

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

The Staff of the Missouri Public Service Commission,)	
)	
Complainant,)	
)	Case No. WC-2008-
v.)	
)	
Delmic, Inc., Delbert C. Jacobs, and Michelle Fanning-Jacobs,)	
Respondents.)	

COMPLAINT AND MOTION FOR EXPEDITED TREATMENT

Complaint

COMES NOW the Staff of the Missouri Public Service Commission (Staff) pursuant to Section 386.390, RSMo 2000, and for its Complaint respectfully states as follows:

Complainant

1. Complainant is the Staff of the Missouri Public Service Commission (Staff), acting through the Commission's General Counsel as authorized by Commission Rule 4 C.S.R. 240-2.070(1). A "Complaint may be made. . .in writing, setting forth any act or thing done or omitted to be done by any corporation. . .in violation, or claimed to be in violation, of any provision of law, or of any rule or order or decision of the Commission. . . ." Section 386.390.1 RSMo (2000).

Respondents

2. Respondent Delmic, Inc. (Delmic) is a Missouri general business corporation in good standing with its principal place of business at 4001 Ponderosa St., Lot #5, Columbia, MO 65201. Delmic, Inc. was incorporated by Delbert Jacobs and

Michelle Jacobs on September 9, 2003. Its Missouri registered agent is Delbert C. Jacobs, 3261 Winding Trail Road, Columbia, MO 65201.

3. Respondent Michelle Fanning-Jacobs is the President and Secretary of Delmic, Inc. and is the sole member of the corporation's board of directors listed on the corporation's latest annual report filing with the Secretary of State.

4. Respondent Delbert C. Jacobs is the Vice President of Delmic, Inc. and is the company's registered agent.

Allegations Common to All Counts

5. Respondent Delmic, Inc. was incorporated to operate the Blue Acres Trailer Park (Blue Acres) in Columbia, Missouri and to make other investments and purchase other property as deemed necessary.

6. Blue Acres was conveyed to Delbert Jacobs and Michelle Jacobs as husband and wife by general warranty deed on September 5, 2003. (A true and correct copy of the general warranty deed is attached hereto as Exhibit A and incorporated herein by reference.)

7. Blue Acres has approximately 114 pads for mobile homes.

8. On January 31, 2003, Blue Acres, Inc., the owner of Blue Acres prior to Delbert Jacobs and Michelle Jacobs, entered into a contract with Universal Utilities, Inc. (Universal) for the provision of water and sewer services to the residents of Blue Acres. (A true and correct copy of the contract between Blue Acres, Inc. and Universal Utilities, Inc. is attached hereto as Exhibit B and is incorporated herein by reference).

9. The January 31, 2003 contract was for a term of 60 months.

10. The January 31, 2003 contract remained in effect after ownership of the trailer park changed from Blue Acres, Inc. to Delbert Jacobs and Michelle Jacobs.

11. By the terms of Universal Utilities' January 31, 2006 contract with Blue Acres, Universal Utilities:

- a. installed water meters at each pad site,
- b. read water meters and billed residents for water and sewer usage,
- c. set water and sewer rates,
- d. collected payments for water and sewer usage from residents,
- e. notified customers of delinquencies in accounts, and
- f. terminated water service if payments were not made in full.

12. According to the attached notice of Universal Utilities, marked as Exhibit C and incorporated herein by reference, Universal Utilities claimed to its customers that:

- a. metering equipment at customers' premises is the property of Universal,
- b. using water without Universal's authorization is a federal offense,
- c. fees will be charged for tampering with Universal's property,
- d. meters may be removed and water services terminated for unauthorized water usage,
- e. Universal may impose fines and penalties for unauthorized water usage,

13. On September 13, 2007, Staff filed a Complaint against Universal Utilities and its President, Secretary and Treasurer Nancy Carol Croasdell alleging that Universal

Utilities is holding itself out as a public utility without proper authorization from the Commission. (Case No. WC-2008-0079).

14. On September 13, 2007, the Commission obtained a temporary restraining order against Universal Utilities prohibiting Universal from disconnecting any residents living in Blue Acres. (A true and correct copy of the temporary restraining order is attached hereto as Exhibit D and is incorporated herein by reference).

15. On September 20, 2007, the Court extended the temporary restraining order until October 31, 2007 by agreement of the parties. (A true and correct copy of the Notice of Entry extending the temporary restraining order is attached hereto as Exhibit E and is incorporated herein by reference).

16. The Commission's Petition for Preliminary and Permanent Injunction is set for hearing on October 30, 2007.

17. On October 16, 2007, Delmic, Inc. issued a notice to its customers regarding a change in the month-to-month tenancy agreement of each resident of Blue Acres. (A true and correct copy of the October 19, 2007 Notice issued by Delmic, Inc. is attached hereto as Exhibit F and is incorporated herein by reference).

18. The October 19, 2007 Notice informed residents that the previous contractual arrangement with Universal Utilities had been terminated.

19. The October 19, 2007 Notice informed residents that going forward Universal would be responsible for reading residents' water meters and calculate and render monthly bills on behalf of Blue Acres.

20. The October 19, 2007 Notice informed residents that the residents' only contractual relationship in existence going forward would be between the resident and Blue Acres.

