.07 | (33.89) | 32,617.08 | 1.00 | (279.79) | 754.35 | (1,034.14) | 31,905.89 |
| 24 | 07/16/97 | Grid Hse | 13-0583-1 | 1.00 | 57.07 | 57.07 | - | 32,617.08 | 1.00 | (754.35) | 754.35 | (1,508.70) | 30,397.19 |
| 25 | 08/18/97 | 313 | 13-0480-1 | 1.00 | 27.14 | 61.03 | (33.89) | 32,583.19 | 1.00 | (331.70) | 808.26 | (1,137.96) | 29,259.23 |
| 26 | 08/18/97 | 314 | 13-0470-1 | 1.00 | 27.14 | 61.03 | (33.89) | 32,549.30 | 1.00 | (331.70) | 808.26 | (1,137.96) | 28,121.27 |
| 27 | 10/18/97 | 207 | 13-0510-1 | 8.57 | (249.64) | 540.08 | (789.72) | 31,759.58 | 9.40 | (3,362.00) | 7,822.87 | (11,184.87) | 16,936.40 |
| | 10/29/97 | | | | (8,779.42) | | (8,779.42) | 22,980.16 | (68.66) | (57,142.01) | | (57,142.01) | (40,205.61) |
| 28 | 04/20/98 | 101&102 | 13-0010-1 | 17.14 | 213.43 | 1,293.78 | (1,080.35) | 21,899.81 | - | 3,045.04 | 18,690.77 | (15,645.73) | (55,851.34) |
| 29 | 04/20/98 | 103&104 | 13-0020-1 | 17.14 | 213.43 | 1,293.78 | (1,080.35) | 20,819.46 | - | 3,045.04 | 18,690.77 | (15,645.73) | (71,497.07) |
| | 08/03/98 | | | | 3,156.30 | | 3,156.30 | 23,975.76 | - | 45,545.68 | | 45,545.68 | (25,951.39) |
| 30 | 11/23/98 | 401 | 13-0030-1 | 25.71 | 701.74 | 2,322.23 | (1,620.49) | 22,355.27 | - | 9,998.87 | 33,467.48 | (23,468.61) | (49,420.00) |
| 31 | 12/04/98 | 180 Upgrade | | 2.06 | 116.23 | 190.41 | (74.18) | 22,281.09 | - | - | 2,914.32 | (2,914.32) | (52,334.32) |
| Total | | | | 155.55 | 31,018.41 | 8,737.32 | 22,281.09 | | 24.83 | 68,571.82 | 120,905.94 | (52,334.32) | |

SOUTHLAKE UTILITIES, INC.
Allocation of Refund for Summer Bay

| | Water | Wastewater | Total |
|----------------------------------------|------------------|------------------|------------------|
| A.F.P.I. Originally Charged: | 42,605.14 | 62,224.02 | 105,029.16 |
| A.F.P.I. Tariffed Charges | 2,078.03 | 27,560.82 | 29,638.85 |
| A.F.P.I. Charges To Be Refunded | 40,727.11 | 34,663.40 | 75,390.51 |
| Percent | 54% | 46% | 100% |

SOUTHLAKE UTILITIES, INC.
Record of Highway US 27 A.F.P.I.
For Paid Connections as of December 31, 1998

| Conn | Date | Customer | Account Number | ERCs | WATER | | | WASTEWATER | | | | |
|--------------|----------|----------------------|----------------|---------------|------------------|------------------|-----------------|---------------|-------------------|-------------------|------------------|--|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid | |
| 1 | 08/01/94 | Ware Oil Company | 11-0010-1 | - | - | 2,592.33 | (2,592.33) | | | | | |
| | | Ware Oil true-up | | 4.03 | 2,592.33 | - | - | | | | | |
| 2 | 07/25/97 | Miller Brothers | 12-9999-1 | 7.86 | 432.77 | 432.77 | - | 9.17 | 6,676.91 | 6,676.91 | | |
| | | Worthwhile Develop | 12-9990-1 | 247.18 | 16,555.93 | | 16,555.93 | 266.87 | 235,950.72 | 265,322.47 | (29,371.75) | |
| 3 | 07/03/98 | Worthwhile True-up | 12-9999-1 | - | 2,098.53 | 18,654.45 | 0.01 | - | 29,372.04 | | 0.29 | |
| 4 | 03/02/98 | Ware Oil Company | 11-0010-1 | - | | | 0.01 | 4.69 | 4,404.66 | 4,533.73 | (128.78) | |
| 5 | 12/17/97 | Winn Dixie Spmrkt | 11-0510-1 | 15.71 | 959.04 | 1,241.81 | (282.76) | 18.33 | 14,781.43 | 19,123.73 | (4,471.08) | |
| | | W/D True-up | 11-0510-1 | 2.63 | 282.77 | | 0.01 | 3.30 | 4,342.30 | | (128.78) | |
| 6 | 05/11/98 | Macchi Prof Offices | 12-9994-1 | 0.54 | 39.90 | 76.55 | (36.64) | 0.54 | 525.45 | 1,178.81 | (782.14) | |
| | | Macchi True-up | 12-9994-1 | 2.03 | 132.33 | | 95.69 | 2.46 | 2,126.94 | | 1,344.80 | |
| | | Macchi Refund | 12-9994-1 | (1.43) | (95.68) | | 0.01 | (1.67) | (1,473.58) | | (128.78) | |
| | TBA | Publix Shopping Ctr | TBA | - | 3,932.29 | - | 3,932.30 | - | 60,446.50 | - | 60,317.72 | |
| 7 | 06/19/98 | Winn Dixie Retail 2 | 11-0530-1 | 0.34 | 27.33 | 27.33 | 3,932.30 | 0.40 | 419.69 | 419.69 | 60,317.72 | |
| 8 | 06/19/98 | Winn Dixie Retail 3 | 11-0540-1 | 0.34 | 27.33 | 27.33 | 3,932.30 | 0.40 | 419.69 | 419.69 | 60,317.72 | |
| 9 | 06/19/98 | Winn Dixie Retail 4 | 11-0550-1 | 0.34 | 27.33 | 27.33 | 3,932.30 | 0.40 | 419.69 | 419.69 | 60,317.72 | |
| 10 | 06/19/98 | Winn Dixie Retail 5 | 11-0560-1 | 0.34 | 27.33 | 27.33 | 3,932.30 | 0.40 | 419.69 | 419.69 | 60,317.72 | |
| | | Excess ERCs Refunded | | (2.74) | | | | | | | | |
| Total | | | | 277.38 | 27,039.53 | 23,107.23 | 3,932.30 | 305.29 | 358,832.13 | 298,514.41 | 60,317.72 | |

SOUTHLAKE UTILITIES, INC.
Calculation of Number of ERCs in Excess Refund for Ware Oil Company

| Description | <u>Water</u> | <u>Wastewater</u> | <u>Total</u> |
|------------------------------------------------|--------------|-------------------|--------------------|
| AFPI Refunded | 4,357.38 | - | 4,357.38 |
| Correct Refund | 2,592.33 | | <u>2,592.33</u> |
| Excess AFPI Refund | | | 1,765.05 |
| | | | |
| Tariffed Charge * | 2,592.33 | - | |
| ERCs | <u>4.03</u> | - | |
| Average Tariffed AFPI per ERC in Refund Period | 643.26 | - | <u>643.26</u> |
| | | | |
| Excess ERCs Refunded | | | <u><u>2.74</u></u> |

* Original tariffed charge is used because revised tariffed charge is zero.

SOUTHLAKE UTILITIES, INC.
Record of Wooldridge A.F.P.I.
For Paid Connections as of December 31, 1998

| Conn | Date | Lot | Account Number | ERCs | WATER | | | WASTEWATER | | | |
|------|--------------|-----------|----------------|--------------|-----------------|-----------------|-----------------|--------------|------------------|------------------|------------------|
| | | | | | Paid | Connected | Prepaid | ERCs | Paid | Connected | Prepaid |
| | 08/31/98 | | | | | | - | | 28,473.60 | | 28,473.60 |
| 1 | 03/28/97 | Sales/Adm | 11-0020-1 | 1.00 | 49.13 | 49.13 | - | 1.00 | 175.96 | 650.52 | 27,999.04 |
| 2 | 05/10/97 | 9328 | 12-1240-1 | 1.00 | 51.11 | 53.10 | (1.99) | 1.00 | 201.91 | 702.43 | 27,498.52 |
| 3 | 05/10/97 | 9327 | 12-1250-1 | 1.00 | 51.11 | 53.10 | (3.98) | 1.00 | 201.91 | 702.43 | 28,998.00 |
| 4 | 05/10/97 | 9326 | 12-1260-1 | 1.00 | 51.11 | 53.10 | (5.97) | 1.00 | 201.91 | 702.43 | 26,497.48 |
| 5 | 08/24/97 | 33 | 12-0530-1 | 1.00 | - | 55.08 | (61.05) | 1.00 | - | 728.39 | 25,769.09 |
| 6 | 08/08/97 | 10 | 12-2580-1 | 1.00 | - | 59.05 | (120.10) | 1.00 | - | 780.30 | 24,988.79 |
| 7 | 09/12/97 | 34 | 12-2340-1 | 1.00 | - | 61.03 | (181.13) | 1.00 | - | 806.28 | 24,182.53 |
| 8 | 09/12/97 | 54 | 12-1770-1 | 1.00 | - | 61.03 | (242.16) | 1.00 | - | 806.28 | 23,376.27 |
| 9 | 10/03/97 | 39 | 12-0590-1 | 1.00 | - | 63.02 | (305.18) | 1.00 | - | 832.22 | 22,544.05 |
| 10 | 10/03/97 | 21 | 12-0410-1 | 1.00 | - | 63.02 | (368.20) | 1.00 | - | 832.22 | 21,711.83 |
| 11 | 10/17/97 | 20 | | 1.00 | - | 63.02 | (431.22) | 1.00 | - | 832.22 | 20,879.61 |
| 12 | 10/17/97 | 26 | | 1.00 | - | 63.02 | (494.24) | 1.00 | - | 832.22 | 20,047.39 |
| 13 | 11/24/97 | 12 | 12-1360-1 | 1.00 | 65.00 | 65.00 | (494.24) | 1.00 | 350.23 | 858.00 | 19,539.62 |
| 14 | 12/10/97 | 35 | | 1.00 | 66.98 | 66.98 | (494.24) | 1.00 | 376.18 | 858.18 | 19,057.62 |
| 15 | 12/10/97 | 32 | | 1.00 | 66.98 | 66.98 | (494.24) | 1.00 | 376.18 | 858.18 | 18,575.62 |
| 16 | 12/10/97 | 28 | 12-1520-1 | 1.00 | 66.98 | 66.98 | (494.24) | 1.00 | 376.18 | 858.18 | 18,093.62 |
| 17 | 12/10/97 | 27 | 12-1510-1 | 1.00 | 66.98 | 66.98 | (494.24) | 1.00 | 376.18 | 858.18 | 17,611.62 |
| 18 | 02/11/98 | 11 | 12-1350-1 | 1.00 | 71.23 | 71.23 | (494.24) | 1.00 | 423.56 | 939.16 | 17,096.02 |
| 19 | 04/08/98 | 5 | 12-1283-1 | 1.00 | 65.00 | 75.47 | (504.71) | 1.00 | 350.23 | 994.19 | 16,452.06 |
| 20 | 04/14/98 | 29 | 12-1530-1 | 1.00 | 65.00 | 75.47 | (515.18) | 1.00 | 350.23 | 994.19 | 15,808.10 |
| 21 | 04/14/98 | 58 | 12-1810-1 | 1.00 | 65.00 | 75.47 | (525.65) | 1.00 | 350.23 | 994.19 | 15,164.14 |
| 22 | 04/27/98 | 41 | 12-1640-1 | 1.00 | 75.47 | 75.47 | (525.65) | 1.00 | 519.63 | 994.19 | 14,689.58 |
| 23 | 05/01/98 | 56 | 12-1790-1 | 1.00 | 77.59 | 77.59 | (525.65) | 1.00 | 547.14 | 1,021.70 | 14,215.02 |
| 24 | 10/09/98 | 6 | 12-1290-1 | 1.00 | 88.19 | 88.19 | (525.65) | 1.00 | 684.71 | 1,159.27 | 13,740.46 |
| 25 | 10/09/98 | 32 | 12-1560-1 | 1.00 | 88.19 | 88.19 | (525.65) | 1.00 | 684.71 | 1,159.27 | 13,265.90 |
| 26 | 10/09/98 | 51 | 12-1740-1 | 1.00 | 88.19 | 88.19 | (525.65) | 1.00 | 684.71 | 1,159.27 | 12,791.34 |
| 27 | 12/10/98 | 31 | 12-1550-1 | 1.00 | 90.31 | 92.43 | (527.77) | 1.00 | 712.23 | 1,214.30 | 12,289.27 |
| | Total | | | 27.00 | 1,309.55 | 1,837.32 | (527.77) | 27.00 | 36,417.62 | 24,128.35 | 12,289.27 |

WASTEWATER TARIFF

TABLE OF DAILY FLOWSFOR VARIOUS OCCUPANCY

| <u>TYPES OF BUILDING USAGES</u> | <u>WATER</u> | <u>WASTEWATER</u> |
|--------------------------------------------------|--------------|-------------------|
| Apartments | 250 gpd | 235 gpd |
| Bars and Cocktail Lounges | 10 gpcd | 10 gpcd (1) |
| Boarding Schools (Students and Staff) | 75 gpcd | 75 gpcd |
| Bowling Alleys (toilet wastes only, per lane) | 200 gpd | 200 gpd (2) |
| Country Clubs, per member | 50 gpcd | 50 gpcd |
| Day Schools (Students and Staff) | 20 gpcd | 20 gpcd |
| Drive-In Theatres (per car space) | 5 gpd | 5 gpd |
| Factories, with showers | 30 gpcd | 30 gpcd |
| Factories, no showers (per 100 sq. ft.) | 10 gpd | 10 gpd |
| Hospitals, with laundry (per bed) | 250 gpd | 250 gpd |
| Hospitals, no laundry (per bed) | 200 gpd | 200 gpd |
| Hotels and Motels (per room and unit) | 200 gpd | 200 gpd |
| Laundromat (per washing machine) | 225 gpd | 225 gpd |
| Mobile Home Parks (per trailer) | 300 gpd | 235 gpd |
| Movie Theatres, Auditoriums, Churches (per seat) | 5 gpd | 5 gpd |
| Nursing Homes (per 100 sq. ft.) | 150 gpd | 150 gpd |
| Office Buildings (per 100 sq. ft.) | 10 gpd | 10 gpd |
| Public Institutions (other than those listed) | 75 gpcd | 75 gpcd |
| Restaurants (per seat) | 50 gpcd | 50 gpcd |
| Single Family Residential | | |
| 5/8x3/4" Meter | 350 gpd | |
| 1" Meter | 600 gpd | |
| 1 1/2" Meter | 1,150 gpd | |
| Wastewater | | 300 gpd |
| Townhouse Residence | 315 gpd | 300 gpd |
| Stadiums, Frontons, Ball Parks, etc, (per seat) | 3 gpd | 3 gpd |
| Stores, without kitchen wastes (per 100 sq. ft.) | 5 gpd | 5 gpd |
| Speculative Buildings | 30 gpd | 30 gpd |
| plus (per 100 sq. ft.) | 10 gpd | 10 gpd |
| Warehouses | 30 gpd | 30 gpd |
| Plus (per 1,000 sq. ft.) | 10 gpd | 10 gpd |

(1) gpcd - gallons per capita per day

(2) gpd - gallons per day

NOTE: Sewage gallonage refers to sanitary sewage flow on unit basis for average daily flow in gallons per day.

