BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030102-WS

In the Matter of

APPLICATION FOR AUTHORITY TO TRANSFER CERTIFICATE NOS. 620-W AND 533-S IN HIGHLANDS COUNTY FROM THE WOODLANDS OF LAKE PLACID, L.P. TO L. P. UTILITIES CORPORATION.
_____/

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VOLUME 1

Pages 1 through 127

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| BEFORE: | COMMISSIONER J. TERRY DEASON<br>COMMISSIONER RUDOLPH "RUDY" BRADLEY<br>COMMISSIONER CHARLES M. DAVIDSON |
| DATE: | Wednesday, August 11, 2004 |
| TIME: | Commenced at 2:15 p.m.<br>Concluded at 5:45 p.m. |
| PLACE: | Sebring Civic Center<br>355 W. Center Avenue<br>Sebring, Florida |
| REPORTED BY: | JANE FAUROT, RPR<br>Chief, Office of Hearing Reporter Services<br>FPSC Division of Commission Clerk and Administrative Services<br>(850) 413-6732 |
| APPEARANCES: | (As heretofore noted.) |

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PROCEEDINGS

COMMISSIONER DEASON: I know that the parties have requested opening statements not to exceed ten minutes. It may have been preferable to have done that before the customer phase, I don't know, but for whatever reason we didn't do it. Maybe I neglected to do so, but --

MR. FRIEDMAN: This is typically when you would do it, before the technical phase.

COMMISSIONER DEASON: So if there is nothing else at this point that we need to do before opening statements, I think we shall proceed into that phase.

Staff, do you have anything?

MS. FLEMING: We would like to take up the preliminary matters of the exhibits and the proposed stipulation at this time.

COMMISSIONER DEASON: Yes, we can go ahead and do that. Go ahead and begin with the exhibits.

MS. FLEMING: As far as the exhibits, we compiled a list of exhibits that can be entered into the record by stipulation. This exhibit also includes the prefiled exhibits attached to the witnesses' testimony in this case. We have compiled a chart which will be identified or marked as the first hearing exhibits, and other exhibits will be marked thereafter in sequential order.

COMMISSIONER DEASON: Okay. The list itself is

Exhibit 1, correct?

MS. FLEMING: That's correct.

COMMISSIONER DEASON: And then Exhibit 1 contains the listing of Exhibits 2 through 12 with the witness sponsoring the exhibits, and the identification and explanation, or description of each exhibit. And the parties have stipulated to these exhibits, is that correct?

MS. FLEMING: That's correct. All the parties, including the court reporter and the Commission panel, have received a copy of the exhibits as well as the exhibit list.

COMMISSIONER DEASON: Therefore, show then that Exhibits 1 through 12 are admitted as described within Exhibit 1.

(Exhibits 1 through 12 marked for identification and admitted into the record.)

COMMISSIONER DEASON: And proposed stipulations?

MS. FLEMING: Yes. Parties and staff request the Commission panel approve Issue 3 set forth on Page 8 of the prehearing order as a proposed stipulation.

COMMISSIONER DEASON: Commissioners, if you will turn to Page 8, there is a proposed stipulation which addresses Issue 3. And if you need additional time to review it, or if I have a motion, I will entertain that, as well. What is your pleasure?

I believe it indicates that given the facts of this

case, no acquisition adjustment should be made. I think all parties agree with that position. Do I have a motion to approve that?

COMMISSIONER DAVIDSON: A motion to approve.

COMMISSIONER DEASON: It has been moved that we approve the stipulation on Issue 3. Is there a second?

COMMISSIONER BRADLEY: Second.

COMMISSIONER DEASON: Moved and seconded. All those in favor say aye.

(Simultaneous affirmative vote.)

Show then that the stipulation on Issue 3 is approved.

And that was the only stipulation, correct?

MS. FLEMING: Yes, that's correct.

COMMISSIONER DEASON: All right. We can proceed then to opening statements. Mr. Friedman.

MR. FRIEDMAN: Yes.

COMMISSIONER DEASON: You may proceed at this point, and a ten-minute limitation.

MR. FRIEDMAN: Thank you, Commissioner. I'm sure I will have plenty of time.

Commissioners, you will recall that in September of last year you denied a transfer to L.P. Utilities because it did not agree to accept the regulatory obligations of the Woodlands that arose after the foreclosure. You required that

L.P. Utilities file a new application agreeing to accept those regulatory obligations. Basically, those regulatory obligations were delinquent regulatory assessment fees, installing water meters, and making -- I think the biggest of which was to make the approximately $89,000 refund as required in the SARC.

L.P. did file such an application within the time period, has paid all delinquent regulatory assessment fees, at this date has installed all the meters, and by September 22nd of 2004, which is the deadline for making the refunds, would have made the refunds.

