

UTILITIES, INC.

2335 Sanders Road
Northbrook, Illinois 60062-6196
Telephone 847 498-6440
Facsimile 847 498-2066

April 7, 2000

000430-WS

Ms. Blanco S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

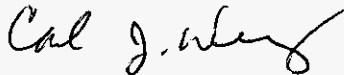
**RE: Application by Lake Groves Utilities, Inc. for Amendment of
Certificates 534-W and 465-S to Add additional Territory in
Lake County.**

Dear Ms. Bayo:

Enclosed for filing are an original and five (5) copies of an Application for Amendment of Certificate Nos. 534-W and 465-S. Also enclosed is the \$1,000 filing fee (\$500 each for water and sewer). Two additional copies of the tariffs are also included. PSC Certificate Nos. 534-W and 465-S are also attached.

If you have any questions, please contact me directly.

Respectfully submitted,



Carl J. Wenz
Vice President, Regulatory Matters

Check received with filing and
forwarded to Fiscal for deposit.
Fiscal to forward a copy of check
to RAR with proof of deposit.

Initials of person who forwarded check:



cc: Mr. Ben Girtman

DOCUMENT NUMBER - DATE

04415 APR 11 8

FPSC - RECORDS/REPORTING

APPLICATION FOR AMENDMENT OF CERTIFICATE
(EXTENSION OR DELETION)

ORIGINAL

(Pursuant to Section 367.045, Florida Statutes)

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

000430-WS

The undersigned hereby makes application for amendment of Water
Certificate No. 534-W and/or Wastewater Certificate No. 465-S to
add (add or delete) territory located in Lake County, Florida, and submits
the following information:

PART I APPLICANT INFORMATION

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

Lake Groves Utilities, Inc.
Name of Utility

(407) 869-1919 (407) 869-6961
Phone No. Fax No.

200 Weathersfield Avenue
Office Street Address

Altamonte Springs FL 32714
City State Zip Code

Internet address if applicable

DOCUMENT NUMBER-DATE

04415 APR 11 8

FPSC-RECORDS/REPORTING

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

Carl Wenz (847) 498-6440
Name Phone No.

2335 Sanders Road
Street Address

Northbrook IL 60062
City State Zip Code

PART II NEED FOR SERVICE

- A) Exhibit A - If the applicant is requesting an extension of territory, a statement regarding the need for service in the proposed territory, such as anticipated development in the proposed service area.
- B) Exhibit N/A - If the applicant is requesting a deletion of territory, a statement specifying the reasons for the proposed deletion, demonstrating that it is in the public interest and explaining the effect of the proposed deletion on the ability of any customer, or potential customer, to receive water and/or wastewater service, including alternative source(s) of source.
- C) Exhibit B - A statement that to the best of the applicant's knowledge, the provision of service will be consistent with the water and wastewater sections of the local comprehensive plan at the time the application is filed, as approved by the Department of Community Affairs, or, if not, a statement demonstrating why granting the amendment would be in the public interest.

PART III SYSTEM INFORMATION

A) WATER

- (1) Exhibit C - A statement describing the proposed type (s) of water service to be provided by the extension (i.e., potable, non-potable or both).
- (2) Exhibit D - A statement describing the capacity of the existing lines, the capacity of the existing treatment facilities, and the design capacity of the proposed extension.
- (3) Exhibit E - The numbers and dates of any construction or operating permits issued by the Department of Environmental Protection for the system proposed to be expanded.

- (4) Exhibit F - A description of the types of customers anticipated to be served by the extension, i.e., single-family homes, mobile homes, duplexes, golf courses, clubhouse, commercial, etc.
- (5) If the utility is requesting a deletion of territory, provide the number of current active connection within the territory to be deleted.
- (6) Exhibit G - Evidence that the utility owns the land where the water facilities that will serve the proposed territory are, or will be, located. If the utility does not own the land, a copy of the agreement, such as a 99-year lease, which provides for the long term continuous use of the land. The Commission may consider a written easement or other cost-effective alternative.

B) WASTEWATER

- (1) Exhibit D - A statement describing the capacity of the existing lines, the capacity of the existing treatment and disposal facilities, and the design capacity of the proposed extension.
- (2) Exhibit E - The numbers and dates of any construction or operating permits issued by the Department of Environmental Regulation for the system proposed to be expanded.
- (3) Exhibit H - If the utility is planning to build a new wastewater treatment plant, or upgrade an existing plant to serve the proposed territory, provide a written description of the proposed method (s) of effluent disposal.
- (4) Exhibit N/A - If (3) above does not include effluent disposal by means of reuse, provide a statement that describes with particularity the reasons for not using reuse.
- (5) Exhibit F - A description of the types of customers anticipated to be served by the extension, i.e., single-family homes, mobile homes, duplexes, golf course, clubhouse, commercial, etc.
- (6) If the utility is requesting a deletion of territory, provide the number of current active connections within the territory to be deleted.
- (7) Exhibit G - Evidence the utility owns the land where the wastewater facilities that will serve the proposed territory are, or will be, located. If the utility does not own the land, a copy of the agreement, such as a 99-year lease, which provides for the long term continuous use of the land. The Commission may consider a written easement or other cost-effective alternative.

PART IV FINANCIAL AND TECHNICAL INFORMATION

- (A) Exhibit I - A statement as to the applicant's technical and financial ability to render reasonably sufficient, adequate and efficient service.

- (B) Exhibit J - A detailed statement regarding the proposed method of financing the construction, and the projected impact on the utility's capital structure.
- (C) Provide the number of the most recent Commission order establishing or amending the applicant's rates and charges K.
- (D) Exhibit L - A statement regarding the projected impact of the extension on the utility's monthly rates and service availability charges.

PART IV TERRITORY DESCRIPTION AND MAPS

A) TERRITORY DESCRIPTION

Exhibit M - An accurate description of the territory proposed to be added or deleted, using township, range and section references as specified in Rule 25-30.030 (2), FAC. If the water and wastewater territory is different, provide separate descriptions.

B) TERRITORY MAPS

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

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

C) SYSTEM MAPS

Exhibit O - One copy of detailed maps (s) showing proposed lines and facilities and the territory proposed to be served. Map (s) shall be of sufficient scale and detail to enable correlation with a description of the territory proposed to be served. Provide separate maps for the water and wastewater system.

PART VI NOTICE OF ACTUAL APPLICATION

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

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located:
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and are located within the county in which the territory proposed to be served is located:
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties that hold a certificate granted by the Commission.
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of Records and Reporting;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

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

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

PART IV FILING FEE

Indicate the filing fee enclosed with the application: \$1,000 (\$500 ea. for W & S)
(one fee for water and one for wastewater)

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

- 1) For applications in which the area to be extended or deleted has the proposed capacity to serve up to 100 ERCs, the filing fee shall be **\$100.**
- 2) For applications in which the area to be extended or deleted has the proposed capacity to serve from 101 to 200 ERCs, the filing fee shall be **\$200.**

- 3) For applications in which the area to be extended or deleted has the proposed capacity to serve from 201 to 500 ERCs, the filing fee shall be \$500.
- 4) For application in which the area to be extended or deleted has the proposed capacity to serve from 501 to 2,000 ERCs, the filing fee shall be \$1,000.
- 5) For applications in has the proposed ERCs, the filing fee which the area to be extended capacity to serve from 2,001 shall be \$1,750.
- 6) For applications in which the area to be extended or deleted has the proposed capacity to serve more than 4,000 ERCs, the filing fee shall be \$2,250.

PART VIII TARIFF AND ANNUAL REPORTS

- A) Exhibit S - An affidavit that the utility has tariffs and annual reports on file with the Commission.
- B) Exhibit T - The original and two copies of proposed revisions to the utility's tariff(s) to incorporate the proposed change to the certificate territory. Please refer to Rules 25-9.009 and 25-9.010, Florida Administrative Code, regarding page numbering of tariff sheets before preparing the tariff revisions. (The rules and sample tariff sheets are attached.)

PART VI AFFIDAVIT

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

BY: Carl J. Wenz
Applicant's Signature

BY: Carl J. Wenz
Applicant's Name (Typed)

Vice President, Regulatory Matters
Applicant's Title *

Subscribed and sworn to before me this 10TH
of APRIL 19 2000



Phil Ann Scully
Notary Public

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

EXHIBIT "A"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

Statement regarding the need for service.

The property owners whose land is described in Exhibit "M" are developing the property with the desire and intent for LGUI to provide potable water, nonpotable water, and wastewater service.

On February 22, 2000, LGUI and Calflor Properties, LLC entered into an agreement whereby Lake Groves Utilities, Inc. has agreed to provide utility services to the area covered by the proposed territory extension. The Utility Agreement is attached.