21. The October 19, 2007 Notice informed residents that they would be charged a \$5.79 monthly service fee and a volumetric charge based on usage for water and sewer service and that these charges would become part of residents' monthly rent bills.

22. The October 19, 2007 Notice informed residents that failure to comply with the new contractual terms could lead to an action for rent and possession or other civil action.

23. Delmic, Inc. obtains water from Consolidated Water Supply District #1 in Boone County, Missouri.

24. Delmic, Inc. pays a monthly fee of \$80 and \$5.00 per 1000 gallons of water to Consolidated Water Supply District #1.

25. Delbert Jacobs and Michelle Jacobs own the water distribution system on the Blue Acres side of the master meter owned by Consolidated Water Supply District #1.

Count I

Respondents Operate as a Public Utility Subject to Regulation by the Commission

26. Complainant hereby adopts by reference and re-alleges allegations set out in Paragraphs 1 through 24, above.

27. Section 386.020(58), RSMo, provides:

"Water corporation" includes every corporation, company, association, joint stock company or association, partnership and person,

their lessees, trustees, or receivers appointed by any court whatsoever, owning, operating, controlling or managing any plant or property, dam or water supply, canal, or power station, distributing or selling for distribution, or selling or supplying for gain any water[.]

28. Section 386.020(48), RSMo., provides:

"Sewer corporation" includes every corporation, company, association, joint stock company or association, partnership or person, their lessees, trustees or receivers appointed by any court, owning, operating, controlling or managing any sewer system, plant or property, for the collection, carriage, treatment, or disposal of sewage anywhere within the state for gain, except that the term shall not include sewer systems with fewer than twenty-five outlets[.]

29. Since October 16, 2007 Respondents have operated or controlled or managed the water and sewer systems serving Blue Acres Mobile Home Park within the intendments of Section 386.020, (48) and (58), RSMo, and have provided water and sewer service to the residents thereof.

30. By billing residents in Blue Acres for water and sewer services, and by asserting the right to bring legal action for failure to comply with the terms of the provision of water and sewer service, Respondents are selling water and sewer services, or supplying water and sewer services for gain, within the meaning of Section 386.020, (48) and (58), RSMo.

31. Respondents own, operate, control, and manage plant, property, and water supply, and distribute, sell and supply water and sewer services.

32. The sewer system in the Blue Acres Mobile Home Park has 25 or more outlets.

33. With respect to the Blue Acres Mobile Home Park service area water and sewer systems, Respondents are a water corporation and a sewer corporation within the intendments of Section 386.020, (48) and (58), RSMo.

34. Section 386.020(42), RSMo, provides:

"Public utility" includes every . . . water corporation, . . . and sewer corporation, as these terms are defined in this section, and each thereof is hereby declared to be a public utility and to be subject to the jurisdiction, control and regulation of the commission and to the provisions of this chapter[.]

35. With respect to the Blue Acres Mobile Home Park water and sewer systems, Respondents act as a public utility within the meaning of Section 386.020(42), RSMo, and are thus subject to the jurisdiction, control and regulation of this Commission.

WHEREFORE, Staff prays that the Commission will give notice to Respondents as required by law and, after hearing, find that Respondents, with respect to their provision of water and sewer services at Blue Acres Mobile Home Park since October 16, 2007, are a water corporation and a sewer corporation within the meaning of Section 386.020, (48) and (58), RSMo, and are thus a public utility within the meaning of Section 386.020(42), RSMo, and are subject to the jurisdiction, regulation and control of this Commission.

Count II

Unauthorized Provision of Water and Sewer Services to the Public

36. Complainant hereby adopts by reference and re-alleges the allegations set out in Paragraphs 1 through 32, above.

37. Section 393.170, RSMo, provides:

1. No . . . water corporation or sewer corporation shall begin construction of a . . . water system or sewer system without first having obtained the permission and approval of the commission.

2. No such corporation shall exercise any right or privilege under any franchise hereafter granted, or under any franchise heretofore granted but not heretofore actually exercised, or the exercise of which shall have

been suspended for more than one year, without first having obtained the permission and approval of the commission. Before such certificate shall be issued a certified copy of the charter of such corporation shall be filed in the office of the commission, together with a verified statement of the president and secretary of the corporation, showing that it has received the required consent of the proper municipal authorities.

3. The commission shall have the power to grant the permission and approval herein specified whenever it shall after due hearing determine that such construction or such exercise of the right, privilege or franchise is necessary or convenient for the public service. The commission may by its order impose such condition or conditions as it may deem reasonable and necessary. Unless exercised within a period of two years from the grant thereof, authority conferred by such certificate of convenience and necessity issued by the commission shall be null and void.

38. No Respondent possesses Certificates of Convenience and Necessity (CCN) issued by this Commission authorizing them to exercise any right, privilege or franchise by providing water or sewer services to the public for gain in any service areas within the State of Missouri.

39. With respect to the provision of water and sewer services in the State of Missouri without a CCN granted by the Commission, Respondents have violated Section 393.170, RSMo, by the conduct described in Paragraphs 1 through 38.

WHEREFORE, Staff prays that the Commission will give notice to Respondents as required by law and, after hearing, find that Respondents have violated Section 393.170, RSMo, by their conduct with respect to the unauthorized provision of water and sewer service without the grant a certificate of service authority and, further, find that each day of operation in violation of Section 393.170, RSMo, constitutes a separate violation.