Although the Public Counsel in its prehearing order states that the transfer to L.P. Utilities should not be approved, I could not find any testimony in the OPC's sole witness on that point. Instead, OPC's witness deals solely with the second part of this proceeding, which is the -- simultaneously with approving the transfer to L.P. Utilities, the parties are requesting that this Commission also approve a transfer to the property owners association.

That purchase price is established at 100 percent of the rate base, nothing more. Also for the purchase of the sewer system, it is proposed that it is an asset transfer from L.P. Utilities because the sewer system serves only those people who are members of the homeowners association, and so it would be an exempt entity. There is 100 percent financing, as

you have heard testified, with a ten-year amortization period.

The second part of the transaction is for the stock of L.P. Utilities, which will be the owner of the water system at that point, that that be approved to be purchased also by the property owners association. And the water, L.P. Utilities, would continue to be regulated by the Commission because it serves a number of customers who are not members of the homeowners association.

We have heard a lot about the vote today. The fact is that the majority of the lot owners in the POA voted to purchase the water and wastewater systems. Highvest Corporation, which you have heard is the majority owner, pays the majority assessments, and gets a vote for each of its lots in accordance with the Laws of Florida, Chapter 720, and also the by-laws and articles of incorporation.

In this case the number of members, the minority members of the homeowners association are trying to establish what is in the public interest of the homeowners association, and we assert that that is contrary to the democratic premise that a majority rules.

They knew when they purchased their property that they were a member of the homeowners association. They knew that they were a minority member of the homeowner association, and as a minority member they have to subject themselves to the will of the majority. They are certainly able to express their

opinion on any view, just as you and I express our opinions on any view with the way our government reacts, but when it comes down to it, we vote, and if we lose we lose. The majority of the people control.

I find it hard to believe that people could believe that a minority interest can determine what is in the public interest of the majority. Whether it is a government, or whether it is a property owners association, the democratic premise remains the same.

There are two Florida Supreme Court decisions that I want to remind you about as you consider the arguments in this case. The first is Story v. Mayo, 217 So.2d 304, Florida 1968. And in that case the Florida Supreme Court stated, I quote, "An individual has no organic, economic, or political right to service by a particular utility merely because he deems it advantageous to himself," end quote. The customer doesn't choose who his utility provider is. They don't vote to choose who their utility provider is. They don't have that right as the Florida Supreme Court has long held, and I think that this Commission has long followed.

The second decision is Deltona versus Mayo, 342 So.2d 510, Florida 1977. In that case the Public Counsel asserted, and the PSC's order recited that Deltona would not be entitled to a rate increase because of what it perceived to be fraudulent land sales practices by Deltona. The Florida

Supreme Court responded, and I quote, "If Deltona has engaged in an unfair business practice or committed fraud, however, it may be of concern to other state agencies or the basis for private lawsuits on which we express no opinion, but it is not a matter of statutory concern to the Public Service Commission," end quote.

The court went on to say that the Public Service Commission has no authority to vindicate breaches, if any, in land sales practices or private contracts. And the covenants and restrictions governing the homeowners association like we have at Camp Florida is a contract. Those covenants and restrictions are contracts among the people who purchased property in there.

And that is what these objecting customers are asking you to do is consider some perceived injustice that they feel they have gotten in the way the homeowners association is being run. And there are remedies for that, if they believe that is true. And, in fact, they testify that they have invoked some of those remedies. But the authority of the Public Service Commission is not all-pervasive. You can't remedy every wrong that is out there in the world.

You will hear some testimony about the financial viability of the transfer to the property owners association. Although Ms. DeRonne will tell you the rates you set in the staff-assisted rate case will allow the POA to just about break

even, I think she finds a negative cash flow of about $1,900, she has ignored a number of considerations. And foremost, in ten years this utility will be debt free which will have a significant impact. I think that we need to look at the long-term and not necessarily the short-term in this deal.

Commission, I assert that the only decision that you can make that is going to be based upon the evidence that you hear in this case is to approve the transfer not only from the Woodlands to L.P., which I think is more or less uncontested, but also a transfer to the property owners association in accordance with the contracts that are a part of the application. Thank you.

COMMISSIONER DEASON: Mr. Burgess, ten minutes.

MR. BURGESS: Thank you, Commissioner.

You know that Section 367.071 is the statutory section that governs the transfers, and governs the particular transaction in question. And the two specific requirements of that section that we are challenging here is whether this is in the public interest, and whether the transferee will meet the obligations of the utility.

There are two words that are used in the statute that I think are operative here, the words are approval and determination. It is required, the statute prohibits the transfer unless the Commission puts its approval, gives its approval to this transaction as being in the public interest.

The statute prohibits the transfer, unless the Commission determines that the transferee will meet the obligations of the transferring utility. So that puts it on you. As with all of your decisions, it puts it on you. But basically it requires you to make a finding, to make an affirmative determination that these people will, that the new, the new POA-owned entity will meet the statutory obligations of the utility and that this will be in the public interest.