Robert L. Chapman, III
President

WATER TARIFF

TABLE OF DAILY FLOWS
FOR VARIOUS OCCUPANCY

| <u>TYPES OF BUILDING USAGES</u> | <u>WATER</u> | <u>WASTEWATER</u> |
|--------------------------------------------------|--------------|-------------------|
| Apartments | 250 gpd | 235 gpd |
| Bars and Cocktail Lounges | 10 gpcd | 10 gpcd (1) |
| Boarding Schools (Students and Staff) | 75 gpcd | 75 gpcd |
| Bowling Alleys (toilet wastes only, per lane) | 200 gpd | 200 gpd (2) |
| Country Clubs, per member | 50 gpcd | 50 gpcd |
| Day Schools (Students and Staff) | 20 gpcd | 20 gpcd |
| Drive-In Theatres (per car space) | 5 gpd | 5 gpd |
| Factories, with showers | 30 gpcd | 30 gpcd |
| Factories, no showers (per 100 sq. ft.) | 10 gpd | 10 gpd |
| Hospitals, with laundry (per bed) | 250 gpd | 250 gpd |
| Hospitals, no laundry (per bed) | 200 gpd | 200 gpd |
| Hotels and Motels (per room and unit) | 200 gpd | 200 gpd |
| Laundromat (per washing machine) | 225 gpd | 225 gpd |
| Mobile Home Parks (per trailer) | 300 gpd | 235 gpd |
| Movie Theatres, Auditoriums, Churches (per seat) | 5 gpd | 5 gpd |
| Nursing Homes (per 100 sq. ft.) | 150 gpd | 150 gpd |
| Office Buildings (per 100 sq. ft.) | 10 gpd | 10 gpd |
| Public Institutions (other than those listed) | 75 gpcd | 75 gpcd |
| Restaurants (per seat) | 50 gpcd | 50 gpcd |
| Single Family Residential | | |
| 5/8x3/4" Meter | 350 gpd | |
| 1" Meter | 600 gpd | |
| 1 1/2" Meter | 1,150 gpd | |
| Wastewater | | 300 gpd |
| Townhouse Residence | 315 gpd | 300 gpd |
| Stadiums, Frontons, Ball Parks, etc, (per seat) | 3 gpd | 3 gpd |
| Stores, without kitchen wastes (per 100 sq. ft.) | 5 gpd | 5 gpd |
| Speculative Buildings | 30 gpd | 30 gpd |
| plus (per 100 sq. ft.) | 10 gpd | 10 gpd |
| Warehouses | 30 gpd | 30 gpd |
| Plus (per 1,000 sq. ft.) | 10 gpd | 10 gpd |

(1) gpcd - gallons per capita per day

(2) gpd - gallons per day

Robert L. Chapman, III
President

Wastewater Tariff

SCHEDULE OF ALLOWANCE FOR FUNDS PRUDENTLY INVESTED

| | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| January | 23.20 | 302.91 | 598.60 | 911.65 | 1,243.50 | 1,564.72 |
| February | 46.40 | 327.43 | 624.56 | 939.16 | 1,272.70 | 1,564.72 |
| March | 69.60 | 351.95 | 650.52 | 966.88 | 1,301.90 | 1,564.72 |
| April | 92.79 | 376.47 | 676.47 | 994.19 | 1,331.11 | 1,564.72 |
| May | 115.99 | 400.99 | 702.43 | 1,021.70 | 1,360.31 | 1,564.72 |
| June | 139.19 | 425.51 | 728.39 | 1,049.22 | 1,389.51 | 1,564.72 |
| July | 162.39 | 450.03 | 754.35 | 1,076.73 | 1,418.71 | 1,564.72 |
| August | 185.59 | 474.56 | 780.30 | 1,104.24 | 1,447.91 | 1,564.72 |
| September | 208.79 | 499.08 | 806.26 | 1,131.76 | 1,477.11 | 1,564.72 |
| October | 231.99 | 523.60 | 832.22 | 1,159.27 | 1,506.31 | 1,564.72 |
| November | 255.19 | 548.12 | 858.16 | 1,186.79 | 1,535.52 | 1,564.72 |
| December | 278.38 | 572.64 | 884.13 | 1,214.30 | 1,564.72 | 1,564.72 |

Effective Date: January 1, 1995

Type of Filing: AFPI

Robert L. Chapman, III
President

Water Tariff

SCHEDULE OF ALLOWANCE FOR FUNDS PRUDENTLY INVESTED

| | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| January | 1.74 | 22.74 | 45.16 | 69.11 | 94.70 | 119.68 |
| February | 3.48 | 24.60 | 47.15 | 71.23 | 96.97 | 119.68 |
| March | 5.22 | 26.46 | 49.13 | 73.35 | 99.24 | 119.68 |
| April | 6.96 | 28.32 | 51.11 | 75.47 | 101.51 | 119.68 |
| May | 8.70 | 30.17 | 53.10 | 77.59 | 103.79 | 119.68 |
| June | 10.44 | 32.03 | 55.08 | 79.71 | 106.06 | 119.68 |
| July | 12.18 | 33.89 | 57.07 | 81.83 | 108.33 | 119.68 |
| August | 13.92 | 35.75 | 59.05 | 83.95 | 110.60 | 119.68 |
| September | 15.66 | 37.61 | 61.03 | 86.07 | 112.87 | 119.68 |
| October | 17.40 | 39.46 | 63.02 | 88.19 | 115.14 | 119.68 |
| November | 19.14 | 41.32 | 65.00 | 90.31 | 117.41 | 119.68 |
| December | 20.88 | 43.18 | 66.98 | 92.43 | 119.68 | 119.68 |

Effective Date: January 1, 1995

Type of Filing: AFPI

**Robert L. Chapman, III
President**

Southlake Utilities Wastewater AFPI Connections through 12/31/98

| Developer/Description | Connection No. | Date | Lot | Number | Nominal ERCs Beyond 375 | AFPI Charge at Connection | Total Nominal ERCs Connected and Collected | Actual ERCs (1) | Plant Designed Capacity Remaining ERCs |
|---------------------------|----------------|----------|-----|-----------|-------------------------|---------------------------|--------------------------------------------|-----------------|----------------------------------------|
| Nominal ERCs | | 07/03/98 | | | | | 375.00 | | |
| Worthwhile Development | 1 | 07/03/98 | | 12-9990-1 | 96.10 | 103,473.75 | 471.10 | | |
| Horton Clear Creek | 1 | 07/06/98 | 1 | 14-0010-1 | 1.00 | 1,076.73 | 472.10 | | |
| Horton Clear Creek | 2 | 07/06/98 | 2 | 14-0020-1 | 1.00 | 1,076.73 | 473.10 | | |
| Horton Clear Creek | 3 | 07/06/98 | 3 | 14-0030-1 | 1.00 | 1,076.73 | 474.10 | | |
| Horton Clear Creek | 4 | 07/06/98 | 4 | 14-0040-1 | 1.00 | 1,076.73 | 475.10 | | |
| Horton Clear Creek | 5 | 07/06/98 | 5 | 14-0050-1 | 1.00 | 1,076.73 | 476.10 | | |
| Horton Clear Creek | 6 | 07/06/98 | 6 | 14-0060-1 | 1.00 | 1,076.73 | 477.10 | | |
| Horton Clear Creek | 7 | 07/06/98 | 7 | 14-0070-1 | 1.00 | 1,076.73 | 478.10 | | |
| Horton Clear Creek | 8 | 07/06/98 | 30 | 14-0300-1 | 1.00 | 1,076.73 | 479.10 | | |
| Horton Clear Creek | 9 | 07/06/98 | 31 | 14-0310-1 | 1.00 | 1,076.73 | 480.10 | | |
| Horton Clear Creek | 10 | 07/06/98 | 32 | 14-0320-1 | 1.00 | 1,076.73 | 481.10 | | |
| Horton Clear Creek | 11 | 07/06/98 | 33 | 14-0330-1 | 1.00 | 1,076.73 | 482.10 | | |
| Horton Clear Creek | 12 | 07/06/98 | 34 | 14-0340-1 | 1.00 | 1,076.73 | 483.10 | | |
| Horton Clear Creek | 13 | 07/30/98 | 8 | 14-0080-1 | 1.00 | 1,076.73 | 484.10 | | |
| Horton Clear Creek | 14 | 07/30/98 | 9 | 14-0090-1 | 1.00 | 1,076.73 | 485.10 | | |
| Horton Clear Creek | 15 | 07/30/98 | 10 | 14-0100-1 | 1.00 | 1,076.73 | 486.10 | | |
| Horton Clear Creek | 16 | 07/30/98 | 11 | 14-0110-1 | 1.00 | 1,076.73 | 487.10 | | |
| Horton Clear Creek | 17 | 07/30/98 | 12 | 14-0120-1 | 1.00 | 1,076.73 | 488.10 | | |
| Horton Clear Creek | 18 | 07/30/98 | 13 | 14-0130-1 | 1.00 | 1,076.73 | 489.10 | | |
| Horton Clear Creek | 19 | 07/30/98 | 14 | 14-0140-1 | 1.00 | 1,076.73 | 490.10 | | |
| Horton Clear Creek | 20 | 07/30/98 | 15 | 14-0150-1 | 1.00 | 1,076.73 | 491.10 | | |
| Horton Clear Creek | 21 | 07/30/98 | 16 | 14-0160-1 | 1.00 | 1,076.73 | 492.10 | | |
| Horton Clear Creek | 22 | 07/30/98 | 17 | 14-0170-1 | 1.00 | 1,076.73 | 493.10 | | |
| Horton Clear Creek | 23 | 07/30/98 | 18 | 14-0180-1 | 1.00 | 1,076.73 | 494.10 | | |
| Horton Clear Creek | 24 | 07/30/98 | 19 | 14-0190-1 | 1.00 | 1,076.73 | 495.10 | | |
| ERCs - Nominal and Actual | | 07/31/98 | | | | | 495.10 | 105.80 | 269.20 |
| Horton Clear Creek | 25 | 08/10/98 | 20 | 14-0200-1 | 1.00 | 1,104.24 | 496.10 | | |
| Horton Clear Creek | 26 | 08/10/98 | 21 | 14-0210-1 | 1.00 | 1,104.24 | 497.10 | | |
| Horton Clear Creek | 27 | 08/10/98 | 22 | 14-0220-1 | 1.00 | 1,104.24 | 498.10 | | |
| Horton Clear Creek | 28 | 08/10/98 | 23 | 14-0230-1 | 1.00 | 1,104.24 | 499.10 | | |

| | | | | | | | | | |
|---------------------------|-----|----------|-----|-----------|------|----------|--------|--------|--------|
| Horton Clear Creek | 29 | 08/10/98 | 24 | 14-0240-1 | 1.00 | 1,104.24 | 500.10 | | |
| Horton Clear Creek | 30 | 08/10/98 | 25 | 14-0250-1 | 1.00 | 1,104.24 | 501.10 | | |
| Horton Clear Creek | 31 | 08/10/98 | 26 | 14-0260-1 | 1.00 | 1,104.24 | 502.10 | | |
| Horton Clear Creek | 32 | 08/10/98 | 27 | 14-0270-1 | 1.00 | 1,104.24 | 503.10 | | |
| Horton Clear Creek | 33 | 08/10/98 | 28 | 14-0280-1 | 1.00 | 1,104.24 | 504.10 | | |
| Horton Clear Creek | 34 | 08/10/98 | 29 | 14-0290-1 | 1.00 | 1,104.24 | 505.10 | | |
| Horton Clear Creek | 35 | 08/10/98 | 35 | 14-0350-1 | 1.00 | 1,104.24 | 508.10 | | |
| Horton Clear Creek | 36 | 08/10/98 | 36 | 14-0360-1 | 1.00 | 1,104.24 | 507.10 | | |
| Horton Clear Creek | 37 | 08/10/98 | 37 | 14-0370-1 | 1.00 | 1,104.24 | 508.10 | | |
| Horton Clear Creek | 38 | 08/10/98 | 38 | 14-0380-1 | 1.00 | 1,104.24 | 509.10 | | |
| Horton Clear Creek | 39 | 08/10/98 | 39 | 14-0390-1 | 1.00 | 1,104.24 | 510.10 | | |
| Horton Clear Creek | 40 | 08/10/98 | 40 | 14-0400-1 | 1.00 | 1,104.24 | 511.10 | | |
| Horton Clear Creek | 41 | 08/10/98 | 41 | 14-0410-1 | 1.00 | 1,104.24 | 512.10 | | |
| Horton Clear Creek | 42 | 08/10/98 | 42 | 14-0420-1 | 1.00 | 1,104.24 | 513.10 | | |
| Horton Clear Creek | 43 | 08/10/98 | 43 | 14-0430-1 | 1.00 | 1,104.24 | 514.10 | | |
| Horton Clear Creek | 44 | 08/10/98 | 44 | 14-0440-1 | 1.00 | 1,104.24 | 515.10 | | |
| Jones | 60 | 08/12/98 | 92 | 12-4740-1 | 1.00 | 1,104.24 | 516.10 | | |
| Jones | 61 | 08/12/98 | 102 | 12-4840-1 | 1.00 | 1,104.24 | 517.10 | | |
| Jones | 62 | 08/12/98 | 118 | 12-5000-1 | 1.00 | 1,104.24 | 518.10 | | |
| ERCs - Nominal and Actual | | 08/31/98 | | | | | 518.10 | 112.50 | 262.50 |
| Horton Clear Creek | 45 | 09/03/98 | 55 | 14-0550-1 | 1.00 | 1,131.76 | 519.10 | | |
| Horton Clear Creek | 46 | 09/03/98 | 57 | 14-0570-1 | 1.00 | 1,131.76 | 520.10 | | |
| Horton Clear Creek | 47 | 09/03/98 | 58 | 14-0580-1 | 1.00 | 1,131.76 | 521.10 | | |
| Horton Clear Creek | 48 | 09/03/98 | 60 | 14-0600-1 | 1.00 | 1,131.76 | 522.10 | | |
| Horton Clear Creek | 49 | 09/03/98 | 61 | 14-0610-1 | 1.00 | 1,131.76 | 523.10 | | |
| Horton Clear Creek | 50 | 09/03/98 | 62 | 14-0620-1 | 1.00 | 1,131.76 | 524.10 | | |
| Horton Clear Creek | 51 | 09/03/98 | 63 | 14-0630-1 | 1.00 | 1,131.76 | 525.10 | | |
| Horton Clear Creek | 52 | 09/03/98 | 68 | 14-0680-1 | 1.00 | 1,131.76 | 526.10 | | |
| Horton Clear Creek | 53 | 09/03/98 | 69 | 14-0690-1 | 1.00 | 1,131.76 | 527.10 | | |
| Horton Clear Creek | 54 | 09/03/98 | 70 | 14-0700-1 | 1.00 | 1,131.76 | 528.10 | | |
| Horton Clear Creek | 55 | 09/03/98 | 72 | 14-0720-1 | 1.00 | 1,131.76 | 529.10 | | |
| Horton Clear Creek | 56 | 09/03/98 | 73 | 14-0730-1 | 1.00 | 1,131.76 | 530.10 | | |
| Horton Woodridge | 108 | 09/29/98 | 122 | 12-2960-1 | 1.00 | 1,131.76 | 531.10 | | |
| Horton Woodridge | 109 | 09/29/98 | 117 | 12-2910-1 | 1.00 | 1,131.76 | 532.10 | | |
| Horton Woodridge | 110 | 09/29/98 | 114 | 12-2880-1 | 1.00 | 1,131.76 | 533.10 | | |
| Horton Woodridge | 111 | 09/29/98 | 99 | 12-2730-1 | 1.00 | 1,131.76 | 534.10 | | |
| Horton Clear Creek | 57 | 09/29/98 | 64 | 14-0640-1 | 1.00 | 1,131.76 | 535.10 | | |
| ERCs - Nominal and Actual | | 09/30/98 | | | | | 535.10 | 119.10 | 255.90 |