Count III

Authority to Seek Penalties

40. Complainant hereby adopts by reference and re-alleges the allegations set out in Paragraphs 1 through 39, above.

41. Section 386.570, RSMo, provides:

1. Any corporation, person or public utility which violates or fails to comply with any provision of the constitution of this state or of this or any other law, or which fails, omits or neglects to obey, observe or comply with any order, decision, decree, rule, direction, demand or requirement, or any part or provision thereof, of the commission in a case in which a penalty has not herein been provided for such corporation, person or public utility, is subject to a penalty of not less than one hundred dollars nor more than two thousand dollars for each offense.

2. Every violation of the provisions of this or any other law or of any order, decision, decree, rule, direction, demand or requirement of the commission, or any part or portion thereof, by any corporation or person or public utility is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof shall be and be deemed to be a separate and distinct offense.

3. In construing and enforcing the provisions of this chapter relating to penalties, the act, omission or failure of any officer, agent or employee of any corporation, person or public utility, acting within the scope of his official duties of employment, shall in every case be and be deemed to be the act, omission or failure of such corporation, person or public utility.

42. Section 386.600, RSMo, provides:

An action to recover a penalty or a forfeiture under this chapter or to enforce the powers of the commission under this or any other law may be brought in any circuit court in this state in the name of the state of Missouri and shall be commenced and prosecuted to final judgment by the general counsel to the commission. No filing or docket fee shall be required of the general counsel. In any such action all penalties and forfeitures incurred up to the time of commencing the same may be sued for and recovered therein, and the commencement of an action to recover a penalty or forfeiture shall not be, or be held to be, a waiver of the right to recover any other penalty or forfeiture; if the defendant in such action shall prove that during any portion of the time for which it is sought to recover penalties or forfeitures for a violation of an order or decision of

the commission the defendant was actually and in good faith prosecuting a suit to review such order or decision in the manner as provided in this chapter, the court shall remit the penalties or forfeitures incurred during the pendency of such proceeding. All moneys recovered as a penalty or forfeiture shall be paid to the public school fund of the state. Any such action may be compromised or discontinued on application of the commission upon such terms as the court shall approve and order.

WHEREFORE, Staff prays that the Commission will give such notice to Respondents as is required by law and, after hearing, in the event that any of the conduct herein described is determined to be a violation of any law of the State of Missouri or of any order, decision, or rule of the Commission, deem each day that such violation existed to be a separate offense and authorize its General Counsel to proceed in the Circuit Court of its choosing to seek such penalties as are authorized by law.

Motion for Expedited Treatment

For its Motion for Expedited Treatment pursuant to Commission Rule 4 CSR 240-2.080(16), Staff states as follows:

1. Staff requests that the Commission issue its decision in this case no later than December 17, 2007.
2. Expedited treatment in this case will be of benefit to Respondents' customers, currently known and unknown to Staff, because it is in the public interest to ensure that customers of public utilities have access to safe and adequate utility service at just and reasonable rates.
3. This pleading was filed as soon as practicable after Staff became aware of the changed circumstances at Blue Acres Mobile Home Park with regard to the provision of water and sewer services.

WHEREFORE, Staff requests that the Commission grant its Motion for Expedited Treatment and that a decision be issued in this case no later than December 17, 2007.

Respectfully Submitted,

/s/ Steven C. Reed

Steven C. Reed
Missouri Bar No. 40616

Jennifer Heintz
Missouri Bar No. 57128
Attorneys for the Staff of the
Missouri Public Service Commission

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Boone County, Missouri
Unofficial Document



Recorded in Boone County, Missouri

Date and Time: 09/08/2003 at 08:11:19 AM

Instrument #: 2003037977 Book: 02343 Page: 0066

Grantor BLUE ACRES INC

Grantee JACOBS, DELBERT C

Instrument Type WD
Recording Fee \$30.00
No of Pages 3

Bettie Johnson, Recorder of Deeds



CORPORATION GENERAL WARRANTY DEED

THIS DEED, made and entered into this 5th day of September, 2003, by and between **Blue Acres, Inc.**, a Missouri corporation ("Grantor") and **Delbert C. Jacobs and Michelle Jacobs**, husband and wife ("Grantees"). Grantees' mailing address is 3261 Winding Trail Drive, Columbia, MO 65201.

WITNESSETH, that Grantor, for and in consideration of the sum of One Dollar and other valuable considerations paid by Grantees, the receipt of which is hereby acknowledged, and by virtue and in pursuance of a resolution of the Board of Directors of Grantor, a corporation, does by these presents, GRANT, BARGAIN AND SELL, CONVEY AND CONFIRM unto Grantees the following described Real Estate, situated in the County of Boone, State of Missouri, to-wit:

A TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION THIRTY-TWO (32), TOWNSHIP FORTY-EIGHT (48) NORTH, RANGE TWELVE (12) WEST, OF THE FIFTH (5TH) PRINCIPAL MERIDIAN, IN BOONE COUNTY, MISSOURI, AS SHOWN AND DESCRIBED BY THE SURVEY THEREOF MADE BY D. E. HILL ON MARCH 27, 1949 AND RECORDED APRIL 11, 1949 IN BOOK 253, PAGE 193, DEED RECORDS OF BOONE COUNTY, MISSOURI, EXCEPTING THEREFROM THAT PART TAKEN BY THE STATE OF MISSOURI, ACTING BY AND THROUGH THE STATE HIGHWAY COMMISSION OF MISSOURI, UNDER CONDEMNATION CASE NO. 45013 FILED IN THE CIRCUIT COURT OF BOONE COUNTY, MISSOURI, AS NOTICE THEREOF IS SET FORTH BY REPORT OF COMMISSIONERS DATED FEBRUARY 10, 1961 AND RECORDED IN BOOK 304, PAGE 581, DEED RECORDS OF BOONE COUNTY, MISSOURI. SAID TRACT OF LAND BEING THE SAME TRACT OF LAND AS CONVEYED TO BLUE ACRES, INC., A MISSOURI CORPORATION BY WARRANTY DEED DATED AUGUST 3, 1977 AND RECORDED IN BOOK 445, PAGE 447, DEED RECORDS OF BOONE COUNTY, MISSOURI.

EXCEPTING THEREFROM A TRACT OF LAND CONTAINING 1.01 ACRES, MORE OR LESS, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 32 AS SHOWN IN THE SURVEY RECORDED IN BOOK 253, PAGE 193; THENCE WITH THE NORTH LINE OF SAID SECTION 32, SOUTH 88 DEGREES 09' 00" EAST, 825.81 FEET TO THE WESTERLY RIGHT-OF-WAY OF U.S. HIGHWAY 63; THENCE LEAVING SAID NORTH LINE AND WITH THE LINES OF SAID RIGHT-OF-WAY 60.00 FEET ALONG A 5140.53-FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A CHORD SOUTH 35 DEGREES

EXHIBIT A

<http://www.showmeboone.com>

Boone County, Missouri
Unofficial Document

BOONE COUNTY MO SEP 8 2003

16' 30" EAST, 60.00 FEET TO THE POINT OF BEGINNING; THENCE FROM THE POINT OF BEGINNING 242.89 FEET ALONG SAID 5140.53-FOOT RADIUS CURVE TO THE LEFT, SAID CURVE HAVING A CHORD SOUTH 36 DEGREES 57' 50" EAST 242.87 FEET; THENCE LEAVING THE LINES OF SAID RIGHT-OF-WAY, SOUTH 39 DEGREES 12' 15" WEST, 235.98 FEET; THENCE NORTH 50 DEGREES 47' 45" WEST, 68.67 FEET; THENCE NORTH 3 DEGREES 03' 35" EAST, 305.21 FEET; THENCE NORTH 54 DEGREES 19' 50" EAST, 49.28 FEET TO THE POINT OF BEGINNING:

SUBJECT, HOWEVER, TO EASEMENTS AND RESTRICTIONS OF RECORD.

TO HAVE AND TO HOLD THE SAME, with all and singular the rights, privileges, appurtenances and amenities thereto belonging, or in any wise appertaining, unto the Grantees and their heirs and assigns, FOREVER, and the Grantor hereby covenants that it is lawfully seized of an indefeasible estate in fee simple in the premises herein conveyed; that it has good right to convey the same; that the premises are free and clear of any encumbrances whatsoever done or suffered by it or those under whom it claims; that it will make and execute such other and further assurances and do such other acts and things as may be necessary for perfecting the title and confirming the premises hereby granted; and that it will warrant and defend the title to said premises unto the Grantees and their heirs and assigns, against the lawful claims of all persons whomsoever; excepting, however, the general taxes for the year 2003, and special assessments becoming a lien after the date of this deed.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed by its President, attested by its Secretary, and its corporate seal hereto affixed, the day and year first above written.

Blue Acres, Inc., a Missouri corporation

By: Edward L. Sachs (Pres)
Edward L. Sachs, President

Attest: Adron E. Perry II ASST SEC
Adron E. Perry II, Assistant Secretary


STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this 5TH day of September, 2003, before me appeared Edward L. Sachs, to me personally known, who, being by me duly sworn did say that he is the President of the Corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said President acknowledged said instrument to be the free act and deed of said corporation.

Boone County, Missouri
Unofficial Document

BOONE COUNTY MO SEP 8 2003

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



KAREN R. BLAWN, Notary Public
BOONE County, State of Missouri
My commission expires: 3-6-2006



P.O. Box 1095
Fenton, MI 48430-1095

Universal Utilities, Inc.

Phone: (800)788-8287
Fax: (810)750-3979

LEASE
LETTER OF UNDERSTANDING REGARDING INSTALLATION OF
OF WATER METERING EQUIPMENT AND BILLING PROGRAM

IT IS HEREBY AGREED by and between Universal Utilities, Inc., a corporation, and Blue Acres MHP, located in Columbia, Missouri, hereinafter referred to as Owner, Community, and or Management, the following:

INSTALLATION OVERVIEW

1A. FINANCING AND PAYMENT. Universal Utilities agrees to install water meters at a per meter cost of One Hundred and Nine Dollars (\$150.00) per site, for a 5/8" x 3/4" Badger water meter with a remote register system, nipples, labor, shipping and taxes. This cost does not include, but not limited to, heat cable, service line replacement, riser repair, etc., that may be required in the process of the installation. A down payment of 30% of the total cost is due prior to startup. The balance of the installation and additional items is due upon receipt of invoice. Universal Utilities will bill Owner per installed meter, due upon receipt.