So if either of these fail later, it comes back to you. You can't say, well, the utility represented to us that it would be in the public interest. Your public responsibility holds you accountable for the findings, and that is the caution that I would bring out here. Now, our case is simple, and you have heard it, that these people do not believe that the transferee will meet the obligations, and they believe that it is not in the public interest to require them -- and let me clarify, they aren't saying that it is not in the interest of the majority of the lot holders of the POA. What they are saying is it is not in the public interest to require them to be forced into this particular business relationship with someone with all of this history of his dealing with them.

And, again, I know you have heard it. I'm going to say it again, though, it is succinctly put by the circuit, by this local circuit court that Defendant Cozier negotiated in bad faith, and throughout the negotiation process used suspect,

underhanded, unethical, and bad faith tactics to mislead plaintiffs. These are the very people that we are saying now are going to be shoved into this business relationship with Mr. Cozier.

And what they are saying is that can't be in the public interest. If you are pushed into a relationship with somebody that is on record as treating you this way, and there is a list of specific findings, double charging for maintenance by paying his own corporation for maintenance that was not performed, things like that on a long list of things, and this is in the dealings with these people that are now being forced into this relationship. And what we are saying is that can't be in the public interest.

So you have received testimony on it, and you have heard Mr. Friedman hammer away at the sanctity of contracts angle. But there are two points. First is that when the people entered into the contract they had reason to believe that they were entering into it with a reasonable business person who would treat them and deal with them in good faith. They didn't -- it is unreasonable to say they should have anticipated that they were going to encounter somebody that was going to deal with them in bad faith, and, again, without going back into the language of the circuit court. So the situation is such that the sanctity of contract assumes that with regard to the issue of public interest, assumes -- they assumed they

were dealing with somebody that would treat them in good faith.

The other thing about this with regard to the contract is the transaction involved has to be considered in its own legal context. The transaction we are talking about is a transfer of a public utility certificate. That necessarily puts it in the 367.071 statute. So the contract that Mr. Friedman is saying is sacrosanct, that is, these people signing into the property owners association, is only so to the effect that this particular transaction meets the requirements of 367.071, and it has not.

And so we ask you when you make your decision, consider can you say I put my stamp of approval on this situation as being in the public interest. Can you say I hereby affirmatively determine that the transferee will meet the obligations of the earlier utility. Thank you.

COMMISSIONER DEASON: Staff, do you have any statement at this point?

MS. FLEMING: No, we do not.

COMMISSIONER DEASON: Okay. I am going to ask the two witnesses who have prefiled testimony to stand and raise your right hand.

(Witnesses sworn.)

COMMISSIONER DEASON: Mr. Friedman, you may call your witness.

MR. FRIEDMAN: Mr. John Lovelette.

**JOHN LOVELETTE**

**was called as a witness on behalf of L.P. Utilities Corporation, and** having been duly sworn, testified as follows:

**DIRECT EXAMINATION**

BY MR. FRIEDMAN:

Q Mr. Lovelette, would you please state your name and address?

A My name is John H. Lovelette. I reside at 38 Hidden Harbor Lane, Lake Placid, Florida, which is located in Camp Florida Resort.

Q And, Mr. Lovelette, did you prefile direct testimony in this case?

A Yes.

Q And if I asked you the questions that I asked you that are set forth in your prefiled testimony, would your answers remain the same?

A Yes, except for a few very minor changes.

Q Could you give those to us, please?

A On the direct testimony, Page 4, I believe it is where it speaks of -- Line 10, "There are 397 platted lots in the park. Currently, Highvest Corporation owns 247 lots." At this date Highvest owns 240 lots.

And I think there is one other -- two other minor changes on Page 8. There was a question at the bottom of Page 7 that reads, "Will the association be financially able to meet

such refund obligation after the transfer?" And in the answer I stated, yes, it will, and explained about the purchase price of shares. But right now the scheduled hearing, I believe, is on October 7th for the ruling on this. And by that time the transfer would take place, or shortly thereafter the refunds will be made. In fact, they will be made in September, or finalized in September.

Then further down on Page 8, under the question where it says, "Has the utility installed all the meters required by the Public Service Commission?" And the answer was the PSC ordered 162 meters. Right now all the meters have been installed and the total that we installed was 212.

Q Mr. Lovelette, were six lots sold, is that the difference in the number of lots in your first correction here?

A Yes. And I believe we have two others under contract right now.

Q Mr. Lovelette, would you like to briefly summarize your testimony?

A Okay. I'm testifying here today as director of L.P. Utilities Corporation, our address is at 100 Shoreline Drive. And L.P. Utilities is a Class C Utility, in the operation of a water and wastewater system that we have owned for a little over a year, and operating under the guidelines of the Public Service Commission regulations.

