

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

The Staff of the Missouri Public Service)
Commission,)

Complainant,)

v.)

Universal Utilities, Inc., and Nancy Carol)
Croasdell,)

Respondents.)

Case No. WC-2008-_____

COMPLAINT
& MOTION FOR EXPEDITED TREATMENT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the Commission's General Counsel, pursuant to Section 386.390, RSMo 2000, and for its Complaint states as follows:

Introduction

1. This Complaint arises from Respondents' unlawful provision of water and sewer services to the public for gain, without certification or other authority from the Missouri Public Service Commission.

Complainant

2. Complainant is the Staff of the Missouri Public Service Commission, acting through the Commission's General Counsel as authorized by Commission Rule 4 CSR 240-2.070(1). Section 386.390.1 provides that "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 . . ."

Respondents

3. Respondent Universal Utilities, Inc., is a Michigan domestic profit corporation in good standing, incorporated on December 28, 1995. The stated nature of its business is "Water – waste management – submetering." Its principal place of business is located at 5251 Fenton Road, Flint, Michigan 48507, and its mailing address is Post Office Box 18, Fenton, Michigan 48430. Its resident agent is Nancy Carol Croasdell, who can be served at 3472 West Silver Lake, Fenton, Michigan 48430.

4. Respondent Nancy Carol Croasdell is president, secretary, treasurer, and resident agent of Respondent Universal Utilities, Inc. Her address is 3472 West Silver Lake, Fenton, Michigan 48430. Universal has no registered agent in Missouri.

Allegations Common to All Counts

5. Blue Acres Mobile Home Park is a trailer park located at 4001 Ponderosa, Columbia, Boone County, Missouri 65201. Blue Acres has approximately 114 pads.

6. Blue Acres Mobile Home Park is owned and operated by Delbert C. Jacobs and Michelle A. Fanning-Jacobs ("Delbert and Michelle"), husband and wife.

7. Delbert and Michelle operate Blue Acres Mobile Home Park through Delmic, Inc., a Missouri general business corporation in good standing, incorporated on September 9, 2003. Its stated purpose is "To operate a mobile home park" and "To make other investments and purchase other properties as deemed necessary." Its principal place of business is located at 4001 Ponderosa Street, Lot # 5, Columbia,

Missouri 65201. Its registered agent is Delbert C. Jacobs, 3261 Winding Trail Drive, Columbia, Missouri 65201.

8. By authority of a contract dated January 31, 2003, between Universal Utilities and Blue Acres, Inc., a prior owner of Blue Acres, Universal Utilities, Inc., sells water and sewer services to the residents of Blue Acres Mobile Home Park. A true and correct copy of this contract is attached hereto as Exhibit A and is incorporated herein by reference as though fully set out.

9. In connection with the sale of water and sewer services to the residents of Blue Acres, Universal Utilities accepts applications for service, issues itemized monthly bills, collects remittances, issues disconnection notices, and turns services on and off. A true and correct copy of the application for services form used by Universal Utilities is attached hereto as Exhibit B and is incorporated herein by reference as though fully set out. Delbert C. Jacobs serves as Community Manager for Universal Utilities at Blue Acres.

10. In its application for services form referred to in Paragraph 9, above, and which is attached hereto as Exhibit B, Universal Utilities holds itself out as a public utility and monopoly provider of water and sewer services.

11. Based on a review of ten bills issued to two different customers at Blue Acres, Universal Utilities charges each customer a monthly customer charge of \$10.50 and a volumetric charge of \$5.00 per 1000 gallons of water used. None of the bills examined measured volume used at a finer degree of detail than 100 gallons, leading Staff to conclude that a customer who used 101 gallons in a month would be charged for 200 gallons. Universal Utilities also charges a monthly "service fee" of \$5.79, a one-time

"administrative fee" of \$20.00 to new customers, a \$20.00 "collection fee" on late payments, a reconnection fee when service is reconnected after termination for non-payment, and reserves the right to charge interest on unpaid balances. One bill showed an unexplained "administration fee" of \$25.00.