2A. COMMENCEMENT. Installation shall commence on or about 2/2/03 and shall proceed until completed.

3A. TITLE AND PERSONAL PROPERTY. The metering equipment installed under this agreement is and shall at all times remain the property of Universal Utilities. The equipment is, and shall at all times be and remain the personal property of Universal Utilities, notwithstanding that the equipment or any part thereof may now be or hereafter become in any manner affixed or attached to the real property or any improvements thereon of subscriber. Subscriber shall be responsible for the payment of any applicable personal property taxes.

4A. COMMUNITY NEEDS. It is understood that Universal Utilities and its representatives are experienced in the installation of water metering equipment. The community represents that all water lines, risers, and shut off valves are in reasonable working order and in such condition as to withstand the rigors of typical meter installation.

Universal Utilities understands that due to age, water conditions, etc., that not all risers and valves may be in top condition. In the opinion of Universal Utilities personnel or its representatives, a riser, valve, or other related equipment appearing in questionable shape, shall be brought to the attention of community management for discussion prior to proceeding with that particular meter installation. If a leak is detected at a resident's home, Universal Utilities personnel will notify community management before proceeding with installation.

While it is a seldom occurrence, the owner and management understands that during the routine course of meter installation the water line to the home is handled and that a drip may appear away from the meter itself. It shall be the responsibility of the resident or community

EXHIBIT B

management to inspect such leaks and repair them should they occur.

The skirting of each home must be equipped with an access panel (door). Community management will remove and replace all skirting. If no access is provided it will be the community management's and/or resident's responsibility to remove the skirting near the water riser for accessibility. Once the community management has inspected and approved the meter installation (see under "Owner's Inspections") the management or resident may reinstall the home skirting. Universal Utilities cannot be responsible for damages to home skirting where there is no access to the water riser and plumbing.

The path from the skirting access door to the home's water riser and the area under the water line must be clear of storage items and miscellaneous debris. It is the community management's and/or resident's responsibility to see that these areas under the home are clear in order for the installation to commence.

6A. WATER LINE BREAK. Should a riser, valve, or water line break during a meter installation, Universal Utilities or its representatives will make every effort to correct the problem with the available personnel, equipment, and parts at hand. However, if additional work of a time consuming nature is required, it shall be the responsibility of the community to resolve the problem. Should a shut off valve be non-operable, or non-existent, Universal Utilities shall install a new valve at a cost of Fifteen Dollars (\$15.00) per valve, provided community management or ownership can provide adequate means of shutting off water service to the riser.

7A. HOSE BIB. It is also understood that where a hose bib (a.k.a. spigot or sill cock) exists before the location of the water meter, that it will be removed, provided the community can provide adequate means of shutting off the water service to the spigot. If community desires, Universal Utilities or its representative shall install a tee fitting after the meter and reinstall the spigot. If the spigot is not reusable, Universal Utilities shall provide a new spigot at a cost of Ten Dollars (\$10.00) each. It is understood that the spigot may not be as accessible as it was prior to the installation of the water meter.

If an existing spigot is located on the outside of the home and plumbed directly to the home's water line, it may have to be disconnected and re-plumbed. The charge for this service will be Forty-five Dollars (\$45.00) per reconnection. This reconnection may only occur at the time of the meter installation.

8A. COMMUNITY INSPECTIONS. Weather permitting, Universal Utilities personnel or its representative shall not reinstall home skirting so as to allow management to inspect the meter installation and the remotes at the end of each day. Management shall approve the entire meter installation prior to the installation crew leaving the community. Should management not inspect the installations on a daily basis, Universal Utilities or its representatives shall not be liable for correcting any alleged damage from installation.

9A. HEAT CABLE AND METER JACKET. Universal Utilities shall wrap each meter with the existing heat cable if possible and insulate the meter with a meter jacket. Should the existing heat cable not be sufficient in length or be in such condition as to pose a hazardous situation,

Universal Utilities or its representative shall notify community management. Upon management approval, Universal Utilities or its representative shall replace the entire heat cable and plug kit for a cost of \$180, parts and labor.

10A. LEAK CORRECTIONS. Universal Utilities or its representatives shall return to the community approximately twenty days following the complete installation to correct any leaks or other miscellaneous problems that may occur. Universal Utilities shall always be responsible for repairing leaks at the meter itself; however, any leaks that may occur in other parts of the water line shall be the responsibility of the community.

11A. WARRANTY AND SERVICE FOR WATER METERS. It is understood that the metering equipment is the property of Universal Utilities. Therefore, in the event that a meter is found to be faulty or not repairable, due to normal deterioration, Universal Utilities will replace it with a new meter at no cost to the resident or community. Universal Utilities will furnish the manpower and materials to keep all remotes in good working order at no cost to the residents and community. Universal Utilities will not warranty the meters or remotes due to negligence on part of the resident or community. In the event a meter or remote requires replacement due to negligence it will be at the cost of the resident or community. Any questions concerning meter service can be answered using a toll-free number between 8:30am to 4:00pm weekdays. In addition, an emergency number may be accessed after business hours.