| | | | | | | | | | |
|---------------------------|----|----------|-----|-----------|------|-------------------|--------|--------|--------|
| Wooldridge | 24 | 10/09/98 | 6 | 12-1290-1 | 1.00 | 1,159.27 | 538.10 | | |
| Wooldridge | 25 | 10/09/98 | 32 | 12-1560-1 | 1.00 | 1,159.27 | 537.10 | | |
| Wooldridge | 26 | 10/09/98 | 51 | 12-1740-1 | 1.00 | 1,159.27 | 538.10 | | |
| Jones | 63 | 10/27/98 | 77 | 12-4590-1 | 1.00 | 1,159.27 | 539.10 | | |
| Jones | 64 | 10/27/98 | 88 | 12-4700-1 | 1.00 | 1,159.27 | 540.10 | | |
| Jones | 65 | 10/27/98 | 93 | 12-4750-1 | 1.00 | 1,159.27 | 541.10 | | |
| Jones | 66 | 10/27/98 | 114 | 12-4960-1 | 1.00 | 1,159.27 | 542.10 | | |
| Jones | 67 | 10/27/98 | 61 | 12-4430-1 | 1.00 | 1,159.27 | 543.10 | | |
| ERCs - Nominal and Actual | | 10/31/98 | | | | | | 152.50 | 222.50 |
| Jones | 68 | 11/02/98 | 70 | 12-4530-1 | 1.00 | 1,186.79 | 544.10 | | |
| Macchi Day Care | 1 | 11/02/98 | | 12-9994-1 | 0.79 | 955.78 | 547.89 | | |
| Horton Clear Creek | 58 | 11/13/98 | 48 | 14-0480-1 | 1.00 | 1,186.79 | 545.10 | | |
| ERCs - Nominal and Actual | | 11/30/98 | | | | | | 229.10 | 145.90 |
| Wooldridge | 27 | 12/10/98 | 31 | 12-1550-1 | 1.00 | 1,214.30 | 546.10 | | |
| Jones | 69 | 12/28/98 | 112 | 12-4940-1 | 1.00 | 1,214.30 | 547.10 | | |
| ERCs - Nominal and Actual | | 12/31/98 | | | | | | 179.10 | 195.90 |
| | | | | | | <u>188,984.83</u> | | | |

ie Daily Flow - Monthly Basis

QUESTION 2

In response to Audit Document Request CV-6, dated March 17, 1999, the utility provided a copy of a warranty deed, dated May 13, 1996, between Patricia A. Soderquit and Southlake, wherein the utility paid \$10 in consideration for this land. What value did the utility record on its books for this land? If this land was recorded on the utility's books in excess of \$10, please explain why.

It appears that the Data Request mistakenly infers from fact that the form language on the deed used \$10.00 means that Southlake only paid \$10.00. This inference is incorrect. A deed is an instrument of conveyance sufficient to transfer some estate or interest in real property. The deed normally does not set forth the amount of the consideration, rather in Florida, it is customary for deeds to list the consideration as "\$10.00 (or \$1.00) and other valuable considerations." This is usually stated in the *granting or premises clause* of the deed and the entire amount of consideration need not be (and usually is not) shown. The actual amount paid for a piece of property must, however, be listed on a certificate presented to the clerk of the circuit court prior to recordation. The clerk uses the amount on this certificate to determine how much state documentary stamp tax must be paid prior to recordation. The original of this certificate is sent to the Florida Department of Revenue with a copy to the county property appraiser. Therefore, the method for determining the amount paid does not involve looking at the *granting or premises clause*, rather one must look at the amount of documentary stamps which indicates a purchase price of \$20,000 at the then rate of \$.70 per \$100 of purchase price. The deed with the stamp calculation by the clerk's office is attached as Exhibit 2A. Southlake Utilities recorded the land on its books as \$20,000.00 because that was the purchase price. See the Closing Statement attached as Exhibit 2B.

96 35582

REC 5.00 RECEIVED FOR
TF 7.00 EXCISE TAXES
MORT. DOC
DEED DOC 140.00
INT
JAMES C. WATKINS, CLERK LAKE CO. FL
BY [Signature] D.C.
O.R. BOOK 1440 PAGE 1959

Parcel ID Number: 25-24-26-003-000-032000
Grantee #1 TIN:

Warranty Deed

This Indenture, Made this 13th day of May, 1996 A.D., Between
PATRICIA A. SODERQUIST,

of the County of Lake, State of Florida, grantor, and
SOUTHLAKE UTILITIES, INC., a Florida corporation,

whose address is: 1710 Avenida Cuarta #204, Clermont, Florida 34711

of the County of Lake, State of Florida, grantee.

Witnesseth that the GRANTOR, for and in consideration of the sum of
TEN & NO/100 (\$10.00) DOLLARS,
and other good and valuable consideration to GRANTOR in hand paid by GRANTEE, the receipt whereof is hereby acknowledged, has
granted, bargained and sold to the said GRANTEE and GRANTEE'S heirs and assigns forever, the following described land, situate,
lying and being in the County of Lake State of to wit:

The South 1/2 of the SE 1/4 of the NE 1/4 of the SW 1/4 of the Section 25, Township 24 South, Range 26 East, Lake County, Florida, together with all easements appurtenant thereto, including, without limitation, those easements described in O.R. Book 417, page 876, O.R. Book 460, page 444, O.R. Book 464, page 984, and O.R. Book 479, page 110, public records of Lake County, Florida, and O.R. Book 1844, page 844, public records of Orange County, Florida.

SUBJECT TO easements for road purposes recorded in O.R. Book 460, page 444, and O.R. Book 417, page 876, public records of Lake County, Florida, and real estate taxes for 1996 and thereafter.

Grantor does not reside on the above-described property nor does the property constitute the Grantor's homestead.

RECORD VERIFIED
MAY 31 11 03 AM '96
CLERK OF COUNTY COURT

and the grantor does hereby fully warrant the title to said land, and will defend the same against lawful claims of all persons whomsoever.
In Witness Whereof, the grantor has hereunto set her hand and seal the day and year first above written.
Signed, sealed and delivered in our presence:

[Signature]
Printed Name: Pamela Rutherford
Witness
[Signature]
Printed Name: Pamela Rutherford
Witness

[Signature]
PATRICIA A. SODERQUIST (Seal)
P.O. Address 25728 Fisherman Road, Paisley, FL 32767.

R.O. Drawer 7608 Winter Haven, Florida 33893-7608
PLEASE RETURN TO KERRY M. WILSON
K.M. WILSON
PETERSON & MYERS, P.A.

STATE OF Florida
COUNTY OF Lake

The foregoing instrument was acknowledged before me this THIRTEENTH day of May, 1996 by
PATRICIA A. SODERQUIST,

who is personally known to me or who has produced her Florida driver's license as identification.

This Document Prepared By:
Kerry M. Wilson, Esquire
PETERSON & MYERS, P.A.
141 5th Street, N.W. Suite 300
Winter Haven, FL 33893-7608

[Signature]
Printed Name: Pamela Rutherford
NOTARY PUBLIC
My Commission Expires:

PAMELA A. RUTHERFORD
MY COMMISSION # DC 30023
EXPIRES: June 7, 1998

CLOSING STATEMENT

DATE OF CLOSING: May 13, 1996

SELLER: PATRICIA A. SODERQUIST

BUYER: SOUTHLAKE UTILITIES, INC., a Florida corporation

PROPERTY: The South 1/2 of the SE 1/4 of the NE 1/4 of the SW 1/4 of Section 25, Township 24 South, Range 26 East, Lake county, Florida, together with all easements appurtenant thereto, including, without limitation, those easements described in O.R. Book 417, page 876, O.R. Book 450, page 444, O.R. Book 464, page 984, and O.R. Book 479, page 110, public records of Lake county, Florida.

SELLER'S STATEMENT

| | | | |
|------|----------------------------------------------------------------|---------|-------------|
| I. | PURCHASE PRICE | | \$20,000.00 |
| II. | LESS DEPOSIT PREVIOUSLY PAID BY BUYER | | (1,000.00) |
| III. | LESS DEDUCTIONS FROM SELLER | | |
| | Recording fee for Deed | \$ 6.00 | |
| | Documentary Stamps on Deed | 140.00 | |
| | 1996 taxes prorata of 134 days based on 1995 taxes of \$249.60 | 91.63 | |
| | TOTAL DEDUCTIONS | | (237.63) |
| | TOTAL DUE SELLER AT CLOSING | | \$18,762.37 |

BUYER'S STATEMENT

| | | | |
|------|----------------------------------------------------------------|----------|-------------|
| I. | PURCHASE PRICE | | \$20,000.00 |
| II. | DEPOSIT PREVIOUSLY PAID TO SELLER | | (1,000.00) |
| III. | PLUS COSTS FROM BUYER | | |
| | Recording fee for Purchase | | |
| | Money Mortgage | \$ 19.50 | |
| | Documentary stamps on Mortgage | 70.00 | |
| | Intangible tax on Mortgage | 40.00 | |
| | Title certificate fee | 100.00 | |
| | Owner's title insurance premium | 115.00 | |
| | Mortgage title insurance premium | 100.00 | |
| | Attorneys' fees (Peterson & Myers, P.A.) | 200.00 | |
| | TOTAL COSTS DUE FROM BUYER | | 644.50 |
| IV. | LESS: | | |
| | 1996 taxes prorata of 134 days based on 1995 taxes of \$249.60 | | (91.63) |
| | TOTAL CASH DUE FROM BUYER FOR PURCHASE | | \$19,552.87 |

Seller and buyer have carefully reviewed the above closing statement and acknowledged receipt of a copy thereof, and hereby approve the accuracy of said closing statement and disbursement of monies as set forth above.

Approved By Seller:

Patricia A. Soderquist
Patricia A. Soderquist

Approved by Buyer:

L. Robert [Signature]
President of Southlake Utilities, Inc., a Florida corporation

QUESTION 3 (a)

Please provide a schedule of all of the utility's current land. Please include:

[Answers to 9 subparts]

Southlake Utilities has four parcels of land it uses or intends to use for utility service:

- (i) Parcel 1 - Wastewater Treatment Plant Site;
- (ii) Parcel 2 - Water Treatment Plant Site;
- (iii) Parcel 3 - Well Site A; and
- (iv) Parcel 4 - Well Site E.

The answers to the subparts of Question 3(a) are set forth below for each parcel.

PARCEL 1

WASTEWATER TREATMENT PLANT SITE

[Answers to 9 subparts]

(1) whether each parcel of land is used for water and/or wastewater operations;

This parcel is used for wastewater operations.

(2) the number of acres for each parcel of land;

This parcel is 10 acres more or less.

(3) the purchase price or lease amount/terms for each parcel of land;

This parcel is leased for 99 years with a bargain purchase option. Approximately 94 years remain. The rental payment is currently \$4,211.04 per month for land totaling 12.53 acres more or less. The pro-rata rent for the Wastewater Treatment Plant Site is \$3,360.67.

(4) the value of each parcel of land recorded on the utility's books;

The value of this parcel as recorded on the utility's books is \$606,959.30.

(5) the name of the seller or lessor of each parcel of land and whether this person is related by family or other business relationship to the utility or any of the utility's owners;

The name of the lessor is Southlake Development, Ltd., a limited partnership. Southlake Development, Ltd., is not an owner of Southlake Utilities, Inc., however the general partner of Southlake Development, Ltd., is Jeffrey Cagan and Richard Driehaus and Robert L. Chapman, III, are limited partners. Jeffrey Cagan owns 15% of the common stock of Southlake Utilities, Inc. Richard Driehaus owns 15% of the common stock of Southlake Utilities, Inc. Robert L. Chapman, III, owns 10% of the common stock of Southlake Utilities, Inc. Robert L. Chapman, III, also owns a majority of the common stock of Southlake, Inc., which owns 60% of the common stock of Southlake Utilities, Inc.

(6) the year each parcel of land was purchased and/or leased;

This parcel was leased in 1993. In 1998, the lease was amended to grant a bargain purchase option to Southlake Utilities.

(7) the year each parcel of land was first used to provide utility service;

This parcel was first used to provide utility service in 1993.

(8) a description of the current and/or future use of each parcel of land; and

The current use of this parcel is as the site of the wastewater treatment plant and the wastewater percolation ponds. There is no plan to change this use in the future.

(9) the amount of each parcel of land that is currently being used to provide utility service.

This parcel is currently being used exclusively to provide utility service.

PARCEL 2

WATER TREATMENT PLANT SITE

[Answers to 9 subparts]

(1) whether each parcel of land is used for water and/or wastewater operations;

This parcel is used for water operations.

(2) the number of acres for each parcel of land;

This parcel is 2.528 acres more or less.

(3) the purchase price or lease amount/terms for each parcel of land;

This parcel is leased for 99 years with a bargain purchase option. Approximately 94 years remain. The rental payment is currently \$4,211.04 per month for land totaling 12.53 acres more or less. The pro-rata rent for the Water Treatment Plant Site is \$849.60.

(4) the value of each parcel of land recorded on the utility's books;

The value of this parcel as recorded on the utility's books is \$153,486.72.

(5) the name of the seller or lessor of each parcel of land and whether this person is related by family or other business relationship to the utility or any of the utility's owners;

The name of the lessor is Southlake Development, Ltd., a limited partnership. Southlake Development, Ltd., is not an owner of Southlake Utilities, Inc., however the general partner of Southlake Development, Ltd., is Jeffrey Cagan and Richard Driehaus and Robert L. Chapman, III, are limited partners. Jeffrey Cagan owns 15% of the common stock of Southlake Utilities, Inc. Richard Driehaus owns 15% of the common stock of Southlake Utilities, Inc. Robert L. Chapman, III, owns 10% of the common stock of Southlake Utilities, Inc. Robert L. Chapman, III, also owns a majority of the common stock of Southlake, Inc., which owns 60% of the common stock of Southlake Utilities, Inc.

(6) the year each parcel of land was purchased and/or leased;

This parcel was leased in 1993. In 1998, the lease was amended to enlarge the parcel and to grant a bargain purchase option to Southlake Utilities.

(7) the year each parcel of land was first used to provide utility service;

This parcel was first used to provide utility service in 1993.

(8) a description of the current and/or future use of each parcel of land; and

The current use of this parcel is as the site of the water plant and two wells. There is no plan to change this use in the future.

(9) the amount of each parcel of land that is currently being used to provide utility service.

This parcel is currently being used exclusively to provide utility service.

PARCEL 3

WELL SITE A

[Answers to 9 subparts]

(1) whether each parcel of land is used for water and/or wastewater operations;

This parcel is used for water operations.

(2) the number of acres for each parcel of land;

This parcel is .0023 acres more or less.