There is mention of the property owners association

in my testimony that is comprised of 397 members, and each one of those members is a lot owner, and each one of those lot owners have a vote by our declaration of covenants and restrictions and/or our by-laws of the association. And the board of directors is run by the members. We answer to our members, all 397 members when we do stuff.

Most of our issues are taken on a day-to-day basis, but there are sometimes where the members, or the board requires direction and guidelines from the members and a decision by the members. So they are notified by mail of issues to vote on, and we mail packets out explaining it. They return them to us, count the votes, and then the board takes actions on the majority of what the members vote on.

And, let's see. I testified about a relationship between the utility and the Woodlands of Lake Placid. Woodlands was the predecessor utility. It is no longer in business. It was foreclosed on and L.P. Utilities bought the assets of Woodlands. The association, I'm going to testify whether they have the technical expertise. I believe they will. Currently I also manage the utility here, and the utility has under hire licensed operators for both the water and wastewater system, and I'm sure they keep their license current with continuing education.

The plan is that the association, once they own that, to hire a manager for the day-to-day operation of the utility.

And with the proceeds from income from the water and sewer system to fund that employee, and that employee would also help out with the day-to-day operations of the association, and they would be answerable to the board.

The utility was ordered to refund monies, which L.P. Utilities has been doing at the request of the PSC. We have been refunding the monies as a credit on the monthly bills. The ones that are no longer owners in the park that had paid, what had been determined as overearnings will be paid out of an escrow account that had been set up and monies had placed into it. In fact, I'm finalizing the list with names and addresses that I can track down, and the amounts that are owed, to send to the Public Service Commission for their approval so we can withdraw the monies from the account and send them checks.

There has been comments about how we are going to pay for the utility. I know one is a special assessment. The assessment was passed by the board after the majority of owners voted, or the owners voted and the majority was in favor of it. The assessment was passed and then levied on each individual member's lot. And at the request, since this process got muddied up by the protest, the Public Service staff asked us if we would delay collecting or levying any interest, or filing any liens on property, which we have done.

We notified all the members by a letter that it was the decision of the board that they would not assess any

interest or be charged any interest, late penalties, no lien, or no actions to collect this special assessment until such time as the Public Service Commission approved the sale and transfer.

And there has been talk about the shares of stock, and I think there is some confusion there, but the utility is owned -- we are buying the shares of the stock of the utility, not a stock that is offered over the -- like on NASDAQ, or on New York Stock Exchange. I think that pretty much concludes about --

MR. FRIEDMAN: I would like to ask then that Mr. Lovelette's prefiled direct testimony be admitted into the record.

COMMISSIONER DEASON: Without objection it shall be inserted into the record.

**DIRECT TESTIMONY OF**

**JOHN H. LOVELETTE**

BEFORE THE PUBLIC SERVICE COMMISSION

Regarding the Application for authority to sell, assign or transfer utility facilities of The Woodlands of Lake Placid, L.P. in Highlands County, Florida to Camp Florida Property Owners Association, Inc. and application to transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc.

Docket No. 030102-WS

**Q: What is your name and business address?**

A.: My name is John H. Lovelette. My business address is 100 Shoreline Drive, Lake Placid, Florida 33852.

**Q: What is your involvement with L.P. Utilities Corporation?**

A: I am a director of L.P. Utilities Corporation (***Utility***) and am responsible for the day to day management and operations of the Utility, including overseeing the work of the Utility's licensed operators and hiring contractors to perform major repairs on the water and wastewater systems.

**Q: What is L.P. Utilities Corporation?**

A.: The Utility is a Class C water and wastewater utility doing business in Highlands County, Florida. It was formed in 2001. It provides water and wastewater service to primarily residential customers within the service area (***Service Area***) described in the Application for authority to sell, assign or transfer utility facilities of The Woodlands of Lake Placid, L.P. in Highlands County, Florida to Camp Florida Property Owners Association, Inc. (***Association***) and application to transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc. (***Application***). A copy of the Application and the Clarification is attached to my testimony as Exhibit ____ (JHL-1).

**Q: Was the Application prepared and filed by you or under your supervision and direction?**

A: Yes, it was.

**Q: Please describe the services provided by the Utility.**

A: The Utility serves by my best count 338 water customers located in the Camp Florida Resort (***Resort***) and 38 customers located outside of the Resort. It currently serves 338 wastewater residential customers in the Resort. It provides water service to four general service customers outside of the Resort, and water and wastewater service to two general service customers within the Resort. The customer base is primarily residential, comprised of single family

homes, park homes and RV sites. It has some year 'round residents, but the majority of its residents are visitors who own and maintain their lots for recreational purposes and to use during the winter. The use of the water and wastewater systems therefore is very seasonal.