BILLING PROGRAM OVERVIEW

1B. SERVICE FEES FOR BILLING RESIDENTS AND RATE INCREASES: Universal Utilities will read the meter and bill the residents each month for water and sewer usage, or any other items needed. Universal Utilities will charge each resident home \$5.75 per month for billing, services and collection. The term of this agreement will be sixty (60) months beginning on the date actual billing begins. Other fees such as late fees, shutoff notices, collection fees may apply to the residents. Residents will also be charged a one-time administration fee of \$20.00 at the start up. Universal Utilities reserves the right to increase their monthly service fee to the residents of the community, but may do so, and only by the amount of increase, at the time the rates for first class postage are raised by the United States Postal Service. A thirty day (30) advance notice of such intent to increase the fee will be forwarded to the residents stating the amount and reason for the increase.

2B. SAMPLE STATEMENT AND LEAK DETECTION. Universal Utilities will send one thirty (30) day sample statement to each resident's address prior to sending the first statement that will have to be paid. This gives the resident an opportunity to review their water consumption and if there may be leaks in the home's plumbing system. If a resident feels there is a problem Universal Utilities will furnish the manpower to inspect the home and give recommendations for repairs, if any are necessary. There will be no charge for this inspection service during the first 60 days following the beginning of the 30 day sample statement.

3B. WATER AND SEWER BILLING RATES. Subscriber authorizes the rates used to be in accordance with the local municipality rates, unless subscriber authorizes a rate structure lower than the local municipality. This must be in writing from the subscriber to Universal Utilities.

Annually, it shall be the responsibility of Universal Utilities to check any rate changes that may occur during the duration of this agreement, notify subscriber, and subscriber must validate change in rates.

4B. ACCOUNTING AND PAYMENTS TO COMMUNITY. Universal Utilities will account for all monies collected from the residents. This is a collected mail fund each 30 days after the account is established. The accounting will show each resident's water consumption, the cost of water and sewer charged, and credits, if any. A check and financial statement for the amount collected, less Universal Utilities' fees, will be forwarded to the community every 30 days. The first month's accounting will be approximately sixty (60) days.

5B. RESIDENT ACCOUNT INFORMATION. Subscriber shall provide to Universal Utilities the names and addresses of the residents currently residing, along with other information deemed necessary to open the initial customer account. Subscriber shall notify Universal Utilities weekly of any resident's change of occupancy.

6B. METER READINGS. Universal Utilities shall be required to take meter readings on approximately the same date each month. The variance in the reading day will not be more than five days from month to month once it has been established for the first month.

7B. BILLING SERVICE. Universal Utilities shall deposit in the United States Mail completed monthly resident billing statements that shall include billing period and usage amount.

8B. PAYMENT PERIOD. The allotted resident payment period shall be approximately fifteen days from the time billing is mailed. Resident payments shall be credited to the subscriber's account on a daily basis.

9B. SUBSCRIBERS BILLING STATEMENT. Universal Utilities shall provide a billing period statement to the Subscriber reflecting all activities of its account. Such reports shall contain separate resident account information.

10B. DELINQUENT RESIDENT ACCOUNT MANAGEMENT. If a resident bill remains unpaid on the due date, Universal Utilities shall deliver notice to the resident that the bill is delinquent and the water service may be terminated by Universal Utilities after giving of said notice unless payment is made in full.

11B. LOSS OR DAMAGE TO EQUIPMENT. Resident assumes and shall bear the entire risk of loss, theft, destruction or damage of or to the metering equipment or any item thereof whether or not covered by insurance. Upon reasonable notice, Universal Utilities may at any reasonable time enter the Subscriber's premises for the purpose of inspecting the metering equipment. It is understood that Universal Utilities is acting as agent only on behalf of the Subscriber and is not responsible for the maintenance or ultimate resolution of resident complaints, and shall not be held liable for the same.

12B. BILLING COMPARISONS. Universal Utilities will compare the Subscriber's water and sewer bills, as requested, between the resident collections and the billing from the local

municipality. There will be no charge for this service. It is understood that it is the responsibility of the Subscriber to forward municipality bills to Universal Utilities for comparison purposes.

13B. TERMS OF AGREEMENT. Subscriber agrees to honor the terms and obligations contained in this Agreement for a period of sixty (60) months from the date of the first meter reading. This Agreement shall be renewed automatically for successive terms of one year until either party gives written notice to the other of its intention to not renew this agreement. Said notice shall be given at least sixty (60) days prior to the expiration of the final term. This agreement shall bind the parties and their assigns and Subscriber agrees to notify any prospective purchaser of Subscriber's property of the existence of this Agreement to provide assumption of their agreement by any purchaser.

14B. WARRANTIES AND OBLIGATIONS. Warranties and obligations of Universal Utilities set forth in this agreement shall be in lieu of any and all other warranties expressed or implied, including but not limited to, warranties of merchantability and fitness for use.

15B. RULES OF GOVERNING BODY. It is the responsibility of the subscriber to meet all rules and responsibilities required of them by any governing body that may have authority over these activities. Universal Utilities shall be available on a mutually agreed basis for consultation and assistance with regard to these requirements.