Prepared by and return to:
Thomas F. Diorio, Esquire
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
215 North Eola Drive
Post Office Box 2809
Orlando, Florida 32802

UTILITY AGREEMENT
CITRUS HIGHLANDS, LAKE COUNTY, FL

THIS UTILITY AGREEMENT (the "Agreement") is made and entered into as of the 22 day of February, 2000, by and between LAKE GROVE UTILITIES, INC., a Florida corporation (hereinafter referred to as "Utilities"), and CALFLOR PROPERTIES, LLC, a Florida limited liability company (hereinafter referred to as the "Owner").

WITNESSETH:

WHEREAS, Owner is the owner of approximately one hundred sixty (160) acres of real property situated in Lake County, Florida, described with particularity in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Property"); and

WHEREAS, the Property contains a campground with three hundred sixty three (363) water service connections and two hundred twenty nine (229) sewer service connections along with additional vacant land, all of which Owner desires to develop into a residential community (hereinafter collectively referred to as the "Development") of approximately three hundred fifty (350) building lots (if completely developed), which Property may be developed in two (2) or more phases, with the first phase of such Development to consist of approximately one hundred ninety-four (194) building lots; and

WHEREAS, Owner wishes to utilize water, reclaimed water and sewer services provided by Utilities; and

WHEREAS, Utilities is the owner and operator of water and reclaimed water production and distribution facilities, and sewer collection and disposal facilities, which are in close proximity to the Property; and

WHEREAS, Utilities is planning to provide reclaimed water service to the Development as a means of reducing groundwater withdrawal and disposing of wastewater effluent; and

WHEREAS, Utilities has agreed to make its water facilities, reclaimed water facilities and sewer facilities available to the Development on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises hereof and the work to be done by Utilities and the sums to be paid to Utilities by Owner as described hereafter, Owner and Utilities agree as follows:

1. EXCLUSIVE SERVICE TO THE PROPERTY. Owner hereby agrees and covenants that all improvements hereafter constructed on the Property shall be served exclusively by Utilities' water, reclaimed water and sewer facilities, and Owner further agrees that this grant and agreement shall be a covenant binding upon and running with the title to the Property; provided, however, that (i) the Owner may terminate this Agreement in accordance with paragraph 8 below if Utilities is not approved by the Florida Public Service Commission (hereinafter referred to as the "Commission") to add the Property to Utilities' service area, or if Lake County refuses to allow the Owner to proceed with developing the Property into the Development for any reason whatsoever, including, but not limited due to, the provisions of this Agreement, then the Owner may terminate and cancel this Agreement except with respect to portions of the Development that are then being served hereunder. Utilities hereby agrees to make water, reclaimed water and sewer service (hereinafter collectively referred to as the "Services") available to the Development hereafter constructed on the Property for the rates and under the conditions referred to in this Agreement. Utilities agrees that such Services shall be made available through

Utilities' plants and facilities which Utilities has constructed to the boundary of the Property (such plants and facilities shall hereinafter be collectively referred to as "Utilities' Facilities"), and through the On-Site Facilities (as hereinafter defined) to be constructed by Owner on the Property. Utilities represents and warrants to Owner that throughout Owner's development of the Property, the Utilities' Facilities shall be sufficient and adequate in all respects to provide the Services which Utilities is obligated to provide pursuant to the terms of this Agreement. The only approvals which are necessary for Utilities to provide such Service to the Property are the standard regulatory approvals, the most significant of which are the approval of the Florida Public Service Commission (the "Commission") to add the Property to Utilities' service area and the issuance of the permit (hereinafter referred to as the "FDEP Permit") required by the Florida Department of Environmental Protection (hereinafter referred to as "FDEP"). Owner and Utilities each agree that it shall be the responsibility of Owner to obtain the FDEP Permit at Owner's expense and the Utilities shall assist Owner in applying for such FDEP Permit. As of the date of this Agreement, Utilities is not aware of any condition that should cause the Commission to reject Utilities' application to add the Property to Utilities' service area. If Utilities is prevented from adding the Property to Utilities' service area, then either Utilities or Owner may terminate this Agreement in accordance with the terms of paragraph 8 below. Utilities further agrees that the Services to be provided hereunder shall meet the current standards or requirements, as the case may be, of all state, local, and federal governmental agencies having jurisdiction over Utilities; provided, however, that Utilities shall not be responsible for any failure to meet or comply with said standards or requirements to the extent that such failure shall be occasioned by the inadequacy of the On Site Facilities to be constructed by Owner for purposes contemplated by Owner; and further, the acceptance of any such On Site Facilities by Utilities shall not be an admission of, or acceptance of such responsibility. Utilities hereby agrees to provide the Services to the Development within nine (9) months after the date of this Agreement; provided, however, that in no event shall Utilities be obligated to provide any of the

Services to that portion of the Property for which the On Site Facilities have not then been completed in accordance with the terms of this Agreement.

2. CONTRIBUTION-IN-AID-OF-CONSTRUCTION. Owner hereby agrees to pay connection contributions (hereinafter collectively referred to as the "Connection Contributions") to Utilities for aid in construction of plant facilities. A Connection Contribution shall be paid for each single-family and multi-family dwelling unit constructed on the Property and for each of the existing 363 water services and 229 sewer services within the campground, in the amount approved by the Commission at the time of the payment thereof. The Connection Contributions on new construction shall be paid by Owner to Utilities in lump sum increments, with each lump sum increment to be sufficient to pay the total Connection Contributions for (i) the balance of the units to be included in the entire Development for which no Connection Contributions have been paid, or (ii) twenty-five (25) units, whichever number of units is less. The first of such Connection Contributions for new construction shall be paid at the earlier of (x) the same time the first fifty percent (50%) lump sum Connection Contributions for the existing campground water and sewer services is paid, as set forth in this paragraph below, or (y) fifteen (15) days after the date that the FDEP Permit for the Development is issued by the FDEP. Fifty percent (50%) of the lump-sum Connection Contributions for the existing campground water and sewer services shall be due and payable within fifteen (15) days after the date that the FDEP Permit for the Development is issued by FDEP. The remaining fifty percent (50%) of the lump-sum Connection Contributions for the existing campground water and sewer services shall be payable in twelve equal monthly installments, with the first of such monthly installments to be due and payable thirty (30) days after the date that the FDEP Permit for the project has been issued. The outstanding balance of the Connection Contributions due for the existing campground shall bear an interest rate of eight percent (8%) per year from the date that the FDEP Permit is issued. Should Owner decide to develop the campground into single-family residences within five (5) years from the date hereof, the amount of the Connection Contributions paid for the existing

campground water and sewer services project shall be deducted from the amount of the Connection Contributions due and payable on newly constructed single-family residences located within the existing campground. All Connection Contribution payments shall be paid in cash or cashier's check, or other funds acceptable to Utilities, at the time Owner requests Services hereunder for the residential units or commercial project to be served. Utilities shall have no obligation hereunder to advise any governmental authority by execution of application, or otherwise, that it is providing service to a portion of the Development unless the Connection Contributions have been paid for the portion of the Development subject to such advice; provided, however, so long as Owner is not in default under this Agreement, Utilities will accommodate Owner, upon request, by furnishing Owner with a letter to addressees designated by Owner stating that upon payment of the required Connection Contributions, Utilities will furnish the Services to the Development or the applicable portions thereof. Under no circumstances shall Owner be entitled to any return of all, or any part of, any lump-sum increment paid for Connection Contributions as described in this Paragraph 2 (unless Utilities shall be unable to provide the Services required hereunder) and such lump-sum Connection Contributions may be used by Owner and/or Owner's successors or assigns only with respect to the Development and the improvements to be constructed on the Property. The Connection Contributions shall be in lieu of any other tap-in or connection fees (or any other similar fee) charged by Utilities, but not in lieu of the following: (1) the charges for providing the Services at rates established by the Commission described in Paragraph 6 hereof, which shall be charged and paid separately in accordance with paragraph 6 hereof, and (2) meter installation fees as described in Paragraph 7 hereof, which will be charged and paid separately in accordance with said Paragraph 7 hereof.

3. PROPERTY FOR TREATED EFFLUENT DISPOSAL. Prior to the sale of any portion of the Development to any third party, Owner agrees to subject the Development to a covenant recorded in the Public Records of the county in which the Development is located

requiring all owners of property within the Development to hook up to Utilities' treated effluent disposal system at such time as such treated effluent disposal system is available for use at the boundary of such owner's property. The use of the land within the development for Utilities' distribution of treated effluent shall be provided by Owner at no cost to Utilities; provided, however, that the amount of treated effluent returned to and disposed of on the Disposal Property shall not be more than the amount of treated effluent generated from the sewage originating from the Development and which is being treated by Utilities plus any additional treated effluent as Owner may require, to the extent such additional treated effluent is available for disposal by Utilities.