(3) the purchase price or lease amount/terms for each parcel of land;

This parcel is leased for 99 years with a bargain purchase option. Approximately 94 years remain. The rental payment is currently \$4,211.04 per month for land totaling 12.53 acres more or less. The pro-rata rent for the Well Site A is \$0.77.

(4) the value of each parcel of land recorded on the utility's books;

The value of this parcel as recorded on the utility's books is \$140.00.

(5) the name of the seller or lessor of each parcel of land and whether this person is related by family or other business relationship to the utility or any of the utility's owners;

The name of the lessor is Southlake Development, Ltd., a limited partnership. Southlake Development, Ltd., is not an owner of Southlake Utilities, Inc., however the general partner of Southlake Development, Ltd., is Jeffrey Cagan and Richard Driehaus and Robert L. Chapman, III, are limited partners. Jeffrey Cagan

owns 15% of the common stock of Southlake Utilities, Inc. Richard Driehaus owns 15% of the common stock of Southlake Utilities, Inc. Robert L. Chapman, III, owns 10% of the common stock of Southlake Utilities, Inc. Robert L. Chapman, III, also owns a majority of the common stock of Southlake, Inc., which owns 60% of the common stock of Southlake Utilities, Inc.

(6) the year each parcel of land was purchased and/or leased;

This parcel was leased in 1998.

(7) the year each parcel of land was first used to provide utility service;

This parcel was first used to provide utility service for an auxiliary well in 1993.

(8) a description of the current and/or future use of each parcel of land; and

The current use of this parcel is as the site of the Well A, an auxiliary well. Southlake Utilities plans to bring this well on-line as a primary well in 1999.

(9) the amount of each parcel of land that is currently being used to provide utility service.

This parcel is currently being used exclusively to provide utility service.

PARCEL 4

WELL SITE E

[Answers to 9 subparts]

(1) whether each parcel of land is used for water and/or wastewater operations;

This parcel is used for water operations.

(2) the number of acres for each parcel of land;

This parcel is 5 acres more or less.

(3) the purchase price or lease amount/terms for each parcel of land;

This parcel is owned free and clear by Southlake Utilities, Inc. The purchase price was \$20,000.00.

(4) the value of each parcel of land recorded on the utility's books;

The value of this parcel as recorded on the utility's books is \$20,000.00.

(5) the name of the seller or lessor of each parcel of land and whether this person is related by family or other business relationship to the utility or any of the utility's owners;

The seller of this property was Patricia Soderquist. She has no business or family relationship to Southlake Utilities or any of its owners.

(6) the year each parcel of land was purchased and/or leased;

This parcel was leased in 1996.

(7) the year each parcel of land was first used to provide utility service;

This parcel is not yet used to provide utility service.

(8) a description of the current and/or future use of each parcel of land; and

The future use of this parcel will be for Well E that has not yet been constructed.

(9) the amount of each parcel of land that is currently being used to provide utility service.

This parcel is not currently being used.

QUESTION 3 (b)

Please provide a copy of the appraisal by Pardue, Heid, Church, Smith and Walker, MAI for the 29 +/- acres of property adjacent to the utility's wastewater plant parcel and any other appraisals utilized to determine the value of the utility's \$1,003,224 land balance.

Attached hereto as Exhibit 3B is the Summary Appraisal Report dated September 17, 1994, prepared by Pardue, Heid, Church, Smith, and Walker, MIA ("Pardue") ("Appraisal"). The Appraisal determined that the value of the 29.855 acre parcel was \$1,825,000 (\$61,128.79

per acre). The full appraisal is owned by Robert L. Chapman, II, and Elizabeth Chapman. Another appraisal performed by Pardue of the land is owned by Southlake Community Foundation ("Foundation") and is in its storage files. Southlake Utilities has requested the Chapmans and the Foundation to provide it with copies of the appraisals and allow Southlake Utilities to file these with the Commission. In the event that Southlake Utilities receives the appraisals and permission to use them, Southlake Utilities, will provide the appraisals to the Commission as soon as they are received from and its use approved by the Chapmans and the Foundation. It is the understanding of Southlake Utilities that both appraisals use the \$61,128.79 per acre valuation.

QUESTION 3 (c)

Please provide documentation for any land sales adjacent to the utility's land.

There is documentation for the following parcels adjacent to the site.

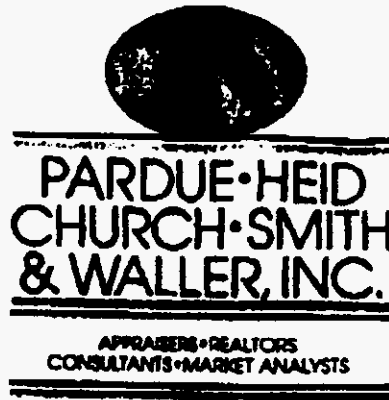
The contiguous 1.5+ acre Florida Power site was purchased by Florida Power in 1972 for \$125,000 per acre (O.R. Book 509, page 68). Based on the 1972 Documentary Stamp Tax rate of \$ 0.30/\$100, the cost per acre was \$83,333. An adjacent 2.28 acre parcel with identical zoning density to the water and wastewater parcels was sold by Robert L. Chapman, II, and Elisabeth T. Chapman to Renaissance Courtyard Builders for \$140,000 in 1996, for a per acre price of \$61,403 (O.R. Book 1441 page 0668-0671). Copies of the two Deeds are attached as Exhibit 3C1. The contiguous Paul L. Curtis parcel is currently offered for sale for \$85,000 per acre and a copy of the fact sheet for the parcel is attached as Exhibit 3C2.

QUESTION 3 (d)

With regard to any capital lease the utility entered into, please explain why the utility did not buy the land. Please provide a detailed analysis demonstrating the cost effectiveness of leasing rather than buying it.

The owners refused to sell the sites, and, therefore, buying the land was impossible. There were no other suitable sites within the Southlake's territory for a wastewater treatment plant site. Accordingly, Southlake Utilities entered into a long term agreement for the continued use of the land (i.e., a 99 year lease) as allowed by the Commission. See Rule 25-30.033(1)(j), Florida Administrative Code. It is not appropriate or even possible to compare leasing with purchasing because Southlake Utilities did not have an option to purchase.

William P. Pardue, Jr., MAI, SRA
State-Certified General Appraiser 0000002
Robert L. Heid, MAI, SRA
State-Certified General Appraiser 0000010
Lairy A. Church, MAI, SRA
State-Certified General Appraiser 0000009



E.E. Waller, III, MAI, SRA
State-Certified General Appraiser 0000007
Robert Moreyra, MAI
State-Certified General Appraiser 0000004

September 27, 1994

Southlake Development Group
800 U.S. Highway 27
Clermont, Florida 34711

Attention: Mr. Robert L. Chapman, III

Gentlemen:

At your request, we have conducted the necessary investigations and analysis for the purpose of expressing an opinion of the market value of the fee simple interest in the subject property, a 29.855± acre parcel of land located on the west side of U.S. Highway 27, approximately one mile north of its interchange with U.S. Highway 192, in unincorporated Lake County, Florida. The subject site is Phase 1A of the Southlake PUD. The subject site is currently improved with a 434 unit apartment complex known as the Southlake Apartments.

We have been asked to value the 29.855± acre parcel effective the date of its conveyance as a gift, June 17, 1993. Since the subject was a vacant parcel of land on that date, we have valued the property as vacant and will, from this point on, refer to it as vacant land. The subject property will be briefly described by a legal description and a summary narrative description within the text of the following summary appraisal report.

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under *Standards rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report*. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file and file No. AC920113, dated June 8, 1992. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for any unauthorized use of this report.

1408 WEST COLONIAL DRIVE
ORLANDO, FLORIDA 32804-7100
(407) 841-3808 • FAX (407) 841-1848

VOLUSIA COUNTY SARASOTA TAMPA PINELLAS COUNTY WEST PALM BEACH FT. LAUDERDALE

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property as of the effective date of the appraisal, as outlined below. The function of this appraisal is to document the market value of the subject as of the date of the gift, as required by the Internal Revenue Service. The appraisal is made effective the date of this conveyance, June 17, 1993, at which time the property was vacant land. Market value, fee simple interest and other appraisal terms are defined within the text of the following Summary Appraisal Report.

As a result of our investigation into those matters which affect market value, and by virtue of our experience and training, we have formed the opinion that the market value of the fee simple interest in the subject property, effective June 17, 1993, was:

**One Million Eight Hundred Twenty Five Thousand Dollars
(\$1,825,000).**

Furthermore, assuming the utilization of an organized and coordinated marketing effort, we have estimated a reasonable marketing period for the subject property of approximately one year. This assumes a sale of the property at the market value estimate reported above.

The appraisal analyses, opinions and conclusions were developed and this summary appraisal report has been prepared in conformance with, and use of this report is subject to, the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.


This letter of transmittal precedes the summary narrative appraisal report, briefly describing the property and the reasoning and most pertinent data leading to the final value estimate. Your attention is directed to the "General Assumptions", "General Limiting Conditions", "Certificate of Appraisal" and "Special Conditions", which are considered usual for this type of assignment and have been included within the text of this report.

Respectfully submitted,

Pardue, Heid, Church, Smith & Waller, Inc.


Robert Moreyra, MAI
State-Certified General Appraiser 0000534


William Clayton Rodgers, Senior Appraiser
State-Certified General Appraiser 0001601


Howard C. Stivers, Associate
State-Certified General Appraiser 0001988

RM:WCR:HCS:gmc
AC940337

REC 10 00
ST 315 00
SUB 1375

WARRANTY DEED

THIS WARRANTY DEED made this 7th day of MAY

1973, by Edward V. Pollard and Dorothy M. Pollard, and Edward V. Pollard as Trustee under the terms of that certain Trust Agreement dated June 4, 1970, and recorded in Official Record Book 408, Page 323, Public Records of Lake County, Florida, and Carl M. Voyles, Sr., an unmarried widower, Robert L. Chapman, Jr., and Elisabeth T. Chapman, his wife, and Robert L. Dawson and Doreen Dawson, his wife, by Edward V. Pollard, their true and lawful Attorney-in-fact, pursuant to that certain Trust Agreement dated June 4, 1970 and recorded in Official Record Book 408, Page 323, Public Records of Lake County, Florida, and the Etowah Company, a Georgia corporation, hereinafter called the Grantors, to Florida Power Corporation, a Florida corporation whose address is 3201 34th Street South, St. Petersburg, Florida 33733, hereinafter called the Grantee:

WITNESSETH:

That the Grantors, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby grant, bargain, sell, alien, remise, release, convey and confirm unto the Grantee, all that certain real property situate in Lake County, Florida, more particularly described as follows:

That part of the Northeast 1/4 of the Southeast 1/4 of Section 35, Township 24 South, Range 26 East, in Lake County, Florida, bounded and described as follows: From the Northwest corner of the Southeast 1/4 of the Southeast 1/4 of said Section 35, run North 0° 30' 21" East 641.20 feet, more or less, to a cement monument that is 15 feet South of the North boundary of the South 1/2 of the Northeast 1/4 of the Southeast 1/4 to the Point of Beginning of this description; from said Point of Beginning continue North 0° 30' 21" East 197.49 feet, thence run South 89° 51' 12" East 167.16 feet to a cement monument that is 213.18 feet West of the westerly right-of-way line of U.S. Highway No. 27, thence South 20° 8' 20" East parallel to and 200 feet Westerly of the Westerly right-of-way line of U.S. Highway No. 27 a distance of 159.72 feet to a cement monument, thence South 89° 51' 12" East 213.18 feet to the Westerly

This instrument prepared by:
William C. Martin III
P.O. Box 281
Orlando, Fla. 32802

JUN 5 12 23 PM '73

STATE OF FLORIDA
DOCUMENTARY
TAMP 1281
375.00

DOCUMENTARY
SUR TAX
18150

right-of-way line of U.S. Highway No. 27, thence South 20° 08' 20" East along said right-of-way line 63.95 feet to a cement monument that is 15 feet South of the North Boundary of the South 1/2 of the Northeast 1/4 of the Southeast 1/4, thence North 89° 53' 12" West parallel to and 15 feet South of the North boundary of the South 1/2 of the Northeast 1/4 of the Southeast 1/4 a distance of 529.72 feet to the Point of Beginning.

TOGETHER, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantors hereby covenant with said Grantee that the Grantors are lawfully seized of said land in fee simple; that the Grantor has good right and lawful authority to sell and convey said land; the Grantors hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 1972. The Grantors further state that this conveyance is made subject to any encumbrances, reservations or restrictions of record, if any, however this reference shall not operation to reimpose the same.

IN WITNESS WHEREOF, the said Grantors have signed and sealed these presents this day and year first above written.

Signed, sealed and delivered in our presence:

[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]

[Handwritten Signature]
Edward V. Pollard individually and as Trustee
[Handwritten Signature]
Dorothy A. Pollard
[Handwritten Signature]
Carl M. Voyles, Sr., an unmarried widower, by his Attorney-in-fact, Edward V. Pollard
[Handwritten Signature]
Robert L. Chapman, Jr., by his Attorney-in-fact, Edward V. Pollard

Frances Hunter
Margie H. Hunt
Frances Hunter
Margie H. Hunt
Frances Hunter
Margie H. Hunt

Elisabeth T. Chapman
 Elisabeth T. Chapman, by her
 Attorney-in-fact, Edward V. Pollard
Robert L. Dawson
 Robert L. Dawson, by his Attorney-
 in-fact, Edward V. Pollard
Dreamah Dawson
 Dreamah Dawson, by her Attorney-
 in-fact, Edward V. Pollard

ATTEST:

Edward V. Pollard
 Secretary

THE STOWAN COMPANY, a Georgia corpora-
tion.

BY Robert F. Norton
 President

(CORPORATE SEAL)
 STATE OF FLORIDA
 COUNTY OF

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared, Edward V. Pollard and Dorothy M. Pollard, his wife, individually, and Edward V. Pollard, as Trustee and Attorney-in-fact for Carl M. Voyles, Sr., an unmarried widower, Robert L. Chapman, Jr., and Elisabeth T. Chapman, his wife, Robert L. Dawson and Dreamah Dawson, his wife, to me known to be the persons described in and who executed the foregoing instrument and who acknowledged before me that they executed the same.

WITNESS my hand and seal in the County and State last aforesaid this 7th day of April, 1977.

Edward V. Pollard
 Notary Public

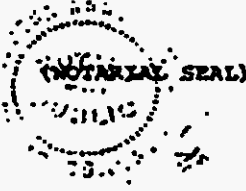
(NOTARIAL SEAL)

My Commission Expires: July 4, 1977

STATE OF FLORIDA
 COUNTY OF

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared, Robert F. Norton, President, and Edward V. Pollard, Secretary, of the Stowak Company, a Georgia Corporation, to me known to be the persons described in and who executed the foregoing instrument and who acknowledged before me that they executed the same.

WITNESS my hand and seal in the County and State last aforesaid
this 9th day of May, 1973. 28



Maria Anne Kullman
Notary Public

My Commission Expires
By Comm. Expires (C-12-75)

REG 1700 RECEIVED FOR
 TF 250 EXCISE TAXES
 MORT. DOC 0
 DEED DOC 980.00
 INT 0
 JAMES C. WATKINS CLERK LAKE CO. FL
 BY JHM D.G.