**Q: What is the Camp Florida Property Owners Association?**

A: The Association is a not for profit Florida corporation organized in 1990 for the purpose of owning and managing the Resort. Its membership consists of all owners of lots in the Resort. Each lot has one vote in the Association's affairs.

There are 397 platted lots in the Park. Currently, Highvest Corporation owns ~~246~~ 240 lots, and thus votes the shares attributable to them.

**Q: What is the relationship between the Utility and The Woodlands of Lake Placid, L.P.?**

A: The Woodlands of Lake Placid, L.P. (***Woodlands***) executed a note that was eventually assigned to Highvest Corporation, the payment of which was secured by a mortgage on property owned by Woodlands. Woodlands defaulted in the payment of the note and Highvest Corporation foreclosed its mortgage lien. Highvest Corporation sold the property to the Utility. The property that the Utility acquired consisted of the water and wastewater systems which will, in turn, be sold to the Association.

**Q: Please describe the proposed transaction between the Utility and the Association.**

A: The full details of all of the rights, duties and obligations of the parties is contained in the Agreement for Purchase and Sale among the Utility and its sole shareholder, Anbeth Corporation, and the Association dated October, 2003. A copy is attached to the Application. In summary, however, it provides that the Utility will sell all of its wastewater assets to the Association, then Anbeth Corporation will sell all of the shares in the Utility to the Association. This structure will enable the Association to operate and manage the wastewater assets without regulation by the Public Service Commission. The water assets will continue to be operated by the Utility under the control of the Association, and be regulated by the Public Service Commission.

**Q: Will the Association have the necessary technical expertise to operate the water and wastewater systems?**

The Association will retain the Utility's current experienced and knowledgeable staff to operate the water system in a manner that will satisfy applicable regulations and industry standards. In addition, the Association will engage reputable and competent contractors to effect any major repairs. This has been the practice with the systems and will continue under management by the Association.

The licensed operators employed by the Utility (which will be retained by the Association) have many years of experience in the water and wastewater industry and are familiar with the water and wastewater systems. The Association will continue to use qualified, experienced operators. The Association also will employ persons with regulatory experience to ensure consistent compliance with environmental and other regulations and provide safe and reliable water and wastewater service to its customers. The Association is expected to continue to operate in much the same manner as the Utility currently does and will continue to be fully subject to all applicable laws, rules and policies governing the regulation and operation of Florida utilities.

**Q: Is the Association an exempt entity pursuant to Section 367.022(7), Florida Statutes?**

A: Yes, it is. That statute provides that "[n]onprofit corporations, associations, or cooperatives providing service solely to members who own and control such nonprofit corporations, associations or cooperatives.". According to the official records of the Department of State, the Association is a non-profit corporation. I have been assured by the Association that it will, upon approval of this transaction, provide service solely to its members who own and control it.

**Q: Why was the Utility was recently ordered by the Public Service Commission to refund monies collected by the previous management to the customers?**

A: In 1999, the Commission determined that the Woodlands of Lake Placid, L.P. (***Woodlands***) should have obtained certificates of authority for its water and wastewater operations, and had implemented an unauthorized rate increase. The Commission, in Order No. PSC-02-0250-PAA-WS, allowed the Woodlands to continue to collect the rate increase, subject to refund once permanent rates and charges had been established by the Commission in another docket. In December, 2003, the Commission issued Order No. PSC-02-1729-PAA-WS, requiring the Woodlands to refund $69,065, plus interest, due to overcollections from the unauthorized rate increase. This refund obligations became final pursuant to Order No. PSC-03-1051-FOF-WS.

**Q: Explain how the Utility proposes to satisfy this refund obligation?**

A: By the terms of the Commission's Order, the utility has 12 months to pay the refunds, plus accrued interest, in full. Since December, 2003, the Utility has been crediting customers who paid the overcharge with $43.88 per month.

**Q: Will the Association be financially able to meet such refund obligation after the transfer?**

A: Yes, it will. The purchase price of the shares of stock in the Utility has been reduced by the amount of the refund. The Utility will have sufficient funds to pay the balance of any unpaid refunds, plus accrued interest.

**Q: Should the Woodlands of Lake Placid, L.P. remain obligated for the refund?**

A: No. The Utility has made provisions for the repayment of all overcollections, plus interest. In fact, at this time, over half of the refunds have been made.

**Q: Has the Utility installed all of the meters required by the Public Service Commission?**

A: Not all of the meters have been installed at this time. The Commission ordered the Utility to install meters on 162 lots by January 20, 2004. This work has not been completed. The Utility will begin the installation of 200 to 230 meters on the rental lots after April 15, 2004, when the park population is reduced in order to avoid as much disruption as possible. The contractor will complete the installation in two months. I believe that the Commission Staff have agreed with this proposed action. A copy of the contract for installation of the meters is attached as Exhibit _____ (JHL-2).