4. ON-SITE FACILITIES. As the Property is developed, from time to time Owner shall construct and install therein, at its own cost and expense, all necessary on-site water, reclaimed water and sewer facilities (the "On-Site Facilities"), including generally all the water, reclaimed water and sewer utility facilities of whatever nature or kind needed to connect the Development to be constructed on the Property to Utilities' Facilities, and including specifically, all lines, mains, lift stations, pumps, laterals and service connections to serve the Development to be constructed on the Property. Owner agrees that the construction and installation of such On-Site Facilities shall be subject to the following:

A. The On-Site Facilities shall be constructed and installed by Owner only after the approval of the plans and specifications therefore by Utilities, which approval shall not be unreasonably withheld, delayed or conditioned. The plans and specifications shall be in accordance with the requirements of Utilities' standard engineering practices and all applicable regulatory authorities, and Owner shall obtain approval thereof (to the extent required) from such agencies prior to commencement of construction.

B. Upon approval of the plans and specifications by Utilities, as provided in subparagraph A hereof, the On-Site Facilities shall be constructed strictly in accordance with such plans and specifications in all material respects. Utilities shall be advised as to the progress

of such construction and afforded the right to make inspection of said construction; provided, however, that (i) any such inspection shall not cause Owner any delays in the construction of the On-Site Facilities, (ii) to the extent that Utilities requires any such inspections, such inspections shall be performed within five (5) business days after Utilities is notified by or on behalf of Owner that the On-Site Facilities are available for such required inspection, (iii) Utilities shall have no duty to Owner to make such inspections, and (iv) by making such inspections, Utilities shall incur no responsibility for the correct installation or construction thereof.

5. USE OF ON-SITE FACILITIES. At the time Owner desires to connect any portion of the On-Site Facilities constructed by it to Utilities' water, reclaimed water and/or sewer systems with respect to any lot or project in the Development, and as a condition precedent for the right to make such connection, Owner shall convey to Utilities, at no cost to Utilities, such of the On-Site Facilities as may be necessary, in Utilities' reasonable discretion, to allow such lot or project then requiring service to connect to Utilities' Facilities. Such conveyance shall be by bill of sale, warranty deed or other appropriate instrument as determined by Utilities, in its reasonable discretion, and shall be free and clear of all liens and encumbrances whatsoever. In the event that such On-Site Facilities have been connected to Utilities' Facilities without said conveyance, the requirement to convey said facilities to Utilities shall not be waived and Utilities may thereafter, at any time, require the conveyance of such On-Site Facilities. In the event that Owner is unable or unwilling to convey to Utilities such On-Site Facilities for any reason whatsoever, then Utilities shall have the option, at Owner's expense, of disconnecting the improvements served by such On-Site Facilities which have been connected but which have not been conveyed by Owner to Utilities by providing Owner with written notice of Utilities' intention to so disconnect such On-Site Facilities if such On-Site Facilities are not conveyed to Utilities; provided, however, that Owner shall have a period of thirty (30) days after Owner's receipt of such written notice to convey such On-Site Facilities to Utilities prior to Utilities being entitled to so disconnect such On-Site Facilities if such On-Site Facilities have not been

conveyed to Utilities prior to the expiration of such thirty (30) day period. If any such On-Site Facilities are disconnected from Utilities' Facilities, then, upon the conveyance of such On-Site Facilities to Utilities, Utilities shall re-connect such disconnected On-Site Facilities at Owner's expense. Notwithstanding the foregoing, Utilities shall not be required to accept such conveyance, or undertake the maintenance of any portion of the On-Site Facilities which (i) are not in a public right-of-way or in an easement area for the installation, maintenance, repair and replacement of the On-Site Facilities or (ii) do not have adequate access easements to allow proper maintenance, which it shall, in its sole discretion, decide to leave as the property of, and the responsibility of, Owner. In addition, Utilities shall not be obligated to make any connections until Utilities has received the Engineer's certification that the On-Site Facilities then to be connected to Utilities' Facilities have been constructed in substantial conformance with the engineering plans and that all tests required by the Engineer and by Utilities have been satisfactorily performed, and necessary approvals for use have been received from the Florida Department of Environmental Protection or other governmental bodies responsible for the issuance of such approvals. The cost of all materials, construction tests and testing and installation for the On-Site Facilities shall be paid in full by Owner prior to the transfer of such On-Site Facilities to Utilities. By conveyance of the On Site Facilities, Owner shall be deemed to have represented and warranted to Utilities (1) that all costs therefor have been paid in full and that Utilities will be furnished such evidence thereof as it may reasonably require, and (2) that said On-Site Facilities have been constructed in a good and workmanlike manner, free from all defects, and that Owner will correct any defect occurring or discovered in said facilities within a period of one (1) year from the date of such conveyance. Subject to the foregoing obligation to repair defects, upon the conveyance of the On-Site Facilities to Utilities, for all purposes, the On-Site Facilities shall become and shall be a part of Utilities' Facilities and Utilities shall be obligated to maintain, repair , replace and operate the On-Site Facilities in accordance with all applicable rules, regulations, orders, ordinances and all other applicable laws.

6. RATES AND GUARANTEED REVENUE CHARGES. The rates to be charged by Utilities for the Services to the Development hereafter built on the Property, and guaranteed revenue charges, shall be those rates and charges made by Utilities to its customers which are from time to time approved by the Commission, or by any other governmental regulatory body from time to time having jurisdiction over such matters. The guaranteed revenue charges shall be the payment to Utilities by Owner for capacity reserved but not being used by an active customer. If Owner reserves capacity which is not then being used by Owner, then Owner shall begin paying guaranteed revenue charges at such time as Owner shall request Utilities to provide the Services to the Property pursuant to this Agreement; provided, however, that Owner shall not be required to pay any guaranteed revenue charges until the later of (i) the date that the Commission approves the Property being added to Utilities' service area or (ii) the utility plant capacity needed to serve the lots or projects for which such charges are to be paid is completed and available to provide such service. To the extent applicable, Owner shall be obligated to pay such charges and shall continue to pay such charges with respect to each lot or project within the Property for which capacity has been reserved until an active customer is connected on such lot or project. Utilities reserves the right to withhold or disconnect service to any active customer, or to refuse to give or provide new or additional services to any active customer, at any time the service charges due Utilities from such customer are not paid on a current basis within twenty-five (25) days after the same are billed; provided that written notification of such delinquency has been made by Utilities to such customer. Notwithstanding anything herein to the contrary, the failure of any customer other than Owner to pay sums due Utilities shall not affect Owner's rights under this Agreement. The Services to be provided to the Development pursuant to this Agreement shall be subject to such other regulations from time to time lawfully imposed on Utilities by the Commission or any other applicable governmental agency having jurisdiction over the provision of the Services and/or with respect to the operation of Utilities' Facilities, and except as limited by such regulations, the amounts of utility deposits, billing practices and times,

liability for damage to Utilities' Property and rate changes shall be exclusively within the discretion and control of Utilities; provided, however, that all of such matters shall be handled by Utilities in a manner which do not materially deviate from the utilities industry's standards in the State of Florida. Notwithstanding the terms of this paragraph, (x) at this time, guaranteed revenue charges are not part of Utilities' tariff schedule and (y) Utilities has no present plans to add guaranteed revenue charges to its tariff schedule.

7. WATER METERS. It is hereby agreed by the parties hereto that Utilities shall install such water meters as may be necessary to develop the Property and serve the improvements in the manner intended by Owner (hereinafter collectively referred to as the "Water Meters"). Utilities shall have the right to designate the number, type, quality and size of said Water Meters. The cost for said Water Meters and the labor charges associated with their installation shall be paid to Utilities by Owner prior to installation of each such Water Meter at the rate from time to time approved by the Commission or any other governmental regulatory body from time to time having jurisdiction over such matters. Said sum shall be due and payable prior to the time of installation of each such Water Meter then to be installed. All Water Meters so installed shall remain the property of Utilities

8. INCLUSION IN SERVICE AREA. Upon the execution of this Agreement, Utilities shall petition the Commission for permission to include the Property in Utilities' service area as approved by the Commission. Utilities agrees to promptly submit such petition and to diligently pursue such approval. In the event that the Commission shall fail to approve and grant said petition to include the Property in Utilities' service area within nine (9) months from the date hereof, either party hereto shall thereafter have the right to terminate this Agreement at any time until the Property is included in Utilities' service area. Notwithstanding anything in this Agreement to the contrary, in no event shall owner be obligated to pay any sum of money

(including, but not limited to, any deposits required hereunder) or otherwise perform any obligation arising in this Agreement unless and until the Commission approves the inclusion of the Property in Utilities' service area.