WARRANTY DEED

THIS INDENTURE, made this 29th day of May, 1996, between ROBERT L. CHAPMAN, JR. and ELISABETH T. CHAPMAN, his wife, whose address is 800 U.S. Hwy 27 Clermont, of the County of Lake, State of Florida ("Grantors"), and RENAISSANCE COURTYARD BUILDERS, INC., a Florida corporation, whose address is 734 Avenida Cuarta, Unit 101, Clermont, Florida 34711, of the County of Lake, State of Florida ("Grantee"),

WITNESSETH: That Grantors, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00), to them in hand paid by Grantee, the receipt whereof is hereby acknowledged, have granted, bargained, and sold to Grantee, its successors and assigns forever, the land, situate, lying, and being in the County of Lake, State of Florida, which is more particularly described in Exhibit "A" which is attached hereto and is, by this reference, made a part hereof (the "Land").

SUBJECT TO any zoning regulations, covenants, restrictions, reservations, limitations, conditions, and easements of record, if any.

ALSO SUBJECT TO all taxes and assessments levied or assessed or which may become a lien subsequent to December 31, 1995.

This instrument prepared by:

William J. Deas, Esquire
 2215 River Boulevard
 Jacksonville, FL 32204

Return to:

William J. Deas, Esquire
 2215 River Boulevard
 Jacksonville, FL 32204

JUN 4 10 32 AM '96
 CLERK OF COURT
 RECORD VERIFIED
 LARRY D. ...

Property Appraiser's Parcel ID#

And Grantors do hereby fully warrant the title to the Land and will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, Grantors have hereunto set their hands and seals, the day and year first above written.

Signed, sealed and delivered in the presence of:

Signature of Witness

Robert L. Chapman
ROBERT L. CHAPMAN, JR.

William J. Deas

Typed or Printed Name of Witness

Signature of Witness

JANICE GRIFFITH

Typed or Printed Name of Witness

Signature of Witness

Elizabeth T. Chapman
ELISABETH T. CHAPMAN

William J. Deas

Typed or Printed Name of Witness

Signature of Witness

JANICE GRIFFITH

Typed or Printed Name of Witness

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 29th day of May, 1996, by ROBERT L. CHAPMAN, JR. and ELISABETH T. CHAPMAN, his wife, who are personally known to me (or who have produced PERSONALLY KNOWN as identification).

[Handwritten Signature]

Signature of person taking acknowledgment

JANICE GRIFFITH

Name of acknowledger typed, printed or stamped

MARCH 24, 2000

Commission expiration date

NOTARY PUBLIC, STATE OF FLORIDA

Title or rank

CC542288

Serial number, if any

NOTARY



JANICE GRIFFITH
My Commission CC542288
Expires Mar. 24, 2000

SOU/2000-138/wdi/ksl
5/14/96

OFFICE
J. DEAS, P.A.
5 RIVER BOULEVARD
ISONVILLE, FL 32204

EXHIBIT "A"

THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND, LYING, BEING AND SITUATE IN LAKE COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

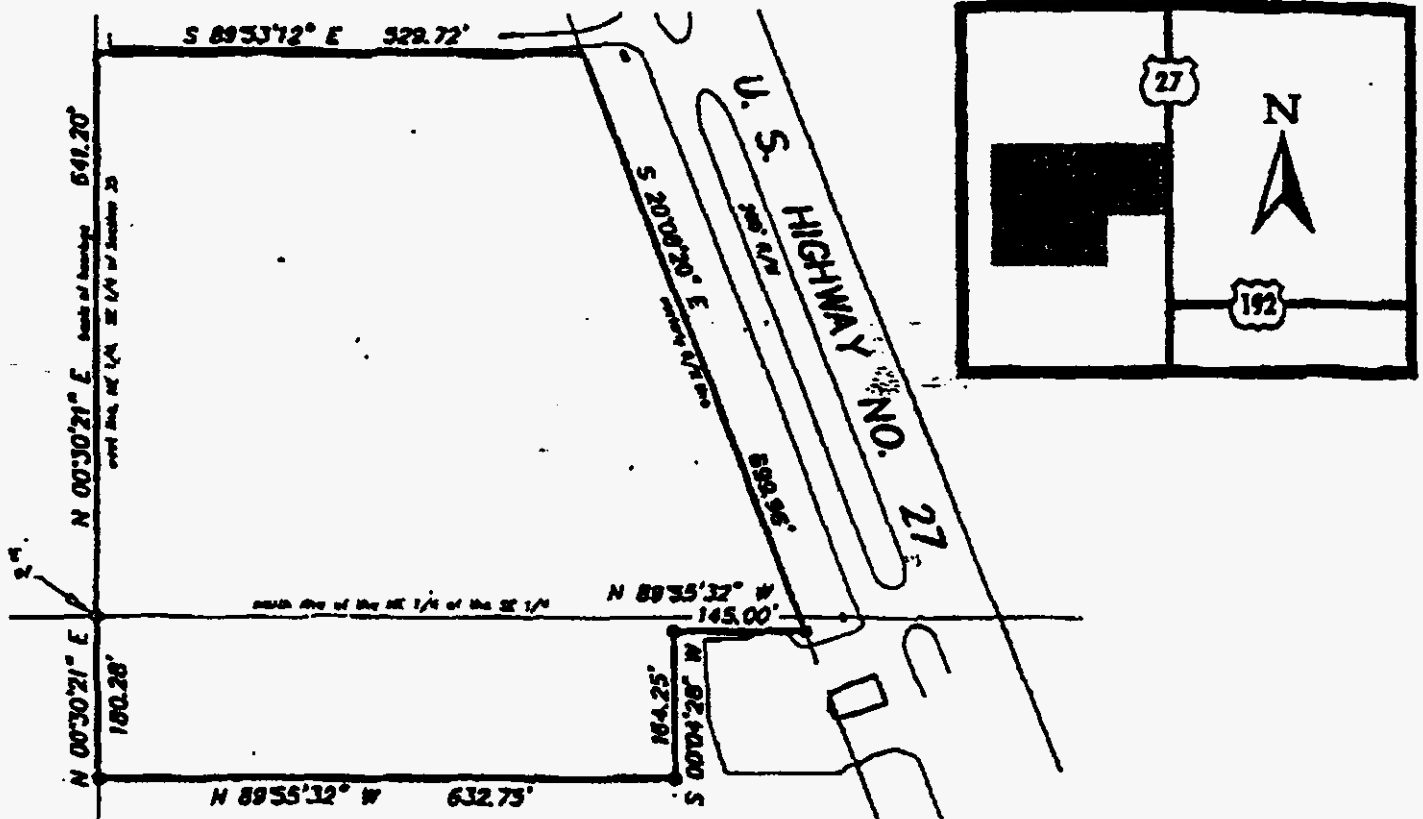
That part of the North 1/2 of Section 35, Township 24 South, Range 26 East, Lake County, Florida, described as follows:

From the Northwest corner of the Northeast 1/4 of said Section 35, run N.89°42'18" E., along the North boundary of the said Northeast 1/4, a distance of 616.52 feet to the Westerly right of way of U.S. Highway 27; thence S.00°00'00" E., 377.37 feet; thence N.90°00'00" E., 141.84 feet to the aforesaid Westerly right of way of U.S. Highway 27; thence S.20°35'59" E., along said right of way line 812.14 feet; thence departing said right of way line, run N.80°34'48" W., 346.64 feet; thence S.00°00'00" E., 636.52 feet; thence N.90°00'00" W., 952.00 feet; thence N.00°00'00" E., 829.00 feet to the Point of Beginning; thence continue N.00°00'00" E., 27.00 feet; thence N.90°00'00" E., 6.00 feet; thence N.00°00'00" E., 312.00 feet; thence N.90°00'00" E., 293.00 feet; thence S.00°00'00" E., 339.00 feet; thence N.90°00'00" W., 299.00 feet to the Point of Beginning. (Containing 2.28 acres, more or less) [CLUSTER HOMES UNIT ONE PARCEL]

SOU/2000-138/wdi/ksl

5/14/96

L a k e C o u n t y
COMMERCIAL PROPERTY FOR SALE



Great Location • 700' Frontage • 12.23 Acres
Average Annual Daily Traffic 15,700*

*Source: "1996 Average Annual Daily Traffic" - Florida Department of Transportation.

Ideal for: Shopping Center, Restaurants, Beverage Establishments, Drug Stores, Retail Lumber Company, Gasoline Service Station, Post Office, Hotels & Motels, Theaters, or Professional Offices.

\$85,000 per acre
Total \$1,040,000

For more information, call:
(407) 422-4471

Paul L. Curtis, Owner / Paul Curtis Realty, Inc.

425 West Colonial Drive • Suite 201 • Orlando, FL 32804 Telephone: (407) 422-4471 • Facsimile (407) 422-4519

Notice: This offer may be withdrawn at any time and the price is subject to change without notice. These sketches are not intended to represent a boundary survey. Lines shown herein were not abstracted for easements or rights-of-way. Sketch of description only, no corners were set. All bearings and distances shown herein are subject to field verification.

QUESTION 4

In response to Audit Document Requests CV-6 and CV-9, dated March 17, 1999 and March 24, 1999, respectively, the utility provided a copy of a capital lease, including subsequent amendments, for 12.53 acres and provided its supporting calculation of the value of this lease at \$760,855.

a. What was the original purchase price of this land when Robert L. Chapman, II, and Elisabeth Chapman purchased it?

The first parcel was acquired by Robert L. Chapman, II, and Elisabeth Chapman in 1951. The first parcel is approximately 720 acres and contains the water plant site. The deed, a copy of which is attached as Exhibit 4A, indicates that the purchase price was \$47,000 or approximately \$65 per acre. The second parcel was acquired by Robert L. Chapman II, and Elisabeth Chapman in 1962. The second parcel is approximately 164 acres and contains the wastewater treatment plan site. According to tax stamps affixed to the deed for the second parcel, a copy of which is attached as Exhibit 4B, the consideration was \$200,000 (\$1,000 of stamps at \$0.50 per \$100 of consideration) with a resulting per acre cost of approximately \$1,087 per acre.

b. Please provide documentation for the original purchase price when Robert L. Chapman, II, and Elisabeth Chapman purchased it.

See Exhibits 4A and 4B.

c. If the lease was executed on August 17, 1993, why did the utility capitalize the lease in 1998 instead of in 1993?

The lease was amended to include a bargain purchase option in 1998. According to widely accepted accounting principles a lease must be capitalized if it contains a bargain purchase (i.e., less than fair market value) option.

SUBJECT TO GRAZING LEASE

(72)

THIS INSTRUMENT was made and entered into
between CHARLES E. ARNOLD, of Orange County, Florida;
Florida; WILLIAM W. ARNOLD, of Lake County, Florida;
Florida; JOHN S. ARNOLD and wife, LUCILLE ARNOLD,
ROBERT L. ARNOLD, JR., by John S. Arnold, his attorney in fact,
ARNOLD, wife of Robert L. Arnold, Jr., by John S. Arnold, his attorney in fact,
both of Orange County, Florida; EVA ARNOLD, wife of Robert L. Arnold, Jr.,
Arnold, her attorney in fact, of Lake County, Florida; MARY HILL ARNOLD,
by John S. Arnold, his attorney in fact, and RICHARD E. ARNOLD, by her attorney in fact, John S. Arnold, both of
borough County, Florida; ALBERTA A. HELFENSTEIN, by her attorney in fact, John S. Arnold, and CHARLES P. HELFENSTEIN, husband of Alberta A. Helfenstein,
by his attorney in fact, John S. Arnold, both of Alachua County, Florida; ETTA H. ARNOLD, by her attorney in fact, William W. Arnold, and J. B. ARNOLD,
husband of Etta H. Arnold, by his attorney in fact, William W. Arnold, both
of Lake County, Florida; ELOISE ARNOLD PINKERTON, by her attorney in fact,
William W. Arnold, and JOHN C. PINKERTON, husband of Eloise Arnold Pinkerton,
by his attorney in fact, William W. Arnold, both of Sarasota County, Florida;
FRANCES A. COLS, by her attorney in fact, Charles E. Arnold, and ROBERT E.
COLS, husband of Frances A. Cole, by his attorney in fact, Charles E. Arnold,
both of Dade County, Florida; JULIAN R. ARNOLD, unmarried, by his attorney
in fact, Charles E. Arnold, of Navarro County, Texas; L. KATHRYN ARNOLD
HERZOG, by her attorney in fact, Charles E. Arnold, and DONALD M. HERZOG,
husband of L. Kathryn Arnold Herzog, by his attorney in fact, Charles E.
Arnold, both of McKean County, Pennsylvania; A. LUCILLE ARNOLD SCHULTZ, by her
attorney in fact, Charles E. Arnold, and WILLIAM B. SCHULTZ, husband of A.
Lucille Arnold Schultz, by his attorney in fact, Charles E. Arnold, both of
Berks County, Pennsylvania, Parties of the First Part, and E. H. WILKIN of
Charlotte, Mecklinburg County, North Carolina, Parties of
the Second Part.

WITNESSETH:

That the said parties of the first part have agreed to pay to the said
the sum of Forty-Seven Thousand Dollars (\$47,000.00)

by the said parties of the second part, the receipt whereunto is hereby acknowledged, have granted, bargained and sold to the said parties of the second part, their heirs and assigns, forever, the following described land, situate lying and being in the County of Lake, State of Florida, to-wit:

All that part of Section 35, Township 26 South, Range 26 East, lying East of U.S. Highway 21, ALSO all of Section 36, Township 26 South, Range 26 East, EXCEPT a strip of land along the South side. Subject to grazing lease.

AND the said parties of the first part do hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered in the Presence of:

[Signature]

[Signature] (SEAL)
Charles E. Arnold

[Signature] (SEAL)
Evalyn H. Arnold

[Signature] (SEAL)
William W. Arnold

[Signature] (SEAL)
Martha Jane Arnold

[Signature] (SEAL)
John S. Arnold

[Signature] (SEAL)
Lucile G. Arnold

ROBERT L. ARNOLD, JR. (SEAL)

By [Signature]
John S. Arnold, his Attorney in Fact

MARY ANN ARNOLD (SEAL)

By [Signature]
John S. Arnold, her Attorney in Fact

SYVA ARNOLD DAVIS (SEAL)

By [Signature]
John S. Arnold, her Attorney in Fact

As to Charles E. Arnold individually, and as Attorney in Fact as set forth in the above Deed, and William W. Arnold individually and as Attorney in Fact as set forth in the above Deed, and Evalyn H. Arnold and Martha Jane Arnold.

[Signature]

[Signature]
As to John S. Arnold, individually, and as Attorney in Fact as set forth in the above Deed, and Lucile G. Arnold.