12. Universal Utilities obtains the water that it sells at Blue Acres Mobile Home Park from Delbert and Michelle at cost, who in turn purchase it from Boone County Consolidated Water District No. 1 ("the District"). Delbert and Michelle pay a monthly customer charge of \$80.00 and \$5.00 per 1000 gallons used to the District.

13. Universal Utilities does not share any revenues with Delbert and Michelle derived from Blue Acres in excess of the cost of the water sold. Likewise, if the revenues derived from Blue Acres are less than the cost of the water, Delbert and Michelle must make up the difference.

14. The remittances received by Delbert and Michelle from Universal Utilities on account of Blue Acres have never been sufficient to cover Delbert and Michelle's monthly payment for water to the District.

15. Although Universal Utilities' application form states that a schedule of rates as well as rules and regulations are available for inspection at the office of the Community Manager, Delbert C. Jacobs, Community Manager at Blue Acres, denies that such materials are available.

16. According to the website maintained by the Missouri Secretary of State, Respondent Universal Utilities, Inc., is not authorized to do business in the State of Missouri. Universal Utilities is operating in Missouri ultra vires and without lawful authority under the direction of its officers and directors. Discovery will ascertain

whether Universal Utilities is observing corporate formalities or is an alter-ego of its officers causing Universal Utilities to operate beyond the authority of its articles of incorporation and bylaws and unlawfully in Missouri.

Count I

Respondents are Subject to Regulation by the Commission

17. Complainant hereby adopts by reference and re-alleges the allegations set out in Paragraphs 1 through 16, above.

18. 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[.]

19. 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[.]

20. Since January 31, 2003, Respondents, or some of them, have operated or controlled or managed the water and sewer systems serving the 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.

21. According to the application attached hereto as Exhibit B, Universal Utilities, Inc., furnishes water and sanitary services to customers and customers agree to purchase all water and sanitary services from Universal Utilities at established rates.

According to the contract, Universal Utilities has a schedule of rates and offers customers information about the rate calculation methodology.

22. By the terms of Universal Utilities' contract with Blue Acres Mobile Home Park, attached hereto as Exhibit A, Universal Utilities:

- a. installed water meters at each pad site,
- b. reads water meters and bills residents for water and sewer usage,
- c. sets water and sewer rates,
- d. collects payments for water and sewer usage from residents,
- e. notifies customers of delinquencies in accounts, and
- f. terminates water service if payments are not made in full.

23. According to the attached notice of Universal Utilities, marked as Exhibit C, Universal Utilities claims 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,

24. By billing customers in the Blue Acres Mobile Home Park for water and sewer services, Respondents, or some of them, are selling water and sewer services, or supplying water and sewer services for gain, within the intendments of Section 386.020,

(48) and (58), RSMo.

25. Universal Utilities owns, operates, controls, and manages plant, property, and water supply, and distributes, sells and supplies water and water services; Universal Utilities is holding itself out to the public as a public utility selling water and sewer services, and charging fines and penalties, for gain.

26. The sewer system served by Universal in the Blue Acres Mobile Home Park has 25 or more outlets.

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

28. 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[.]

29. With respect to the Blue Acres Mobile Home Park water and sewer systems, Respondents, or some of them, are a public utility within the intendments of Section 386.020(42), RSMo, and 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, or some of them, with respect to their operation of the Blue Acres Mobile Home Park service area water and sewer systems, are a water corporation and a sewer corporation within the intendments of Section 386.020, (48) and (58), RSMo, and thus a public utility within the intendments

of Section 386.020(42), RSMo, and subject to the jurisdiction, regulation and control of this Commission.

Count II

Unauthorized Provision of Water and Sewer Services to the Public

30. Complainant hereby adopts by reference and re-alleges the allegations set out in Paragraphs 1 through 29, above.

31. 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.

32. None of the Respondents possesses Certificates of Convenience and Necessity 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 the Blue Acres Mobile Home Park service area.

33. With respect to the Blue Acres Mobile Home Park water and sewer systems, Respondents, or some of them, have violated Section 393.170, RSMo, by the conduct described in Paragraphs 1 through 32.