9. WELL SITE. After the FDEP Permit is issued, at no cost or expense to Utilities, Owner shall convey to Utilities the parcel of land identified on Exhibit "B" attached hereto and made a part hereof as a well site to be used by Utilities to construct and operate a potable water supply well (hereinafter referred to as the "Well Site"). Title to the Well Site shall be conveyed by Special Warranty Deed in fee simple, free and clear of all liens and encumbrances other than taxes for the year of conveyance of the Well Site to Utilities (which taxes shall be prorated between the parties as of the date of the delivery of such deed to Utilities) and such easements, restrictions and other agreements now or hereafter recorded in the Public Records of the county in which the Property is located, provided that none of such exceptions to title shall prevent or materially impair the ability of Utilities to make use of the Well Site for the construction and operation of a potable water supply well. Prior to the conveyance of the Well Site to Utilities, Owner shall provide a title commitment proposing to insure Utilities' interest in the Well Site, which title commitment shall contain only the foregoing exceptions to title and shall reflect an insured amount of \$5,000. Within sixty (60) days after the recording of the foregoing Special Warranty Deed, Owner shall cause a title policy to be delivered to Utilities insuring Utilities' interest in the Property in conformity with said title commitment. Owner shall grant such non-exclusive easements of ingress and egress and for the installation and maintenance of utility lines for the Well Site at no cost or expense to Utility. In consideration of Owner conveying the Well Site to Utilities, Utilities hereby agrees to waive all of the cost share due from Owner for Owner's share of the cost of Utilities constructing Utilities' Facilities in the amount of \$30,851. Construction of the potable water supply well on the Well Site shall be at Utilities' sole cost and expense. Notwithstanding anything herein to the contrary, Utilities agrees to join in and/or

consent to any and all plats, easements, development agreements and any and all other documents as may hereafter be necessary in Owner's reasonable discretion, to develop the Property and operate the Development in accordance with Owner's intended use of the Development as such intention may exist from time to time (hereinafter collectively referred to as the "Development Documents"); provided, however, that Utilities shall not be required to join in and/or consent to any Development Document which prevents or materially impairs Utilities' ability to construct, operate, maintain, repair and/or replace a potable water supply well on the Well Site, as determined in Utilities' reasonable discretion.

10. EXISTING WELL. At the time that Owner conveys the Well Site to Utilities, Owner shall convey the existing potable water supply well (hereinafter referred to as the "Existing Well") located on the Well Site to Utilities at no cost or expense to Utilities, by Bill of Sale without warranty other than a warranty of title.

11. PLATS. All plats of the Property, or portions thereof, filed among the Public Records of Lake County, Florida, or any other governmental unit, shall provide for such dedicated utility easements as may be reasonably and necessarily required for the purpose of providing the Services to the Property.

12. SALE BY UTILITIES TO GOVERNMENTAL ENTITY; SALE BY OWNER. In the event that Utilities shall hereafter sell Utilities' Facilities, or any part thereof serving the Property, to the State of Florida, Lake County, a duly constituted municipality, or any agency or entity under such State's, County's or municipality's control, supervision or direction, Owner agrees that with respect to the Services to be provided to the Property pursuant to this Agreement, the governmental rules and regulations applicable to such purchaser, and not the governmental rules and regulations applicable to Utilities, shall control, and that, upon assignment of this Agreement to such purchaser, Utilities shall be relieved of all obligations arising hereunder on or after the closing of such sale provided that the purchaser assumes Utilities' obligations arising hereunder and further provided that Utilities shall remain fully liable

for any breach of this Agreement by Utilities which occurred prior to the closing of such sale. In the event that Owner shall hereafter sell all or any portion of the Property, Utilities agrees that with respect to that portion of the Property so conveyed, Owner shall be relieved of all obligations arising hereunder on or after the closing of such sale provided that such Purchaser takes title to that portion of the Property so conveyed subject to the terms of this Agreement and further provided that Owner shall remain fully liable for any breach of this Agreement by Owner which occurred prior to the closing of such sale.

13. NOTICES. Payments required to be made under the terms hereof and notices permitted, or required to be made under the terms hereof, shall be delivered to the parties at the following addresses:

Utilities: LAKE GROVE UTILITIES, INC.
2335 Sanders Road
Northbrook, IL 60062
Attn.: James Camaren, Chairman & CEO

Owner: CALFLOR PROPERTIES
10850 Wilshire Blvd. - Suite 600
Los Angeles, CA 90024
Attn: Bruce G. Goren

Any notices required or permitted hereunder shall be in writing and considered properly delivered (i) three (3) business days after depositing such notice in the United States Mail, certified mail, return receipt requested, postage prepaid, or (ii) one (1) business day after depositing such notice with FedEx or any other nationally recognized overnight courier service, to the addresses set forth herein. Any party's address may be changed by providing written notice of such change to the other party hereto, such change being effective immediately upon the receiving parties receipt of such notice of address change.

14. TERM. The term of this Agreement shall be for a period of thirty (30) years from the date hereof, and from year to year thereafter. After the initial thirty (30) year term, either party hereto shall have the right to terminate this Agreement upon one (1) year's prior written notice of such termination.

15. MISCELLANEOUS.

A. Time is hereby made of the essence of this Agreement in all respects.

B. This Agreement constitutes the entire agreement of the parties and expressly supersedes all negotiations, previous agreements or representations whether verbal or written, and may not be amended in any way whatsoever except by a writing executed by both parties hereto in a manner equal in dignity to the execution of this Agreement.

C. This Agreement shall inure to the benefit of and be binding upon the heirs, successors, personal representatives and assigns of the parties hereto and shall constitute a covenant running with the Property.

D. This Agreement shall be governed by the laws of the State of Florida.



E. This Agreement shall be effective upon proper execution by both parties hereto.

F. This Agreement may be executed in multiple counterparts, each of which shall constitute an original of this Agreement.

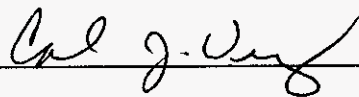
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their names and their seals as of the day and year first above written.

Signed, sealed and delivered in the presence of::

LAKE GROVE UTILITIES, INC., a
Florida corporation

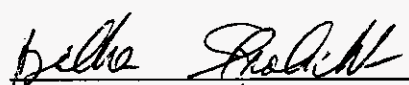


Print Name: Andrew Dapud

Print Name: DAVID C. CARTER

By: 
James Camaren, Chairman & CEO

ATTEST: 
Date: February 23, 2000

(Corporate Seal)

CALFLOR PROPERTIES, LLC
a Florida limited liability company


Print Name: BILHA STROLICHT

Print Name: TODD N. OKUN

By: 
BRUCE G. GÖREN, Manager

Date: 2-16-00

(Corporate Seal)

STATE OF ILLINOIS
COUNTY OF COOK

The foregoing instrument was acknowledged before me this 23RD day of FEBRUARY 2000, by James Camaren, as the Chairman and CEO of Lake Grove Utilities, Inc., a FLORIDA corporation, on behalf of said corporation. He ~~she~~ is personally known to me, or has produced _____ as identification.

Phil Ann Scully
Notary Public, State of ILLINOIS
Name: PHIL ANN SCULLY
Commission No.: 210329



(Notary Seal)

STATE OF CALIFORNIA
COUNTY OF Los Angeles

The foregoing instrument was acknowledged before me this 16 day of FEBRUARY, 2000, by Bruce G. Goren, as the Manager of Calflor Properties, LLC, a Florida limited liability company, on behalf of said limited liability company. He is personally known to me or has produced _____ as identification.

Scott C. Hendrickson
Notary Public, State of CALIFORNIA
Name: SCOTT C. HENDRICKSON
Commission No.: 1140043



(Notary Seal)

EXHIBIT "B"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

Statement regarding consistency with the local comprehensive plan.

To the best of the applicant's knowledge the provision on potable water, non-potable water, and wastewater service to the lands described in Exhibit "M" is consistent with the Lake County Local Comprehensive Plan.

EXHIBIT "C"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

Statement regarding the proposed type of water service.

LGUI proposes to provide potable water and nonpotable water services to the lands described in Exhibit "M".

EXHIBIT "D"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

Statement regarding the capacity of the existing lines, treatment facilities and the design capacity of the proposed extension.

Lake Groves Utilities, Inc. Potable Water System:

The capacity of the existing potable water distribution system is 1508 ERC's.
The capacity of the existing potable water treatment system is 1364 ERC' s.
The capacity of the proposed potable water treatment system is 2730 ERC's
The capacity of the proposed potable water system extension is 350 ERC's.

Lake Groves Utilities, Inc. Non-Potable Water System:

The capacity of the existing non-potable water distribution system is 0 ERC's.
The capacity of the existing non-potable water treatment system is 0 ERC's.
The non-potable water treatment system is scheduled for installation during the next phase of construction at the wastewater treatment facility. ERC capacity has not been determined at this time.
The capacity of the proposed non-potable water system extension is 350 ERC's.

Lake Groves Utilities, Inc. Wastewater System:

The capacity of the existing wastewater collection system is 1508 ERC's.
The capacity of the existing wastewater treatment system is 625 ERC's.
The capacity of the proposed wastewater treatment system is 1785 ERC's.
The capacity of the proposed wastewater collection system extension is 350 ERC's.

EXHIBIT "E"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

The number and dates of any construction or operating permits issued by the Department of Environmental Protection for the system proposed to be expanded.

The most recent construction and operating permits for Lake Groves Utilities, Inc. are as follows:

Potable Water System:

Treatment Plant Operating Permit: PWS ID 3354881 Issued 12/12/1991.
Treatment Plant Construction Permit: WC-35-0080594-009 Issued 9/10/1999.