(Grantor's signatures continued)

By *J. B. Arnold* CHARLES E. ARNOLD, his Attorney in Fact

ROBERT E. COLE (SEAL)

By *J. B. Arnold* CHARLES E. ARNOLD, her Attorney in Fact

J. JAMES A. COLE (SEAL)

By WILLIAM W. ARNOLD, his Attorney in Fact

JOHN G. PINKERTON (SEAL)

By WILLIAM W. ARNOLD, her Attorney in Fact

ELOISE ARNOLD PINKERTON (SEAL)

By WILLIAM W. ARNOLD, his Attorney in Fact

J. B. ARNOLD (SEAL)

By *J. B. Arnold* WILLIAM W. ARNOLD, her Attorney in Fact

WILLIAM W. ARNOLD (SEAL)

By *J. B. Arnold* JOHN S. ARNOLD, his Attorney in Fact

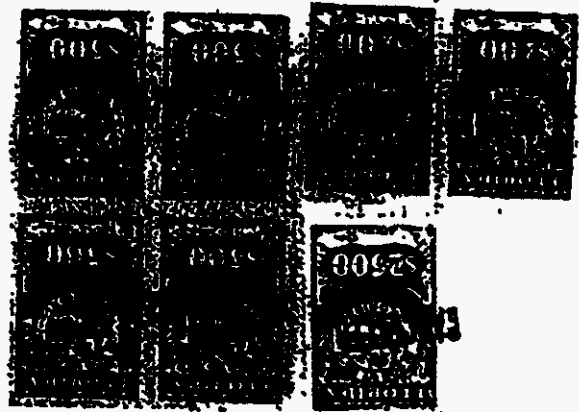
CHARLES E. ARNOLD (SEAL)

By *J. B. Arnold* JOHN S. ARNOLD, her Attorney in Fact

ALBERT A. PINKERTON (SEAL)

By *J. B. Arnold* JOHN S. ARNOLD, her Attorney in Fact

WILLIAM W. ARNOLD (SEAL)



(Orator's Signatures Continued)

86 MAR 98

(Grantor's signatures continued)

By Charles E. Arnold
Charles E. Arnold, his Attorney in Fact

DONALD M. HERZOG (SEAL)

By Charles E. Arnold
Charles E. Arnold, his Attorney in Fact

A. LUCILE ARNOLD SCHULTZ (SEAL)

By Charles E. Arnold
Charles E. Arnold, her Attorney in Fact

WILLIAM B. SCHULTZ (SEAL)

By Charles E. Arnold
Charles E. Arnold, his Attorney in Fact

STATE OF FLORIDA
COUNTY OF ORANGE

I HEREBY CERTIFY that before me, the undersigned authority, duly authorized to take acknowledgments in the State of Florida, personally appeared CHARLES E. ARNOLD and his wife, EVELYN H. ARNOLD, and WILLIAM W. ARNOLD and his wife, MARTHA JANE ARNOLD, all to me well known, and known to me to be the persons who executed the foregoing Deed, and they acknowledged before me that they executed the same for the purposes therein set forth; and the said CHARLES E. ARNOLD further acknowledged before me that he executed the said Deed in his legal capacity as Attorney in Fact for Evelyn H. Arnold, her husband, Robert B. Cole, and Julian K. Arnold, Donald M. Herzog and her husband, Donald M. Herzog, and William B. Schultz, her husband, William B. Schultz,

DEED NO. 513-100

Further acknowledged before me that he acted in his legal capacity as attorney in fact for Robert L. Arnold, Eloise Arnold Pinkerton and her husband, respectively, for the expressed purposes therein set forth.

WITNESS my hand and Notarial Seal at Orlando, Orange County, Florida, on this the 2nd day of November, A. D. 1951.

My Commission expires: July 4 1955

Virginia R. Benjamin
Notary Public



STATE OF FLORIDA
COUNTY OF LAKE

I HEREBY CERTIFY that before me the undersigned authority duly authorized to take acknowledgments in the State of Florida, personally appeared JOHN S. ARNOLD and his wife, LOUCILE C. ARNOLD, to me well known, and known to me to be the persons who executed the foregoing deed, and they acknowledged before me that they executed the same for the purposes therein set forth; and the said JOHN S. ARNOLD further acknowledged before me that he executed the said Deed in his legal capacity as Attorney in Fact for Robert L. Arnold, Jr. and his wife, Mary Ann Arnold, Elva Arnold Doyle, unmarried, Richard S. Arnold and his wife, Mary Nell Arnold, and Alberta A. Helfenstein and her husband, Charlie P. Helfenstein, respectively, for the expressed purposes therein set forth.

WITNESS my hand and Notarial Seal at Droulards County and State aforesaid, on this the 2nd day of November, A. D. 1951.

My Commission expires: NOV 4 1954

[Signature]
Notary Public

FILED IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT IN AND FOR THE COUNTY OF LAKE, FLORIDA
NOV 6 1951
96-122



[Signature]
Clerk of the Circuit Court
5th and 6th Floors

Rec. 3.50

WARRANTY DEED

~~ST. 1000~~
~~led. 5000~~
 THIS INDENTURE, Made this 16th day of March, A.D. 1962,
 by and between HARRY W. KNIGHT and AGNES KNIGHT, husband and
 wife, RICHARD BECKER and LILLIAN BECKER, husband and wife,
JOHN L. BURNS and DEAYL BURNS, husband and wife, and WALTER
E. REMMERS and MIRIAM REMMERS, husband and wife, parties of
 the first part, and ROBERT L. CHAPMAN, JR., whose address is
 1742 Bayou Grand Blvd. N.E., St. Petersburg, Florida, of the
 County of Pinellas and State of Florida, party of the second
 part.

W I T N E S S E S :

That the said parties of the first part, for and in con-
 sideration of the sum of Ten Dollars (\$10.00) and other valu-
 able consideration, to them in hand paid, the receipt whereof
 is hereby acknowledged, have granted, bargained, sold and trans-
 ferred, and by these presents do grant, bargain, sell and trans-
 fer unto the said party of the second part and his heirs and
 assigns forever, all that certain parcel of land lying and being
 in the County of Lake and State of Florida, described as follows:

The N $\frac{1}{2}$ of N $\frac{1}{2}$ of NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 34, Township 24
 South, Range 26 East; the N $\frac{1}{2}$ of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$; the
 N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$; the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$;
 the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$; that part West
 of Highway #27 of the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$; that part West of
 Highway #27 of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$; that part West of High-
 way #27 of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$; the N $\frac{1}{2}$ of the
 NW $\frac{1}{4}$ of SE $\frac{1}{4}$; the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$; that part West
 of Highway #27 of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$, all in Section 35,
 Township 24 South, Range 26 East, consisting of approxi-
 mately 184 acres.

Subject to taxes for the year 1962 and subsequent years.
 Subject to road rights-of-way, if any, passing over the
 above described property, and all oil, gas and mineral
 reservations of record with rights reserved pertaining
 thereto.

This conveyance includes all mature citrus fruit now on
 the trees located on said property.

TOGETHER WITH all the tenements, hereditaments and appur-
 tenances, with every privilege, right, title, interest and
 estate, dower and right of dower, reversion, remainder and
 easement thereto belonging or in anywise appertaining.

REC. MAY 31 PM 12:50

TO HAVE AND TO HOLD the same in fee simple forever.

And the said parties of the first part do covenant with the said party of the second part that they are lawfully seized of the said premises, that they are free from all incumbrances and that they have good right and lawful authority to sell the same; and the said parties of the first part do hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered

in the presence of:

Richard C. Wickert

As to Knight

William F. Koch

As to Becker

John J. Burns

As to Burns

Walter E. Remmers

As to Remmers

Harry W. Knight (SEAL)

Agnes Knight (SEAL)

Richard Becker (SEAL)

Lillian Becker (SEAL)

John J. Burns (SEAL)

Beryl Burns (SEAL)

Walter E. Remmers (SEAL)

Meriam Remmers (SEAL)

STATE OF NEW YORK
COUNTY OF Martin

I HEREBY CERTIFY That on this 10 day of March, A.D. 1962, before me personally appeared Harry W. Knight and Agnes Knight, his wife, to me known to be the persons described in and who executed the foregoing conveyance, and they severally acknowledged the execution thereof to be their free act and deed for the uses and purposes therein mentioned; and the said Agnes Knight, the wife of Harry W. Knight, on a separate and private examination taken and made by and before me, and separately and apart from her said husband, did acknowledge that she made herself a party to the said Deed of Conveyance for the purpose of renouncing, relinquishing and conveying all her right, title and interest, whether of dower or of separate property, statutory or equitable, in and to the lands therein described, and that she executed said deed freely and voluntarily, and without any constraint, fear, apprehension or compulsion of any kind by her said husband.

Witness my signature and official seal at White Plains in the County of Martin and State of New York, the day and year first above written.

Arthur C. Wickert
Notary Public, State of New York
My Commission Expires on 12.31.63

STATE OF Florida
COUNTY OF Polk

I HEREBY CERTIFY That on this 2nd day of April, A.D. 1962, before me personally appeared Richard Becker and Lillian Becker, his wife, to me known to be the persons described in and who executed the foregoing conveyance, and they severally acknowledged the execution thereof to be their free act and deed for the uses and purposes therein mentioned; and the said Lillian Becker, the wife of the said Richard Becker, on a separate and private examination taken and made by and before me, and separately and apart from her said husband, did acknowledge that she made herself a party to the said Deed of Conveyance for the purpose of renouncing, relinquishing and conveying all her right, title and interest, whether of dower or of separate property, statutory or equitable, in and to the lands therein described, and that she executed said deed freely and voluntarily, and without any constraint, fear, apprehension or compulsion of or from her said husband.

WITNESS my signature and official seal at Polk County, Florida in the County of Polk and State of Florida the day and year last aforesaid.

[Signature]
Notary Public
My Commission Expires: April 17, 1963

STATE OF Connecticut
COUNTY OF Hartford

I HEREBY CERTIFY That on this 12th day of April, A.D. 1962, before me personally appeared John L. Burns and Beryl Burns, his wife, to me known to be the persons described in and who executed the foregoing conveyance, and they severally acknowledged the execution thereof to be their free act and deed for the uses and purposes therein mentioned; and the said Beryl Burns, the wife of the said John L. Burns, on a separate and private examination taken and made by and before me, and separately and apart from her said husband, did acknowledge that she made herself a party to the said Deed of Conveyance for the purpose of renouncing, relinquishing and conveying all her right, title and interest, whether of dower or of separate property, statutory or equitable, in and to the lands therein described, and that she executed said deed freely and voluntarily, and without any constraint, fear, apprehension or compulsion of or from her said husband.

WITNESS my signature and official seal at Polk County, Florida in the County of Hartford and State of Connecticut the day and year last aforesaid.

[Signature]
Notary Public
My Commission Expires: April 1, 1963

STATE OF New York
COUNTY OF Livingston

I HEREBY CERTIFY that on this 1st day of April, A.D. 1962, before me personally appeared Walter E. Remmers and Miriam Remmers, his wife, to me known to be the persons described in and who executed the foregoing conveyance, and they severally acknowledged the execution thereof to be their free act and deed for the uses and purposes therein mentioned; and the said Miriam Remmers, the wife of the said Walter E. Remmers, on a separate and private examination taken and made by and before me, and separately and apart from her said husband, did acknowledge that she made herself a party to the said Deed of Conveyance for the purpose of renouncing, relinquishing and conveying all her right, title and interest, whether of dower or of separate property, statutory or equitable, in and to the lands therein described, and that she executed said deed freely and voluntarily, and without any constraint, fear, apprehension or compulsion of or from her said husband.

WITNESS my signature and official seal at Livingston in the County of Livingston and State of New York this 1st day, and year last aforesaid.

James W. ...
Notary Public
My Commission Expires ...

LAKE COUNTY STATE OF FLORIDA DOCUMENTARY STAMP TAX \$9900
LAKE COUNTY STATE OF FLORIDA DOCUMENTARY STAMP TAX \$9900
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LAKE COUNTY STATE OF FLORIDA DOCUMENTARY STAMP TAX \$1000
LAKE COUNTY STATE OF FLORIDA DOCUMENTARY STAMP TAX \$1000

RECORDED IN OFFICIAL RECORD BOOK OF LAKE COUNTY, FLORIDA
FRANK E. OWENS
DEPUTY CLERK

QUESTION 5

According to Schedule F-8 of the utility's 1998 annual report, the utility reported Prepaid CIAC of \$182,628 for water and \$393,530 for wastewater. Please provide an analysis of the utility's basis for the determination of Prepaid CIAC versus Used and Useful CIAC.

The analysis is provided in attached Exhibit 5.

SOUTHLAKE UTILITIES, INC.
 Summary of Reserved Capacity
 For Paid Connections as of December 31, 1998

File: Capacity_Reserv98a.xls
 Updated 04/17/99.1 RLC

EXHIBIT 5

WATER (ERC = 350 gpd)

| Builder | Available | Reserved | Reservation Charge @ \$420/ERC | Connected | Recognized CIAC @ \$420/ERC | Unused | Prepaid CIAC @ \$420/ERC |
|-----------------------------|----------------|----------------|--------------------------------|----------------|-----------------------------|----------------|--------------------------|
| Jones | | 41,300 | \$49,560 | 24,400 | \$29,280 | 16,900 | \$20,280 |
| Horton-Woodridge | | 42,350 | \$50,820 | 38,850 | \$46,620 | 3,500 | \$4,200 |
| Horton-Clear Creek | | 86,100 | \$103,320 | 20,300 | \$24,360 | 65,800 | \$78,960 |
| Southlake Apartments | | 59,700 | \$71,640 | 59,700 | \$71,640 | - | \$0 |
| Southlake Development, Ltd. | | 34,580 | \$41,496 | - | \$0 | 34,580 | \$41,496 |
| Summer Bay | | 69,025 | \$82,830 | 53,946 | \$64,735 | 15,079 | \$18,095 |
| US Highway 27 | | 117,155 | \$140,586 | 98,391 | \$118,069 | 18,764 | \$22,517 |
| Woodridge | | 6,650 | \$7,980 | 9,450 | \$11,340 | (2,800) | -\$3,360 |
| Total | 537,000 | 456,860 | \$548,232 | 305,037 | \$366,044 | 151,823 | \$182,188 |

WASTEWATER (ERC=300 gpd)

| | Available | Reserved | Reservation Charge @ \$775/ERC | Connected | Recognized CIAC @ \$775/ERC | Unused | Prepaid CIAC @ \$775/ERC |
|-----------------------------|----------------|----------------|--------------------------------|----------------|-----------------------------|----------------|--------------------------|
| Jones | | 35,400 | \$91,450 | 20,400 | \$52,700 | 15,000 | \$38,750 |
| Horton-Woodridge | | 36,300 | \$93,775 | 33,300 | \$86,025 | 3,000 | \$7,750 |
| Horton-Clear Creek | | 73,800 | \$190,650 | 17,400 | \$44,950 | 56,400 | \$145,700 |
| Southlake Apartments | | 29,400 | \$75,950 | 29,400 | \$75,950 | - | \$0 |
| Southlake Development, Ltd. | | 52,505 | \$83,971 | - | \$0 | 32,505 | \$83,971 |
| Summer Bay | | 62,306 | \$160,957 | 45,536 | \$117,635 | 16,770 | \$43,323 |
| US Highway 27 | | 110,347 | \$285,063 | 91,588 | \$236,602 | 18,759 | \$48,461 |
| Woodridge | | 18,000 | \$46,500 | 8,100 | \$20,925 | 9,900 | \$25,575 |
| Total | 165,000 | 398,058 | \$1,028,317 | 245,724 | \$634,787 | 152,334 | \$393,530 |

QUESTION 6

In 1997, the utility reported the amount of AFPI collected during the year as Other Income on its income statement. According to the utility's 1998 annual report, the utility reported the amount of AFPI collected during the year as Other Miscellaneous Current and Accrued Liabilities instead of Other Income.

In December 1998, the Commission ordered Southlake Utilities to hold AFPI subject to refund. The Commission issued Order No. PSC-99-0027-PCO-WS which set forth in writing its requirement that the AFPI be held subject to refund. In response to this order, Southlake Utilities recognized this liability by reporting AFPI collected in 1998 as Other Miscellaneous Current and Accrued Liabilities. Southlake Utilities does not know how much, if any, AFPI it will have to refund. Therefore, Southlake Utilities recorded all of the AFPI collected in 1998 as a liability, in recognition of the Commission order to hold the AFPI subject to refund.