WHEREFORE, Staff prays that the Commission will give notice to Respondents as required by law and, after hearing, find that Respondents, or some of them, have violated Section 393.170, RSMo, by their conduct with respect to the Blue Acres Mobile Home Park service area water and sewer systems 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

34. Complainant hereby adopts by reference and re-alleges the allegations set out in Paragraphs 1 through 33, above.

35. 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.

36. 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 Circuit Court to seek such penalties as are authorized by law.

MOTION FOR EXPEDITED TREATMENT

The Commission sought a temporary restraining order and injunction in the Circuit Court for Boone County, Missouri, on September 12, 2007, due to Universal Utilities threatening to disconnect water services to customers. The injunction petition alleges that Universal Utilities is a public utility and should be subject to Commission regulation. The ultimate outcome of that litigation will depend on the Commission's

determination in this complaint action. Therefore, Staff requests expedited treatment of this case with a Commission decision by November 30, 2007.

Respectfully Submitted,

/s/ Steven C. Reed

Steven C. Reed
Missouri Bar No. 40616

Attorney for the Staff of the
Missouri Public Service Commission

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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 2/24/03 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 A

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 Pages Inc. by Eddie T. Smith (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 Pages Inc. by Eddie T. Smith DATE 1-31-03
By: Its:

COMMUNITY MANAGEMENT Eddie T. Smith DATE 1-31-03
By: Its:

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

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

EMAIL: universalutilities@chartermi.net

Universal Utilities Inc.

PHONE: (800) 788-8287
FAX: (810) 750-3979

APPLICATION FOR SERVICES

To:	Universal Utilities, Incorporated P.O. Box 1095 Fenton, MI 48430-1095	MOVE IN: <input checked="" type="checkbox"/>	MOVE OUT: <input type="checkbox"/>
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I request Universal Utilities, Inc. (the "Company") to furnish water and sanitary sewer service at the address listed below. I agree to purchase from the Company all water and sanitary sewer services required at such premises and to pay for all such services at the established rates. A schedule of rates and rate calculation methodology currently in effect is available at my community's management office or can be requested in writing from the Company at the address listed above.

Bills for services by the Company will be rendered monthly and are payable by the published due date. I understand that there is a monthly charge for billing and that my bills will reflect said fee. I also understand that my first bill will contain a one-time \$20.00 administration fee. Nonpayment of bills for services may result in disconnection of services without notice to me and late payment of bills may be subject to late fees or interest. I agree to be bound by the rules and regulation of the Company, as amended from time to time, and I agree to claim no damages due to an interruption of service if caused by accident or if necessary to make alterations, repairs and/or improvements. The Company will, at all reasonable hours, have free access to my premises for any purpose connected with the delivery of water and sanitary sewer services under this agreement.

IN THE EVENT THIS APPLICATION IS NOT RETURNED TO UNIVERSAL UTILITIES, CUSTOMER'S ACCEPTANCE OF AND PAYMENT FOR SUCH SERVICES SHALL CONSTITUTE AN APPLICATION FOR SERVICES ACCORDING TO THE TERMS STATED ABOVE AS IF THE CUSTOMER HAD COMPLETED, SIGNED AND RETURNED THIS APPLICATION TO THE ADDRESS INDICATED.

Signature: X Lillian Davis
Responsible Party: Lillian DAVIS
Name of Community: Blue Acres
Address: [REDACTED]
Site #: [REDACTED]
City, State, Zip: Columbia MO. 65201
Adults 1 # Children # Pets 1

Date: X 11-25-07
SS#: X [REDACTED]
Date Moved In:
Date Moved Out:
Home Phone: X [REDACTED]
Work Phone: I [REDACTED]
E-Mail:

BEGINNING READ: 01582

FINAL READ:

Forwarding Address:

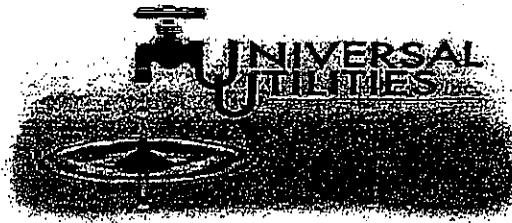
Approved by Community Manager (signature): Delbert C. Jacobs

Date: 4/17/07

Community Name: Blue Acres

Site Number: #82

Account Name: Jolly



800-788-6287

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