Non-Potable Water System:

Treatment Plant Operating Permit: FLA010630 Issued 12/1/1999.
This permit is good for land disposal only, not residential non-potable service.
Treatment Plant Construction Permit: N/A

Wastewater System:

Treatment Plant Operating Permit: FLA010630 Issued 12/1/1999.
Treatment Plant Construction Permit: FLA010630 Issued 12/1/1999.

EXHIBIT "F"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

A description of the type of customers anticipated to be served by the extension.

The proposed expansion of the certificate for LGUI is anticipated to serve approximately 350 single-family residences upon project completion.

EXHIBIT "G"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

Evidence that the utility owns the land where the water facilities that will serve the proposed territory are located.

Attached is evidence of land ownership where LGUI's treatment facilities are located.

REC 17.00
DOC 4675.00 90 26464 WARRANTY DEED

THIS WARRANTY DEED made and executed the 29th day of May, 1990, by JOHN P. ADAMS PROPERTIES, INC., a corporation existing under the laws of the State of Florida, and having its principal place of business at Post Office Box 1667, Winter Haven, Florida, 33884 (hereinafter called the "Grantor") to LAKE GROVES UTILITIES, INC., a Florida corporation, whose post office address is 1105 Kensington Park Drive, Altamonte Springs, Florida, 32714 (hereinafter called the "Grantee"):

W I T N E S S E T H:

THAT the Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable considerations, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto the Grantee, all that certain land situate in Lake County, Florida, more particularly described on Exhibit "A" attached hereto and made a part hereof by this reference.

2.50

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 Grantor hereby covenants with said Grantee that it is lawfully seized of said land in fee simple; that it has good right and lawful authority to sell and convey said land; that it 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 subsequent to December 31, 1989, and those matters set forth on Exhibit "B" attached hereto and made a part hereof by this reference.

This instrument was prepared by and should be signed by
WILLIAM A. BECKETT, Esquire
Downes, Drosdick, Doster, Kantor & Reed
Professional Association
215 North Esia Drive
Post Office Box 2809
Orlando, Florida 32802

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

BOOK 1060 PAGE 2166

Signed, sealed and delivered in the presence of:

[Handwritten signatures]

[Handwritten signature]

JOHN P. ADAMS PROPERTIES, INC.
a Florida corporation

By: *[Handwritten signature]*
John P. Adams, President

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 20th day of May, 1990 by JOHN P. ADAMS, President of JOHN P. ADAMS PROPERTIES, INC., a Florida corporation, on behalf of the corporation.

[Handwritten signature]
Notary Public
My Commission Expires: 2/13/91

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STATE OF FLORIDA
MAY 20 1990
999.00

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STATE OF FLORIDA
MAY 20 1990
999.00

STATE OF FLORIDA
MAY 20 1990
1679

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STATE OF FLORIDA
MAY 20 1990
999.00

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STATE OF FLORIDA
MAY 20 1990
999.00

DESCRIPTIONS: (PARCEL NO. 1)
 BEGINNING AT A POINT THAT IS 12.51 FEET SOUTH AND 298.75 FEET EAST OF THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 24 SOUTH, RANGE 28 EAST, OF THE TALLAHASSEE MERIDIAN, ON THE WEST RIGHT-OF-WAY LINE OF STATE ROAD 25 (U.S. HIGHWAY 27); RUN THENCE N.21°18'45".W ALONG SAID RIGHT-OF-WAY LINE 655.45 FEET, SAID LINE BEING PARALLEL TO AND 80 FEET SOUTHWESTERLY FROM THE CENTERLINE OF PAVEMENT; THENCE S.89°06'20".W, 3363.71 FEET TO THE WEST LINE OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION; THENCE S.00°01'55".W ALONG SAID LINE 614.27 FEET; THENCE N.89°06'20".E, 3802.31 FEET TO POINT OF BEGINNING.

AND (PARCEL NO. 2)

COMMENCE AT A POINT 652.17 FEET SOUTH AND 548.33 FEET EAST OF THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 24 SOUTH, RANGE 28 EAST ON THE WEST RIGHT-OF-WAY OF STATE ROAD NO. 25 (U.S. HIGHWAY 27), RUN THENCE N.21°18'45".W ALONG SAID RIGHT-OF-WAY, 688.70 FEET, SAID LINE BEING PARALLEL WITH AND 80 FEET SOUTHWESTERLY FROM THE CENTERLINE OF PAVEMENT; THENCE S.89°06'20".W, 550.39 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S.89°06'20".W, 3051.92 FEET TO THE WEST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 22; THENCE S.00°01'55".W ALONG SAID LINE, 631.12 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION; THENCE N.89°21'30".E, 3051.92 FEET; THENCE N.00°01'55".E, 684.57 FEET TO THE POINT OF BEGINNING, CONTAINING 44.68 ACRES, MORE OR LESS.
 LESS AND EXCEPT: ANY PORTION THEREOF LYING WITHIN THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SE 1/4 OF SAID SECTION 22.

THE ABOVE DESCRIBED PROPERTY IS ALSO DESCRIBED AS FOLLOWS:

METES & BOUNDS

DESCRIPTION: THAT PART OF SECTIONS 22 & 23, TOWNSHIP 24 SOUTH, RANGE 28 EAST, LAKE COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 12.51 FEET SOUTH AND 297.74 FEET EAST OF THE SOUTHEAST CORNER OF THE NE 1/4 OF SECTION 22, TOWNSHIP 24 SOUTH, RANGE 28 EAST, LAKE COUNTY, FLORIDA ON THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 27 (STATE ROAD NO.25); THENCE N.21°18'45".W ALONG THE SAID WEST RIGHT-OF-WAY LINE, 655.45 FEET; THENCE S.89°06'20".W, 3389.91 FEET TO THE WEST LINE OF THE EAST 1/4 OF THE NW 1/4 OF SAID SECTION 22; THENCE S.00°40'52".E, ALONG SAID WEST LINE 610.99 FEET TO THE NORTHWEST CORNER OF THE NE 1/4 OF NE 1/4 OF SW 1/4, SAID SECTION 22; THENCE S.00°50'20".E, ALONG THE WEST LINE OF SAID NE 1/4 OF NE 1/4 OF SW 1/4, A DISTANCE OF 682.38 FEET TO THE SOUTHWEST CORNER OF SAID NE 1/4 OF NE 1/4 OF SW 1/4; THENCE N.88°52'51".E ALONG THE SOUTH LINE OF SAID NE 1/4 OF NE 1/4 OF SW 1/4, A DISTANCE OF 684.77 FEET TO THE SOUTHWEST CORNER OF THE NORTH 1/4 OF THE SE 1/4 OF SAID SECTION 22; THENCE N.88°51'51".E ALONG THE SOUTH LINE OF SAID NORTH 1/4 OF SE 1/4, A DISTANCE OF 2387.57 FEET; THENCE N.00°01'55".E, 648.52 FEET; THENCE N.88°06'20".E, 557.13 FEET TO THE POINT OF BEGINNING.

EXHIBIT "H"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

Proposed method of effluent disposal.

Currently LGUI is in the final construction phase for both the water and wastewater systems. Water treatment plant capacity will be expanded from 1.08 MGD to 2.16 MGD and wastewater treatment plant capacity will be expanded from .175 MGD to .500 MGD.

The wastewater effluent disposal system is and will continue to be a Rapid Rate Infiltration System (percolation ponds) to dispose of treated effluent. Because the capacity is limited by the capacity of the percolation ponds, the next phase proposes the installation of reclaimed water treatment facilities. Highly treated effluent will then be returned to residential customers for irrigation purposes. Both of these disposal methods promote recharge of the Floridan Aquifer.

EXHIBIT "I"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

A statement as to the applicant's technical and financial ability to render reasonably sufficient, adequate and efficient service.

LGUI's parent, Utilities, Inc. (UI), has approximately 35 years of experience in the water and wastewater utility industry. UI was formed in 1965 with the objective of acquiring small water and sewer companies. Centralized management, accounting, billing and data processing functions, allow LGUI and its affiliate companies to achieve economies of scale that would be unattainable on a stand-alone basis

UI purchased LGUI in 1998. The PSC approved the transfer of majority organizational control in Order No. PSC-99-0164-FOF-WS, dated January 26, 1999. Subsequently, the PSC approved a territory addition in Order No. PSC99-0884-FOF-WS dated May 3, 1999.

At the present time, UI provides safe and reliable water and sewer service to approximately 215,000 customers in 15 states. Utilities, Inc.'s Florida subsidiaries are in good standing with the PSC and DEP. Through its various subsidiaries, UI provides water and/or wastewater and/or reuse service to approximately 63,000 customers in Florida. UI focuses solely on the ownership and operation of small utility systems and has vast experience improving and operating facilities. UI has operated other water and wastewater utilities in Florida under the regulation of the Florida Public Service Commission since 1976.

EXHIBIT "J"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

A detailed statement regarding the proposed method of financing the construction, and the projected impact on the utility's capital structure.