QUESTION 7

In response to the Commission Staff's First Data Request, dated December 29, 1998, the utility provided a list of outstanding developer agreements.

a. Please provide a copy of the developer agreement dated June 1, 1998 between the utility and Southlake Development, Ltd.

A copy is attached as Exhibit 7A.

b. Pursuant to Rule 25-30.550, Florida Administrative Code, did the utility file a copy of this agreement within 30 days of the execution of said agreement? If not, please explain why. If so, please provide a copy of the utility or its duly authorized representative's cover letter submitting the copy of said agreement to the Commission.

This agreement was not "dated June 1, 1998," rather it was "made effective June 1, 1998." It was signed by the parties on or about December 2, 1998, and held in escrow pending the resolution of several issues regarding necessary easements across land owned by Southlake Development, Ltd. These issues were not fully resolved until a first mortgage holder, the Florida Housing Finance Agency, executed a partial release of loan documents allowing Southlake Utilities to receive the necessary easements across the property owned by Southlake Development, Ltd. These documents were executed by the Chairman of the Florida Housing Finance Agency on February 4, 1999. A copy of the Partial Release of Loan Documents, including the execution page by the Florida Housing Finance Corporation, is attached as Exhibit 7B.

The developer agreement was submitted for filing with the Commission on Friday, March 5, 1999, by the utility consultants for Southlake Utilities, Rhema Business Services, Inc., by Certified Mail, Receipt No. P 513 404 790. A copy of the cover letter is attached as Exhibit 7C. Since the 30th day from February 4, 1999 was Saturday, March 6, 1999, under Rules 25-22.028(5), and 25-106.103, Florida Administrative Code, a thirty day deadline from February 4, 1999 would be extended to Monday, March 8, 1999. In the normal course of business, the local letter and developer agreement should have been received by the Commission on Monday, March 8, 1999.

DEVELOPER AGREEMENT

THIS DEVELOPER AGREEMENT (the "Agreement"), made effective June 1, 1998 by and between SOUTHLAKE UTILITIES INC., a Florida corporation ("Utility"); and SOUTHLAKE DEVELOPMENT, LTD., a Florida limited partnership ("Owner"),

WHEREAS, Owner owns a substantial tract of land in Lake County, Florida, known as the Southlake Development (the "Tract") and intends to develop a large residential and commercial project thereon; and,

WHEREAS, Owner, through separate subsidiaries or affiliated entities of it ("Developer"), intends initially to develop a portion of the Tract (the "Property") as multi-family residential rental units known as "Phase II," the initial portion of which will comprised of 280 units and will be referred to as "Phase IIA," and

WHEREAS, Owner is desirous of Utility's constructing water and wastewater treatment facilities so that adequate Services will be available to the Property; and,

WHEREAS, Utility is the owner of a water plant and water distribution system, as well as a wastewater treatment plant and a wastewater collection system in the vicinity of the Property and desires to provide water and sewer services ("Services") to the Property; and,

WHEREAS, Utility has provided a copy of its Service Availability Policy (S.A.P.) as filed with the Florida Public Service Commission, ("PSC") to Owner, who acknowledges receipt of same and the parties agree that the terms and provisions contained in the S.A.P. are incorporated by reference into this Agreement and shall govern in the event of dispute.

NOW THEREFORE, for and in consideration of the premises, the mutual undertakings and agreements herein contained and assumed, Owner and Utility hereby covenant and agree as follows:

1. Owner's Warranties and Responsibilities

(a) Owner warrants that it or Developer is the owner of fee simple title to the Property and further agrees to have all mortgages subordinated or released to the terms of the easements required herein prior to any commencement of work by Utility.

(b) Owner shall, at its own expense, connect the Property to the systems owned by Utility.

(c) Engineering for all construction work shall be approved in advance in writing by Utility, such approval not to be unreasonably withheld or delayed.

(d) Owner shall pay for all reasonable plan review and inspection fees for review of engineering plans or designs for, and inspection of construction of facilities by Owner, which are to become a part of the Utility.

(e) Owner shall install all on-site water distribution and wastewater collection systems on the Property using good engineering practices and in accordance with engineering plans approved by Utility, in writing, prior to construction. Construction of all lines shall be undertaken by a utility contractor approved in writing by Utility. Utility shall have the right to determine meter size and location.

(f) Owner shall pay inspection fees for inspection of engineering plans or designs for construction of facilities by Owner which are to become a part of Utility's system and are subject to review and inspection by Utility as provided by Rule 7.0, S.A.P.

(g) Owner shall, at its own expense, provide Utility with as-built drawings and C.A.D. diskettes of all on-site and off-site facilities and accurate cost records establishing the construction costs of the facilities, to include material, labor, engineering, administrative; and other related costs, as a condition precedent to their acceptance by Utility and the initiation of Services.

(h) After the installation of water and wastewater facilities, and upon written acceptance by Utility, Utility shall be the sole, absolute and exclusive owner of said facilities whether located inside or outside the Property. Owner will provide Utility with a Bill of Sale describing the property transferred to Utility. Utility will not accept any facilities on the Owner side of the meter and under no circumstance shall Utility accept facilities within a building.

(i) Owner will grant Utility a temporary easement with right of ingress and egress over such portions of the Property as are reasonably necessary to construct, install, inspect, operate and repair any and all facilities constructed pursuant to this Agreement.

(j) Owner will grant Utility, at Owner's expense, adequate unencumbered permanent Easements as reasonably required to provide the Services and subject to mutual agreement. Easements will be furnished for on-site and off-site water and wastewater facilities.

(k) Owner shall not and Owner shall take adequate measures to ensure that Owner and owner's tenants shall not discharge water from "non-domestic drains" into the sanitary sewage system. If necessary, Owner shall be required, at its expense, to install adequate grease traps. Utility shall have the right to inspect said traps upon request. If a grease trap is found to be improperly operated or maintained, Utility shall have the right to have said grease trap pumped out at the expense of Owner, tenant or other user.

2. Utility's Responsibilities

(a) Utility, with assistance from Owner, shall obtain all necessary approvals from state and county regulatory agencies to provide the Services to the Property.

(b) After Owner has conveyed the facilities to Utility, Utility will maintain such facilities in good working order and will continuously provide the Services to the Property in a manner conforming to the requirements of all governmental agencies having jurisdiction over Utility including the PSC.

(c) Owner shall pay for the Services at the rates filed with and approved by the PSC. Utility reserves the right to change such rates subject to approval by the PSC.

(d) Utility will provide temporary water service during construction, charging Owner monthly for the water used at its approved rates.

(e) Utility does not guarantee an uninterrupted supply of water nor water at any particular pressure. Utility does not guarantee uninterrupted sewage treatment. Utility reserves the right to interrupt water and wastewater service to the Property for repairs, emergencies, or for connection of new customers. Utility agrees, where possible, to notify all affected customers within a reasonable period of time before service is interrupted.

(f) Upon reasonable prior request by Owner and payment of all PSC approved fees for such, Utility will provide individual water meters for all individual units within the Property.

3. Connection Date. In the event water and wastewater facilities are not completed and adequate Services provided to Owner, by or upon June 30, 2000, which date shall be extended by acts of God, strikes, material delays or delays completely beyond the control of Utility, Owner shall have the right to cancel this Agreement and recover all amounts actually paid by Owner to Utility as Connection Fees.

4. Payment of Service Availability Charges.

Total Service Availability Charges due to Utility from Owner for Phase II pursuant to applicable tariffs are presently estimated to be \$1,025,000 under the current Public Service Commission Tariffs and shall be payable under the specific plan of payment ("Plan") set forth below. Pursuant to the Plan, Utility agrees to receive payment by Owner for these services through a series of notes applicable to each development phase up to a one-time cumulative total of \$1,025,000, and thereafter payments shall be made pursuant to Utility's normal payment schedule. The Plan shall be documented by separate non-negotiable, interest-free promissary notes ("Note"), from Owner in favor of Utility for each phase payable as follows:

Phase II A: The Note for Phase II A shall be executed of even date herewith and shall be in the amount of five hundred twenty-five thousand six hundred and seventy-one dollars and forty-five cents (\$525,671.45). The Note for Phase II A shall be due and payable as follows:

(i) If no Certificate of Occupancy ("CO") is ever issued, then 4 years from the Note date, provided Owner agrees to release the capacity paid for by the Note in which event the Note shall be canceled.

(ii) If at least one (1) CO is issued; but the last CO for the Phase is not issued, then 36 months after the first CO is issued.

(iii) If the last CO is issued, then 24 months after the last CO.

Subsequent Phase: (e.g. Phase II B, II C, etc.) The applicable Note for Service Availability Charges for the applicable subsequent phase shall be due and payable as follows:

(i) If no CO is ever issued, then 4 years from the Note date, provided Owner agrees to release the capacity paid for by the Note in which event the Note shall be canceled.

(ii) If at least one (1) CO is issued; but the last CO for the Phase is not issued, then 36 months after the first CO is issued.

(iii) If the last CO is issued, then 24 months after that date or the date of closing on a permanent loan on that phase, whichever event sooner occurs.

Utility shall confirm the existence of all of such credit or credits in writing at Owner's request.

Reduction of Amount Payable. Each Note shall provide that in the event that there is an adjustment in the applicable Service Availability Fee as provided in Paragraph 5 below which results in a reduction in the Fees due with respect to the capacity paid for pursuant to this Agreement,

Owner shall be entitled to a reduction in the amount due under said Note in the amount of such reduction of the Service Availability Fee. The availability of \$725,000 under the Plan shall be reduced by the amount of each Note and increased by the amount of any reduction pursuant to Section 5 below that occurs between the date of Note and date of actual connection.

5. Calculation of Credits. The amounts of the credit allowed Owner in accordance with the provisions of Paragraph 4, supra, will apply to the then applicable Service Availability Fees schedule (as outlined by Utility and approved by PSC) as of the date of actual connections.

6. Oversizing Should Utility request in-site work in excess of that necessary to serve the Property (such as requiring pipes larger than are necessary) the additional expense incurred by Owner as a result of such requirement shall be borne by and paid for by Owner as a Refundable Advance.

7. Assignment. This Agreement shall be assignable by Owner only to an entity affiliated with it such as Developer; and shall be binding upon and inure to the benefit of Owner, Utility and their heirs, successors and assigns.

8. Purchase of Utility. In the event that Utility, its assets, or its water and/or wastewater system is acquired by any governmental agency by purchase or condemnation, this Agreement may be assigned by Utility at its option. In the event that Utility does not assign this Agreement to the governmental agency, this Agreement will terminate as to the system which is purchased or condemned, but will remain in full force and affect as to the system not purchased or condemned. If this Agreement is terminated, prepaid contributions in aid of construction for future connections not yet in service which are located in the portion of the property described in Exhibit "A" being purchased or condemned will be refunded.

In either event, the Utility, its assigns, successors and all persons holding by and through the aforementioned will not be obligated to the governmental agency, or owner, its assigns or successors. All persons holding by and through Owner, its assigns and successors agree to hold Utility harmless for non-compliance of the terms and conditions of this Agreement by reason of such acquisition.

9. Defaults by Owner and Developer. Utility will not have to perform hereunder in the event Owner or Developer is in default hereunder.

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

Signed and sealed in the presence of:

Herman F. Green
Signature of Witness


Herman F. Green
Printed Name of Witness

UTILITY:
SOUTHLAKE UTILITIES, INC., a
Florida corporation

By: Robert L. Chapman, III
Robert L. Chapman, III, President

Signature of Witness


Printed Name of Witness




Signature of Witness



Printed Name of Witness




Signature of Witness

 ISADORE CAGAN

Printed Name of Witness

OWNER:
SOUTHLAKE DEVELOPMENT, LTD.,
A Florida limited partnership

By: SOUTHLAKE HOLDING, INC.,
a Florida corporation, as its sole
General Partner

By: 

Jeffery Cagan, President

Doc# 99023365
 Book: 1698
 Pages: 1748 - 1762
 Filed & Recorded
 03/19/99 01:22:54 PM
 JAMES C. WATKINS
 CLERK OF CIRCUIT COURT
 LAKE COUNTY
 RECORDING \$ 61.00
 TRUST FUND \$ 8.00

PARTIAL RELEASE OF LOAN DOCUMENTS

Book 1698 Page 1748

KNOW ALL MEN BY THESE PRESENTS: WHEREAS, That THE BANK OF NEW YORK, as successor in interest to NationsBank Of Florida, N.A. ("Mortgagee"), is the present owner and holder of the various documents set forth below (the "Loan Documents") securing the payment and performance of certain notes, promises, and other obligations as are variously set forth in the Loan Documents (the "Obligations") all pertaining to the property located in Lake County, Florida, which is more particularly described in the following Loan Documents with all recording references herein being to the current public records of Lake County, Florida:

| DOCUMENT TITLE | DATE OF DOCUMENT | RECORDING REFERENCE OF DOCUMENT |
|------------------------------------------------------------------------------------|------------------|---------------------------------|
| Amended And Restated Mortgage And Security Agreement | June 14, 1993 | OR 1231, Page 1871 |
| Amended And Restated Collateral Assignment Of Leases, Rents, And Continuous Rights | June 14, 1993 | OR 1231, Page 1919 |
| Financing Statement | NA | OR 1231, Page 1936 |

WHEREAS, Mortgagee has been asked by the Mortgagor under the Loan Documents, Southlake Community Foundation, Inc., a Florida not for profit corporation ("Mortgagor"), to release the premises hereinafter described, being part of the premises encumbered by the Loan Documents, from the lien, security interest, and operation of the Loan Documents:

Return to:

William J. Deas, Esquire
 William J. Deas, P.A.
 2215 River Boulevard
 Jacksonville, Florida 32204

This instrument prepared by:

William J. Deas, Esquire
 William J. Deas, P.A.
 2215 River Boulevard
 Jacksonville, Florida 32204

OFFICE
 JAMES C. WATKINS, P.A.
 RIVER BOULEVARD
 JACKSONVILLE FL 32204

NOW, THEREFORE, KNOW YE: That Mortgagee, in consideration of the premises and of the sum of Ten Dollars (\$10.00) and other good and valuable considerations, to it in hand paid by or on behalf of Mortgagor at the time of the execution hereof, the receipt whereof is hereby acknowledged, does hereby remise, release, quit claim, exonerate, and discharge from the lien, security interest, force, effect, and operation of the Loan Documents unto Mortgagor, its successors, grantees, and assigns, that certain portion of the premises encumbered by the Loan Documents which is more particularly described in Exhibit "A" attached hereto (the "Released Property").

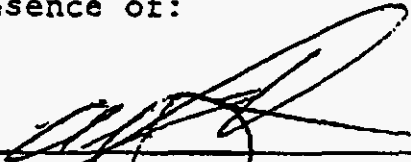
As to the Released Property, this Partial Release Of Loan Documents releases same from the lien, security interest, force, effect, and operation of the Loan Documents and of any instruments of record modifying, perfecting and supporting the Loan Documents.

TO HAVE AND TO HOLD the same, with the appurtenances unto Mortgagor, its successors, grantees, and assigns forever, freed, exonerated, and discharged of and from the lien, security interest, force, effect, and operation of the Loan Documents and every part thereof, provided always, nevertheless, that nothing herein contained shall be held or construed in anywise to impair, alter, remise, release, quit claim, exonerate, discharge, affect, or diminish the lien, security interest, force, effect, or operation of the Loan Documents on the remaining part of said mortgaged premises not hereby released therefrom, or any of the rights, remedies, or privileges of the holder thereof.