16B. EVENTS CONSTITUTING DEFAULT. The following events shall constitute default by either party hereunder:

- (a) The nonpayment by Universal Utilities or Subscriber for a period of thirty (30) days of any sum required hereunder to be paid by Universal Utilities or Subscriber.
- (b) The nonperformance by Universal Utilities or Subscriber of any other covenant or condition of this Agreement.
- (c) Any affirmative act of insolvency by Universal Utilities or Subscriber or of the filing by Subscriber of any petition under any bankruptcy, reorganization insolvency or moratorium law, or any law for the relief of or the relation to debtors.
- (d) The filing of any involuntary petition under any bankruptcy statute against Universal Utilities or Subscriber or the appointment of any receiver or trustee to take possession of the property of Universal Utilities or Subscriber.
- (e) The subjection of any of Subscriber property to any levy seizure, assignment, application or sale for or by any creditor governmental agency.

17B. AUDIT. Owner may, with at least five (5) advance written notice to Universal Utilities, conduct an audit of all books and records maintained by Universal Utilities with respect to water bills to the community residents. The audit may be conducted by accountants elected by the community owner. Universal Utilities will make all such books and records, including billing records, available to the owner and/or their agents. If an audit reveals that the owner has been underpaid the collected funds for water and sewer from the residents by (3%) percent or more Universal Utilities will pay the cost of the owner's audit. As long as there is no underpayment of 3% or more, or default by Universal Utilities, the owner may only conduct an audit once per calendar year

18B. ARBITRATION: Any disputes under this agreement shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration will be held in Michigan. The cost of the arbitration shall be paid to the party whose position is substantially upheld by the arbitrator.

This Agreement, contains the entire understanding and agreement between the parties and may not be modified, terminated or discharged except in writing.

All Information and Pricing in this Agreement are in full force and effect for thirty (30) days from:

DATE: 1-31-03

Unless otherwise executed by both parties within the thirty (30) day period.

In Witness Whereof the parties hereto on this date and year above written have duly executed this Agreement.

1/31/03 Blue Arrow Inc by Eddie T. H. (Pres)
DATE SUBSCRIBER

Note: Party signing for the Subscriber warrants that he or she is the agent of the premises in which the metering equipment is installed or has good and binding authority to enter into agreement on behalf of the owner.

ACKNOWLEDGEMENT:

COMMUNITY OWNER Blue Arrow Inc by Eddie T. H. (Pres) DATE 1-31-03
By: Its:

COMMUNITY MANAGEMENT Eddie T. H. (Pres) DATE 1-31-03
By: Its:

UNIVERSAL UTILITIES [Signature] DATE 1/13/2003
By: Karl Korman Its: CEO

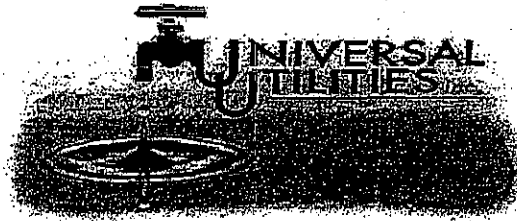
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Date: 4/17/07

Community
Name: Blue Acres

Site Number: #82

Account Name: Jolly



800-788-8287

Fax: 810-750-3979

E-Mail: CustomerService@UniversalUtilities.com

Dear Customer:

The meter equipment installed at your home is the property of Universal Utilities, Inc. This equipment should not be tampered with. Using water, as with any utility service, without authorization is a federal offense, prosecutable by law. Universal Utilities reserves the right to prosecute anyone who uses water and sewer without authorization.

A.

☒ Your account has been charged a \$50.00 tamper fee for turning your water on without authorization by Universal Utilities. Also, according to our policies, your meter could be removed, with appropriate fees being assessed before your meter would be reconnected. Your meter will not be removed at this time, but this time only, and it has been noted in your account history.

B.

☐ Universal Utilities has found unauthorized water usage. Therefore, Universal Utilities has removed your meter and your service has been terminated until account balance, all fines, and penalties are paid. Your community has also been notified and will take steps to rectify this situation as they see fit. You must contact Universal Utilities immediately to pay necessary charges and restore service within three (3) days, or proper authorities will be contacted. You will not receive any further notice on this issue.

C.

☐ Universal Utilities has found unauthorized water usage. Your account has been charged a \$50.00 tampering fee. This charge and the account balance is due immediately to avoid further penalties. Your community has also been notified and will take steps to rectify this situation as they see fit. You must contact Universal Utilities immediately to pay necessary charges and restore service within three (3) days, or proper authorities will be contacted. You will not receive any further notice on this issue.

Sincerely,

Universal Utilities, Inc.

P.O. BOX 1095
FENTON, MICHIGAN 48430

EXHIBIT C

**IN THE CIRCUIT COURT FOR THE COUNTY OF BOONE
STATE OF MISSOURI**

**State of Missouri,
Public Service Commission,**

Plaintiff,

v.

Universal Utilities, Inc.,

Defendant.

Case No. 07BA-CV04395

TEMPORARY RESTRAINING ORDER

This cause coming on to be heard on the Verified Petition of Plaintiff Missouri Public Service Commission for Temporary Restraining Order, Preliminary Injunction, and Permanent Injunction; and the Court having considered the pleadings presented by Plaintiff Missouri Public Service Commission and being fully advised in the premises, it is the judgment of this Court:

That Defendant Universal Utilities, Inc. is providing water and sewer service to the residents of Blue Acres Mobile Home Community; that it is operating and controlling water and sewer services to residents of said community without regulatory supervision from the Missouri Public Service Commission as required by state law and Commission rules; and that as a public utility providing water and sewer service to the public for gain it has an obligation to provide safe and adequate service to the residents of said community in compliance with state statute and the Missouri Public Service Commission regulations and rules.