The wastewater collection system infrastructure to serve the proposed extension will be installed by the developer and contributed to LGUI (see attached developer agreement as Ex "A").

The proposed territory amendment should not impact LGUI's capital structure.

EXHIBIT "K"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

Provide date number of the most recent Commission order establishing or amending the applicant's rates and charges.

LGUI was certificated pursuant to Order No. 24283, in Docket No. 900957-WS, issued March 25, 1991 and has never had a rate case.

EXHIBIT "L"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

A statement regarding the projected impact of the extension on the utility's monthly rates and service availability charges.

LGUI is not proposing any change in service rates or SACs in conjunction with this application. Furthermore, it is not anticipated that the proposed extension will have any material impact on LGUI's rates.

EXHIBIT "M"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

Legal Description for the Proposed Amendment of Certificate:

Parcels A and B:

Beginning at the intersection of the north line of the northwest one-quarter of the southwest one-quarter of Section 23, Township 24 South, Range 26 East and the east right-of-way line of US Highway 27 as now established, which point is 506.02 feet, more or less, east of the northwest corner of the northwest one-quarter of the southwest one-quarter of said section, run thence south 20°05'03" east along the east right-of-way line of said Highway 27 a distance of 84.70 feet; thence north 89°50'40" east 375.55 feet; thence north 39°19'10" east 206.81 feet; thence north 47°37'10" east 407.7 feet; thence north 0°41'10" east 243.6 feet, more or less, to the south line of private road; thence southwesterly along said south line of said private road south 54°39' west 1051.94 feet to the point of beginning.

Parcel C:

All that land in the southwest one-quarter of the northwest one-quarter of Section 23, Township 24 South, Range 26 East and lying between the above parcels A and B, and the south line of the graded road (said road lying north of said parcels A and B).

From the northwest corner of the southwest one-quarter of Section 23, Township 24 South, Range 26 East, Lake County, Florida, run north 89°42' east along the north line of said southwest one-quarter of Section 23, a distance of 502.64 feet, more or less, to the easterly right-of-way line of Highway 27 for the point of beginning; run thence south 20°33'20" east along said right of way line 94.17 feet; thence north 89°50'40" east 375.55 feet; thence north 39°10'10" east 115.95 feet to the north line of the southwest one-quarter of said section 23, thence south 89°42' west 482.19 feet to the point of beginning.

South one-half of southeast one-quarter of northwest one-quarter, south of one-half of northeast one-quarter, north one-half of northwest one-quarter of southeast one-quarter, north one-half of northeast one-quarter of southwest one-quarter, all in Section 23, Township 24 South, Range 26 East, Lake County, Florida.

The south 225 feet of the north one-half of the southeast one-quarter of the northwest one-quarter of Section 23.

Less: The north 116.93 feet of the south one-half of the northeast one-quarter (except the west 100 feet thereof) of Section 23, Township 24 South, Range 26 East.

EXHIBIT "N"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

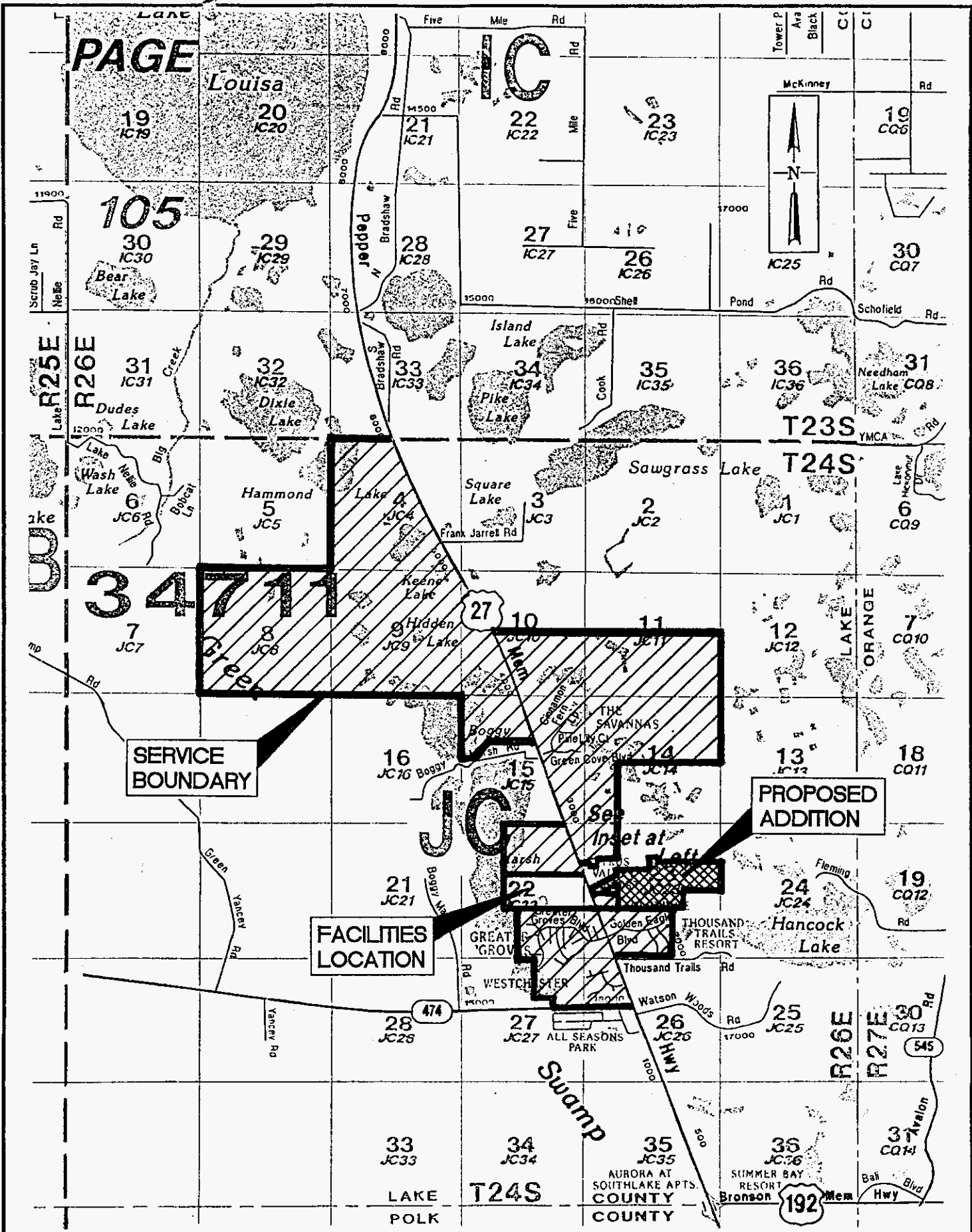
Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

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

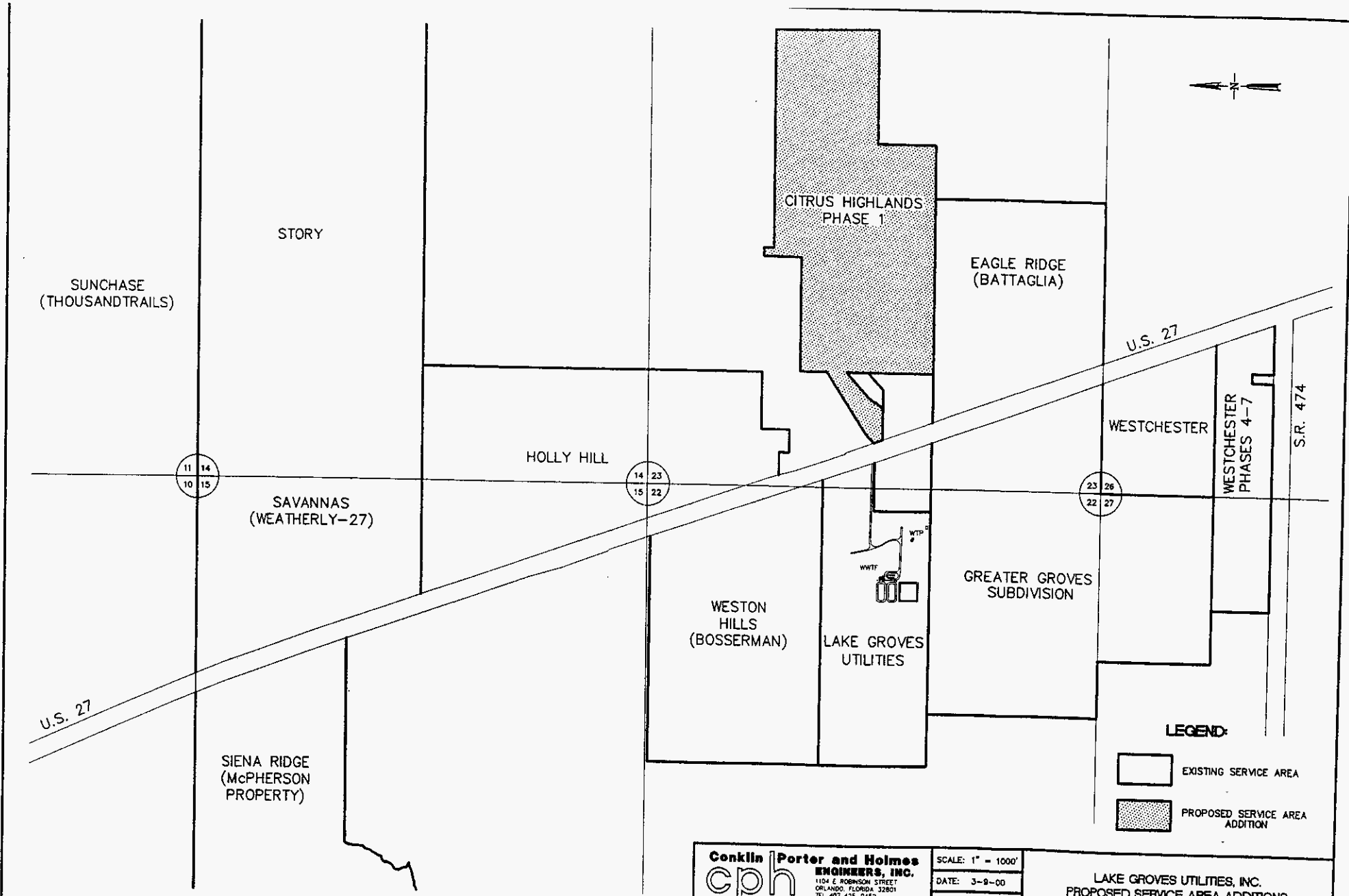
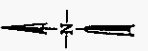
Attached is a map showing the proposed territory addition.