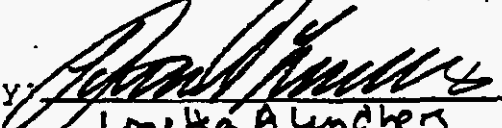
IN WITNESS WHEREOF, Mortgagee has caused this Partial Release Of Loan Documents to be executed in its name and its corporate seal to be affixed this 17th day of December, 1998.

Signed, sealed, and delivered
presence of:

THE BANK OF NEW YORK, as
successor in interest to
NationsBank Of Florida, N.A.



Signature of Witness

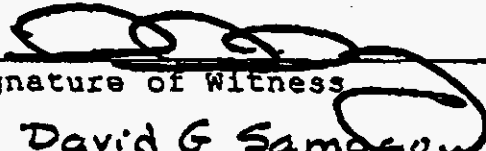
By: 

Lonka A. Linch, as
its Vice President

WT Cunningham

Typed or Printed Name of Witness

(Corporate Seal)



Signature of Witness
David G. Sampson

Typed or Printed Name of Witness

STATE OF FLORIDA *New York*
COUNTY OF ~~DUVAL~~ *Nassau*

Loreta A Lundberg as Vice President of

The foregoing instrument was acknowledged before me this 27th day of ~~December~~ *May*, 1998 by THE BANK OF NEW YORK, as successor in interest to NationsBank Of Florida, N.A., on behalf of the Corporation, who is personally known to me ~~(or who has produced~~ *so identification)*.

Robert Schneck

Signature of person taking acknowledgment
ROBERT SCHNECK

Name typed, printed or stamped
MAY 31, 1999

Commission expiration date

NOTARY PUBLIC STATE OF NEW YORK

Title or rank
4746935

Serial number, if any

ROBERT SCHNECK
Notary Public, State of New York
No. 4746935
Qualified in Nassau County
Certificate filed in New York County
Commission Expires May 31, 1999

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12/1/98

OFFICE
JAMES S. DUVAL, P.A.
2005 BOULEVARD
CORVILLE, FL 32204

EXHIBIT "A"

(Schedule of Released Property)

Bond Mortgage

RELEASED PROPERTY

EXHIBIT

Fee Parcel:

Front Parcel

A-1

Easement Parcel(s):

Off-Site Blanket Easement Parcel

A-2

Apartment Utility Easement (Water)

A-3(A)

Apartment Utility Easement (Sewer)

A-3(B)

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12/2/99

OFFICE

LITH J. DEAN, P.A.
3000 BOULEVARD
ISLANDIA, FL 33206

EXHIBIT "A-1"

THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND, LYING, BEING AND SITUATE IN LAKE COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

That part of the North ½ of Section 35, Township 24 South, Range 2: East, Lake County, Florida described as follows:

Commence at the Northwest corner of the Northeast 1/4 of said Section 35; thence run N 89°42'18" E along the North line of said Northeast 1/4 for a distance of 616.52 feet to the Westerly Right-of-Way line of U.S. Highway 27; thence run S 20°35'59" E along said Westerly Right-of-Way line for a distance of 403.15 feet to the POINT OF BEGINNING; thence continue S 20°35'59" E along said Westerly Right-of-Way line for a distance of 754.76 feet to a point of a non-tangent curve concave Northerly having a radius of 214.00 feet and a chord bearing of N 85°08'54" W; thence run Westerly through a central angle of 49°02'00" for a distance of 183.14 feet to a point of a tangency; thence run N 60°37'54" W for a distance of 93.50 feet to the point of curvature of a curve concave Southeasterly having a radius of 176.00 feet; thence run Westerly along the arc of said curve through a central angle of 21°51'45" for a distance of 67.16 feet to a point of non-tangency; thence run N 00°00'00" E for a distance of 624.52 feet; thence run N 90°00'00" E for a distance of 56.22 feet to the POINT OF BEGINNING.

[FRONT PARCEL - JOB #13]

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12/1/98

THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND, LYING, BEING AND SITUATE IN LAKE COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Subsurface water and waste water distribution and collection easements on, over and across the property described as follows:

General Easement description is as follows:

1. That portion of the NE 1/4, lying West of Highway 27.
2. That portion of the N 1/2 of NW 1/4 of SE 1/4, lying West of Highway 27.

All located in Section 35, Township 24 South, Range 26 East, Lake County, Florida

LESS: Any portion thereof located in the property simultaneously conveyed herewith to Grantee by Warranty Deed.

3. The NE 1/4 of Section 35, Township 24 South, Range 26 East, lying East of Highway 27, LESS the following: Begin 1615.38 feet West of the Northeast corner of Section 35, thence West 200 feet to the East right-of-way line of Highway No. 27, thence South 20°05' East 155.48 feet, thence North 69°55' East 7 feet, thence South 20°05' East 144.16 feet, thence East 200 feet, thence North 20°05' West 141.56 feet, thence West 7.47 feet, thence North 20°05' West 158.14 feet to the Point of Beginning.

[OFF-SITE BLANKET EASEMENT PARCEL]

EXHIBIT "A-3"

All of the right, privilege, and easement for water purposes as granted by and subject to the terms and conditions of that certain Easement Deed as recorded among the current public records of Lake County, Florida in Official Records 1675, Page 1966 over, upon, under, and across the property described in Exhibit "A-3(A)" attached hereto.

EXHIBIT "A-3(A)"

THOSE CERTAIN EIGHT PIECES, PARCELS, OR TRACTS OF LAND, LYING, BEING AND SITUATE IN LAKE COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

That part of Section 35, Township 24 South, Range 26 East, Lake County, Florida, described as follows:

Commence at the Northwest corner of the Northeast 1/4 of said Section 35; thence run N 69°42'18" E along the North line of said Northeast 1/4 for a distance of 616.52 feet to a point on the Westerly Right-of-Way line of US Highway No. 27; thence run S 20°35'59" E along said Right-of-Way line for a distance of 403.15 feet; thence run N 90°00'00" W for a distance of 56.22 feet; thence run S 00°00'00" E for a distance of 100.00 feet to the Northeast corner of lands described in Official Records Book 1231, Page 1829, of the Public Records of Lake County, Florida; thence run S 00°00'00" E along the East line of said lands for a distance of 1240.00 feet; thence run N 90°00'00" W along the South line of said lands for a distance of 20.00 feet to the POINT OF BEGINNING of a strip of land 40.00 feet wide lying 20.00 feet each side of the following described centerline: thence run N 00°00'00" E for a distance of 155.00 feet to a Reference Point "A"; thence run N 00°00'00" E for a distance of 200.00 feet to a Reference Point "B"; thence run N 00°00'00" E for a distance of 200.00 feet to a Reference Point "C"; thence run N 00°00'00" E for a distance of 275.00 feet to a Reference Point "D"; thence run N 00°00'00" E for a distance of 200.00 feet to a Reference Point "E"; thence run N 00°00'00" E for a distance of 199.00 feet to the end of said 40.00 foot wide strip and the beginning of a strip of land 22.00 feet wide lying 11.00 feet each side of the following described centerline: thence run N 90°00'00" W parallel with and 11.00 feet South of the North line of said Official Records Book 1231, Page 1829, for a distance of 611.50 feet to the end of said 22.00 foot wide strip and the beginning of a strip of land 43.00 feet wide lying 21.50 feet each side of the following described centerline; thence run S 00°00'00" E parallel with and 21.50 feet East of the West line of said Official Records Book 1231, Page 1829, for a

Book 1698 Page 1756

distance of 655.00 feet to a Reference Point "F", said point also being the end of said 43.00 foot strip and the beginning of a strip of land 42.00 feet wide lying 21.00 feet each side of the following described centerline; thence run N 90°00'00" W parallel with and 21.00 feet South of the North line of said Official Records Book 1231, Page 1829, for a distance of 300.50 feet to the end of said 42.00 foot strip and the beginning of a strip of land 40.00 feet wide lying 20.00 feet each side of the following described centerline; thence run S 00°00'00" E parallel with and 20.00 feet East of the West line of said Official Records Book 1231, Page 1829, for a distance of 564.00 feet to the POINT OF TERMINATION on the South line of lands described in Official Records Book 1231, Page 1829, of the Public Records of Lake County, Florida;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "A" and run N 90°00'00" W for a distance of 912.00 feet to the POINT OF TERMINATION;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "B" and run N 90°00'00" W for a distance of 155.00 feet to the POINT OF TERMINATION;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "C" and run N 90°00'00" W for a distance of 607.50 feet to the POINT OF TERMINATION.

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "D" and run N 90°00'00" W for a distance of 611.50 feet to the POINT OF TERMINATION.

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "E" and run N 90°00'00" W for a distance of 611.50 feet to the POINT OF TERMINATION.

AND

A strip of land 35.00 feet wide lying 17.50 feet each side of the following described centerline: COMMENCE at the aforesaid Reference Point "F" and run N 90°00'00" E for a distance of 4.00 feet to the POINT OF BEGINNING; thence run S 00°00'00" E for a distance of 209.30 feet to a Reference Point "G"; thence continue S 00°00'00" E for a distance of 355.00 feet to the POINT OF TERMINATION on the South line of lands described in Official Records Book 1231, Page 1829, of the public records of Lake County, Florida;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "G" and run N 90°00'00" E for a distance of 155.00 feet to the POINT OF TERMINATION.

[APARTMENT UTILITY EASEMENT PARCEL - JOB #12]

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12/1/98

EXHIBIT "A-3"

All of the right, privilege, and easement for sewer purposes as granted by and subject to the terms and conditions of that certain Easement Deed as recorded among the current public records of Lake County, Florida in Official Records 1675, Page 1926 over, upon, under, and across the property described in Exhibit "A-3(B)" attached hereto.

EXHIBIT "A-3(B)"

THOSE CERTAIN EIGHT PIECES, PARCELS, OR TRACTS OF LAND, LYING, BEING AND SITUATE IN LAKE COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

That part of Section 35, Township 24 South, Range 26 East, Lake County, Florida, described as follows:

Commence at the Northwest corner of the Northeast 1/4 of said Section 35; thence run N 89°42'18" E along the North line of said Northeast 1/4 for a distance of 616.52 feet to a point on the Westerly Right-of-Way line of US Highway No. 27; thence run S 20°35'59" E along said Right-of-Way line for a distance of 403.15 feet; thence run N 90°00'00" W for a distance of 56.22 feet; thence run S 00°00'00" E for a distance of 100.00 feet to the Northeast corner of lands described in Official Records Book 1231, Page 1829, of the Public Records of Lake County, Florida; thence run S 00°00'00" E along the East line of said lands for a distance of 1240.00 feet; thence run N 90°00'00" W along the South line of said lands for a distance of 20.00 feet to the POINT OF BEGINNING of a strip of land 40.00 feet wide lying 20.00 feet each side of the following described centerline: thence run N 00°00'00" E for a distance of 155.00 feet to a Reference Point "A"; thence run N 00°00'00" E for a distance of 200.00 feet to a Reference Point "B"; thence run N 00°00'00" E for a distance of 200.00 feet to a Reference Point "C"; thence run N 00°00'00" E for a distance of 275.00 feet to a Reference Point "D"; thence run N 00°00'00" E for a distance of 200.00 feet to a Reference Point "E"; thence run N 00°00'00" E for a distance of 199.00 feet to the end of said 40.00 foot wide strip and the beginning of a strip of land 22.00 feet wide lying 11.00 feet each side of the following described centerline: thence run N 90°00'00" W parallel with and 11.00 feet South of the North line of said Official Records Book 1231, Page 1829, for a distance of 611.50 feet to the end of said 22.00 foot wide strip and the beginning of a strip of land 43.00 feet wide lying 21.50 feet each side of the following described centerline; thence run S 00°00'00" E parallel with and 21.50 feet East of the West line of said Official Records Book 1231, Page 1829, for a

distance of 655.00 feet to a Reference Point "F", said point also being the end of said 43.00 foot strip and the beginning of a strip of land 42.00 feet wide lying 21.00 feet each side of the following described centerline; thence run N 90°00'00" W parallel with and 21.00 feet South of the North line of said Official Records Book 1231, Page 1829, for a distance of 300.50 feet to the end of said 42.00 foot strip and the beginning of a strip of land 40.00 feet wide lying 20.00 feet each side of the following described centerline; thence run S 00°00'00" E parallel with and 20.00 feet East of the West line of said Official Records Book 1231, Page 1829, for a distance of 564.00 feet to the POINT OF TERMINATION on the South line of lands described in Official Records Book 1231, Page 1829, of the Public Records of Lake County, Florida;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "A" and run N 90°00'00" W for a distance of 912.00 feet to the POINT OF TERMINATION;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "B" and run N 90°00'00" W for a distance of 155.00 feet to the POINT OF TERMINATION;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "C" and run N 90°00'00" W for a distance of 607.50 feet to the POINT OF TERMINATION.

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "D" and run N 90°00'00" W for a distance of 611.50 feet to the POINT OF TERMINATION.

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "E" and run N 90°00'00" W for a distance of 611.50 feet to the POINT OF TERMINATION.

AND

A strip of land 35.00 feet wide lying 17.50 feet each side of the following described centerline: COMMENCE at the aforesaid Reference Point "F" and run N 90°00'00" E for a distance of 4.00 feet to the POINT OF BEGINNING; thence run S 00°00'00" E for a distance of 209.30 feet to a Reference Point "G"; thence continue S 00°00'00" E for a distance of 355.00 feet to the POINT OF TERMINATION on the South line of lands described in Official Records Book 1231, Page 1829, of the public records of Lake County, Florida;

AND

A strip of land 20.00 feet wide lying 10.00 feet each side of the following described centerline: BEGIN at the aforesaid Reference Point "G" and run N 90°00'00" E for a distance of 155.00 feet to the POINT OF TERMINATION.

[APARTMENT UTILITY EASEMENT PARCEL - JOB #12]

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12/1/98

OFFICE
JAMES J. DEAR, P.A.
10000 BOULEVARD
DUNNELL, FL 32804

CONSENT

The undersigned, on behalf of FLORIDA HOUSING FINANCE CORPORATION, as successor to Florida Housing Finance Agency, hereby consents to and directs the Trustee to execute this document.

Dated this 4th day of ~~December~~^{February}, 1995.

FLORIDA HOUSING FINANCE CORPORATION

By [Signature]
Its Chairman

Rhema Business Services, Inc.

1544 Vickers Drive
Tallahassee, FL 32303-3041

(850) 562-9888
(850) 562-9887 FAX

March 5, 1999

Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Southlake Utilities, Inc.
Service Availability Policy


Gentlemen:

I'm enclosing a copy of the Southlake Development, Ltd. water and wastewater service availability agreement pursuant to Rule 25-30.550. I'm also enclosing a copy of the Summary of Reserved Capacity for Connections as of December 31, 1998 in compliance with Rule 25-30.550(3).

Pursuant to Rule 25-30.585, Southlake Utilities, Inc. expects this agreement to have no impact on the rates of the utility.

Please call me at (850) 562-9886 if you have any questions.

Sincerely,



Norman F. Mears
Senior Utility Consultant

Certified Mail Receipt No. P 513 404 790

Enclosures

cc: Robert L. Chapman, III
Jeffrey M. Cagan
Ronald H. Wilson