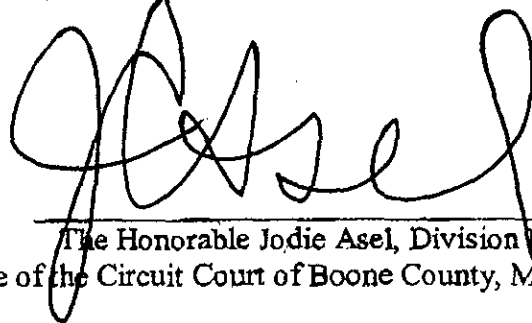
Further, that immediate and irreparable injury, loss, and damage will result to residents of Blue Acres Mobile Home Community and Missouri Public Service

EXHIBIT D

Commission if Defendant Universal Utilities, Inc. is allowed to disconnect water service on September 14, 2007, as Universal Utilities, Inc. shut off notice states, or is allowed disconnect water service on any date to any residents of Blue Acres Mobile Home Community without being in compliance with Missouri law or Missouri rules.

It is therefore ordered that: Defendant Universal Utilities, Inc. is ordered to reconnect any Blue Acres Mobile Home Community customers disconnected from the water and sewer systems or service; Defendant Universal Utilities, Inc. is prohibited from disconnecting water and sewer service to the residents living in the Blue Acres Mobile Home Community until such time as the water operation is brought into compliance with Public Service Commission rules and Missouri law; Defendant Universal Utilities, Inc. is ordered to continue to provide safe and adequate supply of water to residents of Blue Acres Mobile Home Community pending approval of any change by the Missouri Public Service Commission/until such time as the water operation is brought into compliance with Public Service Commission rules and Missouri law; Defendant Universal Utilities, Inc. is ordered to immediately provide Plaintiff Missouri Public Service Commission with a list of all of Blue Acres Mobile Home Community customers who are served by Universal Utilities, Inc. water and sewer service.

It is further ordered that, unless extended, this Order shall expire at 5:00 p.m. on October 31, 2007.



The Honorable Jodie Asel, Division IV
Judge of the Circuit Court of Boone County, MO

NOTICE OF ENTRY
(SUPREME COURT RULE 74.03)

In The 13TH JUDICIAL CIRCUIT Court, Boone County, Missouri

STATE OF MISSOURI V UNIVERSAL UTILITIES INC

CASE NO : 07BA-CV04395

To: SHELLEY ELIZABETH SYLER
MISSOURI PUBLIC SERVICE COMM,
PO BOX 360
JEFFERSON CITY, MO 65102

YOU ARE HEREBY NOTIFIED that the court duly entered the following:

<u>Filing Date</u>	<u>Description</u>
20-Sep-2007	Order PER AGREEMENT FILED BY THE PARTIES THE TRO IS EXTENDED TO 10/31/2007 AT 5:00PM. THE HEARING SET THIS DATE IS CONTINUED. THE PLAINTIFF'S MOTION FOR CONSOLIDATION OF HEARING ON PRELIMINARY AND PERMANENT INJUNCTION IS SUSTAINED AND THE CAUSE IS SET OCTOBER 30, 2007 AT 9:00AM IN DIVISION 4. NOTICE PARTIES OF THIS DOCKET ENTRY AND COPY OF TRO WITH 10/31/07 EXPERATION DATE. JCA/IV (vlc) Scheduled For:20-Sep-2007 9:00 AM;JODIE C ASEL

Vicki L Callahan

Clerk of Court

CC: File
DAVID GREGORY BROWN
SHELLEY ELIZABETH SYLER
Date Printed : 21-Sep-2007

EXHIBIT E

October 19, 2007

All Residents of Blue Acres Mobile Home Court

Re: Notice Regarding Modification of Terms and Conditions of Month-to-Month Tenancy Agreements of All Blue Acres Mobile Home Court Residents

To Whom It May Concern:

Effective November 1, 2007, all rent payments will be remitted directly to Blue Acres Management (Delmic, Inc.). Monthly rent will be calculated by adding each individual resident's current fixed rent amount and a variable rent component based upon each individual tenant's water/sewer usage, refuse pickup, plus a service fee of \$5.79. Universal Utilities, Inc. ("Universal") will read water meters, calculate and send statements for monthly rent on behalf of Blue Acres. Residents should direct any questions with regard to water consumption to Universal and all other questions to Blue Acres.

The former agreement between Blue Acres and Universal has been terminated and therefore tenants will have a direct contractual relationship only with Blue Acres. Any breach of the foregoing terms may result in the commencement of a rent and possession action or other appropriate civil action. In the event such action is commenced, a resident shall be responsible for all unpaid rent, as well as all expenses associated with the civil action, including attorneys' fees, to cure the breach.

This revised arrangement will simplify your payment obligations as well as your relationship with Blue Acres. Thank you for your understanding and we believe that this will be a benefit to the residents of Blue Acres Mobile Home Court.

Sincerely,
Delmic, Inc.

EXHIBIT F