CPH Engineers, Inc.
 1117 EAST ROBINSON STREET
 SUITE C
 ORLANDO, FLORIDA 32801
 TELEPHONE: (407) 426-0462
 FAX: (407) 848-1036
 WWW.CPHENGINEERS.COM

SCALE: 1"=1 MILE±
 DATE: 3-13-00
 JOB NO.: L1611

VICINITY MAP
 LAKE GROVES UTILITIES, INC.
 PROPOSED SERVICE AREA ADDITIONS



LEGEND:

-  EXISTING SERVICE AREA
-  PROPOSED SERVICE AREA ADDITION

Conklin Porter and Holmes ENGINEERS, INC.  <small>© 1997</small>	<small>1104 E ROBINSON STREET ORLANDO, FLORIDA 32801 TEL. 407 425-0452 FAX 407 648-1036</small>	<small>SCALE: 1" = 1000'</small>
	<small>DATE: 3-9-00</small>	
	<small>JOB NO.: L1611.01</small>	

LAKE GROVES UTILITIES, INC.
PROPOSED SERVICE AREA ADDITIONS

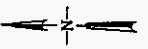
EXHIBIT "O"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

One copy of detailed map(s) showing proposed lines and facilities and the territory proposed to be served.

The proposed territory addition is currently undeveloped. As of the date of this application, the infrastructure to be installed in the proposed addition has not yet been designed/engineered. As such, the attached map shows only the interconnection point between LGUI's existing territory and the proposed addition.



SUNCHASE
(THOUSANDTRAILS)

STORY

CITRUS HIGHLANDS
PHASE 1

EAGLE RIDGE
(BATTAGLIA)

U.S. 27

SANITARY
CONNECTION

WESTCHESTER

WESTCHESTER
PHASES 4-7

S.R. 474

11 14
10 15

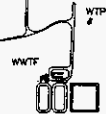
HOLLY HILL

14 23
15 22

SAVANNAS
(WEATHERLY-27)

WATER MAIN
CONNECTION

23 26
22 27



GREATER GROVES
SUBDIVISION



WESTON
HILLS
(BOSSERMAN)

LAKE GROVES
UTILITIES

U.S. 27

SIENA RIDGE
(McPHERSON
PROPERTY)

LEGEND:

-  EXISTING SERVICE AREA
-  PROPOSED SERVICE AREA ADDITION

Conklin Porter and Holmes
ENGINEERS, INC.
 1104 E ROBINSON STREET
 ORLANDO, FLORIDA 32801
 (771) 427-4747

SCALE: 1" = 1000'
 DATE: 3-9-00

LAKE GROVES UTILITIES, INC.
 PROPOSED SERVICE AREA ADDITIONS
 UTILITY CONNECTIONS

EXHIBIT "P"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

An affidavit that the notice of actual application was given in accordance with Section 367.045 (1) (a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code.

THIS WILL BE A LATE-FILED EXHIBIT.

EXHIBIT "Q"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system to be added.

**THERE ARE NO CUSTOMERS CURRENTLY IN THE TERRITORY TO BE ADDED.
THEREFORE, NO NOTICE WAS PROVIDED DIRECTLY TO ANY CUSTOMER.**

EXHIBIT "R"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area

Lake Groves Utilities, Inc.

Water Certificate No. 534-W

Wastewater Certificate No. 465-S

Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit.

THIS WILL BE A LATE-FILED EXHIBIT.

EXHIBIT "S"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

An affidavit that the utility has tariffs and annual reports on file with the Commission.

AFFIDAVIT

STATE OF ILLINOIS

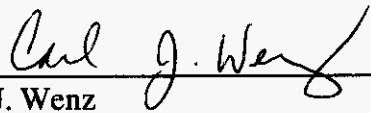
COUNTY of COOK

Before me, the undersigned notary public, personally appeared Carl J. Wenz, who having been first duly sworn according to the law deposes and says that:

1. He is Vice President, Regulatory Matters of Lake Groves Utilities, Inc., a Florida corporation (the "Company"), and in such capacity he has personal knowledge of the matter set forth herein.

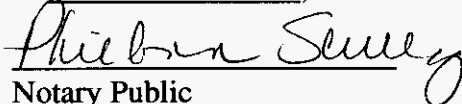
2. The company has filed all tariffs and annual reports required pursuant to Section 367, Florida Statutes and Chapter 25-30, Florida Administrative Code, with the Public Service Commission.

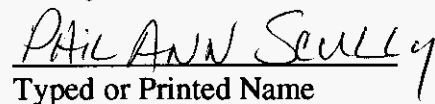
FURTHER AFFIANT SAYETH NAUGHT



Carl J. Wenz
Vice President, Regulatory Matters

Sworn to and subscribed
before me this ^{10th} day 2000
of APRIL, 1999.


Notary Public


Typed or Printed Name

Commission No.: 210329
My Commission Expires: 09-18-01
Personally known to me:



EXHIBIT "T"

APPLICATION FOR AMENDMENT OF CERTIFICATE

Extension of Service Area
Lake Groves Utilities, Inc.
Water Certificate No. 534-W
Wastewater Certificate No. 465-S

An original and two copies of proposed revisions to the utility's tariffs to incorporate the proposed change to the certificated territory.

Attached are revised tariffs reflecting the proposed addition.

WATER TARIFF

SECOND REVISED SHEET NO. 3.0
(CANCELS FIRST REVISED SHEET NO. 3.0)

NAME OF COMPANY: Lake Groves Utilities, Inc.

TERRITORY SERVED

CERTIFICATE NUMBER 534-W

COUNTY- Lake

COMMISSION ORDERS APPROVING TERRITORY SERVED

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
24283	3/25/91	900957-WS	Original Certificate
PSC92-1328-FOF-WS	11/16/92	920900-WS	Amendment
PSC94-0116-FOF-WS	1/31/94	931000-WS	Amendment
PSC99-0884-FOF-WS	5/03/99	990195-WS	Amendment
			Amendment

(Continued to Sheet No. 3.1)

Lawrence N. Schumacher, President

WATER TARIFF

ORIGINAL SHEET NO. 3.11

LAKE GROVES UTILITIES, INC.
(Continued from Sheet No. 3.9)

Citrus Highlands/Calflor Properties, LLC Property:

A portion of Section 23, Township 24 South, Range 26 East, Lake County, Florida, being more particularly described as follows:

Parcels A and B:

Beginning at the intersection of the north line of the northwest one-quarter of the southwest one-quarter of Section 23, Township 24 South, Range 26 East and the east right-of-way line of US Highway 27 as now established, which point is 506.02 feet, more or less, east of the northwest corner of the northwest one-quarter of the southwest one-quarter of said section, run thence south $20^{\circ}05'03''$ east along the east right-of-way line of said Highway 27 a distance of 84.70 feet; thence north $89^{\circ}50'40''$ east 375.55 feet; thence north $39^{\circ}19'10''$ east 206.81 feet; thence north $47^{\circ}37'10''$ east 407.7 feet; thence north $0^{\circ}41'10''$ east 243.6 feet, more or less, to the south line of private road; thence southwesterly along said south line of said private road south $54^{\circ}39'$ west 1051.94 feet to the point of beginning.