**Q: Should the Utility be required to install all of the required meters before the transfer takes place?**

A: No. Although most of the meters will have been installed by the time this matter is heard by the Commission, the completion of the installation is not necessary in order to approve the transaction.

**Q: How does the Utility propose that the Association fund the purchase price of the wastewater assets?**

A: The Agreement for Purchase and Sale provides that the Association will acquire all of the wastewater system assets as described in the most recent SARC Order for this system for $191,523. This value was determined when the Commission's fixed the Utility's rate base in the SARC Order. The wastewater system will be conveyed free and clear of all liens and encumbrances, which means that no liabilities will be assumed by the Association. Any debt existing on the Utility will be satisfied at closing. The entire purchase price will be paid in the form of a note executed by the Association. The Association will pay the note in quarterly installments of principal and interest over 10 years, and will bear interest at 6.99% per annum.

**Q: Is the transfer by the Utility of Certificate No. 533-S and its wastewater assets to the Association in the public interest?**

A: The transfer of the wastewater system to the Association is in the public interest in that the users of the wastewater service will have direct control over the entity providing wastewater service. Further, it is believed that the wastewater system will be able to be operated

more efficiently in that its rates will no longer be subject to regulatory assessment fees or the other expenses of regulation. In ten years, the system will be debt-free. It is believed that the elimination of regulation will allow the rates to remain steady and possibly decrease. The Association will retain the current experienced and knowledgeable staff to operate the wastewater systems in accordance with industry standards. Thus, there is no difference in experience of the Association than that which currently exists. The Association will fulfill the commitments, obligations and representations of the Utility with regard to utility matters.

**Q: How does the Utility propose that the Association fund the purchase price of the shares of the Utility?**

A: The members of the Association will pay a special assessment of $261.78 per lot for each of the 382 lots. The special assessment, when received, will constitute the $100,000 purchase price for the issued and outstanding shares of the Utility. The purchase price is equal to the value of the rate base established in the SARC order, less a deduction of $89,086 which is in consideration of the Utility assuming the obligation to pay the refund. Because the Utility has been making the refund, the purchase price of the shares will be increased by the amount of such refunds paid as of the effective date of the sale of the shares, however, it will not exceed the value of the

rate base set by the Commission in the SARC order. By purchasing the outstanding shares and acquiring control over the Utility, the Association will control the water system, which primarily serves its members.

**Q: Have the majority of the customers of the water and wastewater system agreed with the proposed transaction?**

A: Yes. Out of a total of 397 votes in the Association, 276 voted in favor of the transfer, 85 voted against the transfer, and 36 abstained.

**Q: Is the transfer of the shares of the Utility from Anbeth Corporation to the Association in the public interest?**

A: Yes. This transfer will give ownership of the water system to the Association which is the primary customer of the Utility. The Association will also benefit from the net income which it will retain instead of paying it to an investor-owned utility. Due to Anbeth Corporation's regulatory issues, it is no longer interested in owning and operating the water system.

**Q: Should the transfer of Certificate Nos. 620-W and 533-S from the Woodlands of Lake Placid, L.P. to the Utility be approved?**

A: Yes.

**Q: Should the transfer of the wastewater assets to the Association and the cancellation of Certificate No. 533-S be approved?**

A: Yes. Even though the Commission will no longer be involved to monitor the operations and activities of the Utility, the Association will be able to control and manage the wastewater system itself.

**Q: Should the transfer of majority organization control of the Utility from Anbeth Corporation to the Association be approved?**

A: Yes.

**Q: Does that conclude your testimony in this docket?**

A: Yes, it does.

MR. FRIEDMAN: I do have a couple of questions I wanted to ask him in response to customer testimony, if that is appropriate.

COMMISSIONER DEASON: Please proceed.

MR. FRIEDMAN: Thank you.

BY MR. FRIEDMAN:

Q Mr. Lovelette, you heard the discussion earlier about these properties that were sold while this assessment is pending, the letters from the two people?

A Yes.

Q Could you explain how the property owners association handles -- let me ask you the first question. Did the property owners association file any liens on any properties, based on the assessments?

A No.

Q Would you explain how the property owners association handles a situation where somebody is selling their property?

A The property owners association has an accounting firm or accountant firm, Cauley Financial Services that handles all of our bookkeeping and keeps our records for us. And most of the property that is sold, if it is done -- the closing is done through a local title company, or an attorney that is doing the closing, contacts her office and requests is there any outstanding bills, or whatever else, on the individual's account.

And I believe when they were contacted with this issue, because it had been an assessment, and had been placed on the lots, the title company was made aware that there was an outstanding amount of 200 -- I will just say $261 on that, and that is where it is now.

It may have been a requirement of the title company prior to issuing title insurance for that that this amount be paid, but it wasn't something that the association required of the owner prior to selling.

Q So is it true that the property owners association then in those circumstances requires that either the money be paid or that whoever buys the lot agrees that they will pay the money if the Commission determines that it is due?