Parcel C:

All that land in the southwest one-quarter of the northwest one-quarter of Section 23, Township 24 South, Range 26 East and lying between the above parcels A and B, and the south line of the graded road (said road lying north of said parcels A and B).

From the northwest corner of the southwest one-quarter of Section 23, Township 24 South, Range 26 East, Lake County, Florida, run north $89^{\circ}42'$ east along the north line of said southwest one-quarter of Section 23, a distance of 502.64 feet, more or less, to the easterly right-of-way line of Highway 27 for the point of beginning; run thence south $20^{\circ}33'20''$ east along said right of way line 94.17 feet; thence north $89^{\circ}50'40''$ east 375.55 feet; thence north $39^{\circ}10'10''$ east 115.95 feet to the north line of the southwest one-quarter of said section 23, thence south $89^{\circ}42'$ west 482.19 feet to the point of beginning.

South one-half of southeast one-quarter of northwest one-quarter, south of one-half of northeast one-quarter, north one-half of northwest one-quarter of southeast one-quarter, north one-half of northeast one-quarter of southwest one-quarter, all in Section 23, Township 24 South, Range 26 East, Lake County, Florida.

The south 225 feet of the north one-half of the southeast one-quarter of the northwest one-quarter of Section 23.

Less: The north 116.93 feet of the south one-half of the northeast one-quarter (except the west 100 feet thereof) of Section 23, Township 24 South, Range 26 East.

Lawrence N. Schumacher, President

WATER TARIFF

SECOND REVISED SHEET NO. 4.0
(CANCELS FIRST REVISED SHEET NO. 4.0)

NAME OF COMPANY Lake Groves Utilities, Inc.

COMMUNITIES SERVED LISTING

County	Development	Rate	
<u>Name</u>	<u>Name</u>	Schedule (s)	<u>Sheet No.</u>
		<u>Available</u>	
Lake	Greater Groves	Yes	16.0-23.1
Lake	Weatherly 27/Story Property	Yes	16.0-23.1
Lake	Battaglia Properties, Ltd.	Yes	16.0-23.1
Lake	Karst, Inc.	Yes	16.0-23.1
Lake	Holly Hill Property	Yes	16.0-23.1
Lake	Bosserman Property	Yes	16.0-23.1
Lake	Thousand Trails Property	Yes	16.0-23.1
Lake	Donric, Inc.	Yes	16.0-23.1
Lake	Lykes Bros., Inc.	Yes	16.0-23.1
Lake	McPherson Property/ Sienna Ridge	Yes	16.0-23.1
Lake	Citrus Highlands/Calflor Properties, LLC	Yes	16.0-23.1

Lawrence N. Schumacher, President

WASTEWATER TARIFF

SECOND REVISED SHEET NO. 3.0
(CANCELS FIRST REVISED SHEET NO. 3.0)

NAME OF COMPANY Lake Groves Utilities, Inc.

TERRITORY SERVED

CERTIFICATE NUMBER 465-S

COUNTY- Lake

COMMISSION ORDERS APPROVING TERRITORY SERVED

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
24283	3/25/91	900957-WS	Original Certificate
PSC92-1328-FOF-WS	11/16/92	920900-WS	Amendment
PSC94-0116-FOF-WS	1/31/94	931000-WS	Amendment
PSC99-0884-FOF-WS	5/03/99	990195-WS	Amendment
			Amendment

(Continued to Sheet No. 3.1)

Lawrence N. Schumacher, President

LAKE GROVES UTILITIES, INC.
(Continued from Sheet No. 3.12)

Citrus Highlands/Calflor Properties, LLC Property:

A portion of Section 23, Township 24 South, Range 26 East, Lake County, Florida, being more particularly described as follows:

Parcels A and B:

Beginning at the intersection of the north line of the northwest one-quarter of the southwest one-quarter of Section 23, Township 24 South, Range 26 East and the east right-of-way line of US Highway 27 as now established, which point is 506.02 feet, more or less, east of the northwest corner of the northwest one-quarter of the southwest one-quarter of said section, run thence south 20°05'03" east along the east right-of-way line of said Highway 27 a distance of 84.70 feet; thence north 89°50'40" east 375.55 feet; thence north 39°19'10" east 206.81 feet; thence north 47°37'10" east 407.7 feet; thence north 0°41'10" east 243.6 feet, more or less, to the south line of private road; thence southwesterly along said south line of said private road south 54°39' west 1051.94 feet to the point of beginning.

Parcel C:

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From the northwest corner of the southwest one-quarter of Section 23, Township 24 South, Range 26 East, Lake County, Florida, run north 89°42' east along the north line of said southwest one-quarter of Section 23, a distance of 502.64 feet, more or less, to the easterly right-of-way line of Highway 27 for the point of beginning; run thence south 20°33'20" east along said right of way line 94.17 feet; thence north 89°50'40" east 375.55 feet; thence north 39°10'10" east 115.95 feet to the north line of the southwest one-quarter of said section 23, thence south 89°42' west 482.19 feet to the point of beginning.

South one-half of southeast one-quarter of northwest one-quarter, south of one-half of northeast one-quarter, north one-half of northwest one-quarter of southeast one-quarter, north one-half of northeast one-quarter of southwest one-quarter, all in Section 23, Township 24 South, Range 26 East, Lake County, Florida.

The south 225 feet of the north one-half of the southeast one-quarter of the northwest one-quarter of Section 23.

Less: The north 116.93 feet of the south one-half of the northeast one-quarter (except the west 100 feet thereof) of Section 23, Township 24 South, Range 26 East.

Lawrence N. Schumacher, President

WASTEWATER TARIFF

SECOND REVISED SHEET NO. 4.0
(CANCELS FIRST REVISED SHEET NO. 4.0)

NAME OF COMPANY Lake Groves Utilities, Inc.

COMMUNITIES SERVED LISTING

County	Development	Rate	
<u>Name</u>	<u>Name</u>	<u>Schedule (s)</u>	<u>Sheet No.</u>
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Lake	Karst, Inc.	Yes	16.0-23.1
Lake	Holly Hill Property	Yes	16.0-23.1
Lake	Bosserman Property	Yes	16.0-23.1
Lake	Thousand Trails Property	Yes	16.0-23.1
Lake	Donric, Inc.	Yes	16.0-23.1
Lake	Lykes Bros., Inc.	Yes	16.0-23.1
Lake	McPherson Property/ Sienna Ridge	Yes	16.0-23.1
Lake	Citrus Highlands/Calflor Properties, LLC	Yes	16.0-23.1

Lawrence N. Schumacher, President

UTILITIES, INC.

ORIGINAL

2335 Sanders Road
 Northbrook, Illinois 60062-6196
 Telephone 847 498-6440
 Facsimile 847 498-2066

DEPOSIT
 D27

DATE
 APR 12 2000

April 7, 2000

Ms. Blanco S. Bayo, Director
 Division of Records and Reporting
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850

000430-115

RE: Application by Lake Groves Utilities, Inc. for Amendment of
 Certificates 534-W and 465-S to Add additional Territory in
 Lake County.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG I
- MAS _____
- OPC _____
- RRR _____
- SEC I
- WAW I
- OTH _____

Dear Ms. Bayo:

Enclosed for filing are an original and five (5) copies of an Application for Amendment of Certificate Nos. 534-W and 465-S. Also enclosed is the \$1,000 filing fee (\$500 each for water and sewer). Two additional copies of the tariffs are also included. PSC Certificate Nos. 534-W and 465-S are also attached.

If you have any questions, please contact me directly.

Respectfully submitted

WATER SERVICE CORP.		BANK ONE COLUMBUS, NA Circleville and Williamsport, Ohio Offices	
DISBURSING ACCOUNT OF UTILITIES INCORPORATED 2335 SANDERS ROAD NORTHBROOK, IL 60062		DATE: 4/7/00	
*****One Thousand and no/100*****		NET AMOUNT: \$1,000.00	
V260		339634	
TO THE ORDER OF Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850		 AUTHORIZED SIGNATURE	
		 AUTHORIZED SIGNATURE	

339634

UTILITIES, INC.

2335 Sanders Road
Northbrook, Illinois 60062-6196
Telephone 847 498-6440
Facsimile 847 498-2066

DEPOSIT DATE
D27:10 APR 12 2000

April 7, 2000

Ms. Blanco S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

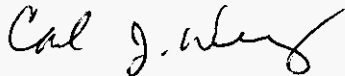
**RE: Application by Lake Groves Utilities, Inc. for Amendment of
Certificates 534-W and 465-S to Add additional Territory in
Lake County.**

Dear Ms. Bayo:

Enclosed for filing are an original and five (5) copies of an Application for Amendment of Certificate Nos. 534-W and 465-S. Also enclosed is the \$1,000 filing fee (\$500 each for water and sewer). Two additional copies of the tariffs are also included. PSC Certificate Nos. 534-W and 465-S are also attached.

If you have any questions, please contact me directly.

Respectfully submitted,



Carl J. Wenz
Vice President, Regulatory Matters

cc: Mr. Ben Girtman