A Yes. I know there is one owner who sold his and gave the new buyer a letter stating to the new buyer that indemnified him, or whatever else, from that, that he would agreed to paying the special assessment when it was approved by the Public Service Commission.

Q All right. Did you hear the testimony about the gentleman that said he had a problem opening the water meter?

A Yes, I did.

Q Do you have any comments about that?

A I know that our maintenance man that reads the meters has mentioned some of the lids on the new meters has a tendency to stick, and he has a rod about yea long that has a little

hook on the end of it, and he can hook the little opening at the top of the meter box and be able to lift the lid.

Then he also has a stick that has a cleaning rag on it, and a flashlight, so he can flip the lid open, clean any glass off if there is dust, dirt, or whatever else on it, and read the meter.

Q Did you hear the testimony of Ms. Keller about the reports that she said or filed that she doesn't believe include any reference to Highvest, do you remember that testimony?

A Yes, I do.

Q Can you explain what that report is about?

A I believe she was referencing reports that the Staff had required the utility to make when the flat rates were still in effect and prior to the metered rates going into effect, that they wanted to know how many customers paid and what the -- paid the $35 flat rate fee versus the $25 flat rate fee that had been in effect prior to January 1st, '98, and the amount that we collected. And that report stopped when the meter rates went into effect.

Q Did you recall Commissioner Davidson's question about the number of votes that were cast in favor and in opposition to the transfer, particularly by -- can you tell the number of customers, the number of lot owners who are not related to Highvest that voted for the transfer?

A Let me refer to my testimony in here. On Page 11 of

my testimony, out of the total 397 votes in the association, 276 voted in favor of the transfer, 85 voted against the transfer, and 36 abstained. I believe there was approximately 240-some votes, or at that time probably about 242 lots, or somewhere in that neighborhood that Highvest -- we did not count the votes and separate it out between Highvest and Ms. Keller, or Mr. Churchill, or any of the other individual lot owners, we just counted the votes.

Q But you know how many votes that Highvest has, don't you?

A I would have to go back and see what they had on record, you know, lots that they owned at that time, or the vote that took place, but it was somewhere in the neighborhood of 245 in there.

MR. FRIEDMAN: That's all the questions I have.

COMMISSIONER DEASON: Do you tender the witness for cross-examination? The witness is available for cross-examination?

MR. FRIEDMAN: Yes. I'm sorry. Yes, sir.

MR. BURGESS: Yes.

CROSS EXAMINATION

BY MR. BURGESS:

Q Let me ask some questions first, Mr. Lovelette, about the new meters that have been installed. First of all, have you collected from Highvest all the CIAC associated with that,

with the new meters?

A Highvest paid directly to the contractor that installed them.

Q Okay. Do you know whether that is consistent with the Public Service Commission order that required the CIAC and the installation of the meters?

A I'm not sure what your question is here.

Q My understanding is that you installed the meters pursuant to PSC requirement.

A The meters were required to be installed; the meters got installed; the meters have been paid for. Now, I don't know exactly what the Public Service requirement was on how they were to be installed, other than that they were supposed to be installed.

Q Or do you know what the Public Service -- do you recall what the Public Service Commission requirement was on CIAC collections for the meters?

A No, I do not.

Q Okay. Now, when did you start to bill the Highvest lots based on actual meter readings?

A There has been -- Highvest lots, approximately 20 of them that they had owned that were nonrental lots, what used to be prior to Camp Florida Resort L.P., they have always paid water and sewer on those. Once the metered rates went into effect, Highvest has been paying water and sewer on a number of

lots.

Q What about the rental lots?

A On the rental lots, also.

Q When did that begin, the actual meter readings and billings from them?

A They started paying for water and sewer back in November on 212, or 200 and some odd lots.

Q Back in November of 2003?

A 2003.

Q Now, in response to a discovery request from Public Counsel's Office, I believe you indicated that usage figures for the rental lots up through and including perhaps even January was based on estimated usage rather than actual read usage, is that correct?

A That's correct. The meters weren't installed until July of this year.

Q But in this discovery request it is estimated through July of '04, is that right?

A Yes. Because the meters weren't finally installed until sometime in July, I believe.

Q So what was the billing based on?

A A very educated guess on the number of gallons that were used.

Q So you didn't charge then per lot or per read meter. Have you started doing that yet?

A No, next month's will probably be the first one that they get completely, because the meters are in.

Q Now, when did you actually start billing for usage on all of the lots, all of the rental lots?

A In November.

Q Well, this indicates that the first bills were sent out for that with any usage at all in January of '04?

A Now, Highvest has been billed for usage, even though it has been an estimated usage since the metered rates went into effect.

Q Is Highvest sending checks to cover the bills on an update basis?

A Oh, yes, sir.

Q So there is no arrearage in Highvest billing at this point?

A No, sir.

Q So that any billing that we would see is, in fact, at this point they would be current?

A Yes.

Q Okay. Now, you had indicated in your response and in response that Mr. Friedman asked you subsequent to your prepared testimony that certain reports were being sent to the PSC, and that it was in response to staff requirements or staff requests, is that right?

A Yes. It was one of the previous orders that they had

given the utility, and I think it was a requirement for the Woodlands. And I cannot quote you the docket number on that, but I know I had been contacted by Staff.

Q Do you recall Order Number 1739 in the case, which is basically the disposition of the rate case?

A No, I don't know what that --

Q So, do you recall an order by the Public Service Commission requiring that the utility prepare monthly reports detailing the number of bills rendered, the consumption billed, and the revenue billed?

A I believe that is the order you are referring to, and that was a report that I was turning in.

Q So what you are saying is your understanding was this report that you sent in that Ms. Keller referred to, that you have stated what was intended to be in it, is in response to this PSC order?

A I believe that is what it is, yes.

Q But now this order doesn't say anything about leaving out the Highvest lots?

A No. The order asked me, I believe, how many customers were paying the $35.

Q Okay. Not the order that I am looking at, but --

A Okay. Then maybe we are referring to a different order, sir.

Q Now, can you tell me the most current status of the

refunds that you are able to provide at this point?

A What do you mean by the most current status?

Q How much more refunds from the overcharges are due customers?

A I do not know a dollar figure, no.

Q Do you know a dollar figure of how many have been made?

A No, I do not, sir.

Q Do you have a most recent report available?

A No, I do not, sir.

Q Are you still adhering to the September date for having completed them?

A Yes, sir.

Q Now, when you say you will have completed them, at this point based on the testimony that the Commission has received, a lot of the amount of refunds is being received in simply and accumulating credit balance to the customers, is that correct?

A Yes, sir.

Q And when the deadline for making the refund arrives, how do you intend to deal with those credit balances?

A They will stay on the bill.

Q Then you don't intend to send cash for the overcharge, for the amount of the credit balance at the time of the deadline?

A The cash payments will be made to customers that are no longer previous customers. They are no longer customers that we cannot give credits to.

Q Well, why won't you make cash payments to the people that are still customers.

A Because if they are still customers, they are still using water and sewer, and they will -- instead of paying for it, they will have a credit and they will deplete their credit balance.

Q I thought you had indicated that there was an escrow from which these payments, these refund payments were being made?

A No, there is an escrow account, and there will be payments made from that account to the previous customers that are no longer customers.

Q What started that escrow account, the escrow account you are referring to?

A It was ordered by the Public Service Commission.

Q And so the escrow account was created from the excess collections that you received, or that portion of the collections that was in controversy while the Commission was arriving at a determination, is that right?

A The escrow account was set up, and it was funded from -- and I will try to remember the exact percentage, but it was somewhere around 33 percent of the amount that was received

on the water bills, the amount that was received from the payment of the water bills went into that escrow account. And I believe it was somewhere around 33 percent.

Q And the water bills were $35 at that point?

A No, the water bills were as determined. The amount that was determined was $22 of the $35 that was being received was for water, and the remainder for sewer.

Q How much is in that escrow account now?

A A little over $15,000.

Q And you don't have any idea how much is going to be in the aggregate credit balance to these customers when the deadline arrives for you to have finalized the refunds?

A No, I don't have a number.

Q Okay. Now, I guess what you were saying is you think the refunds would be considered finalized, even though money is still owed to the customers, until such time as it is worked off?

A Yes. They have received a credit, they have been received a refund in the form of a credit.

Q But that will still be a liability. There will still be an outstanding payable to them at the time that the deadline arrives. Why not just send them a check for the amount that you owe them at that point?

A Probably because there isn't that amount of money in the escrow account.

Q And when would the utility be transferred if you get approval, do you have any idea about that? I mean, are you going to try to complete this before the transfer of the utility, if it goes through? Are you going to try to have completed the entire amount of obligation to each customer for the refund before the transfer takes place?

A Can you rephrase that, because I'm not --

Q Yes. My understanding is that the entire issue that we are dealing with here is a transfer of stock ownership of the water company to the POA, and a transfer of assets of the wastewater company to the POA. That will happen at a particular time. Is it your intention to have completed the full amount of the refund -- not have credit balances, but to have completed the full amount of the obligation to the customers before that transfer takes place?

A It would be my understanding, once the refund amount, whether it was in a credit or a cash amount had been -- fulfills the obligation.

Q But what I'm saying is is it your intention to have the cash -- the credit balance down to zero before the transfer takes place?

A The contract for sale, the purchase and sale agreement, I believe, gives trying to close within ten days after approval by the Public Service Commission.

Q So as far as you know, there is no intention to try

to complete the full obligation of refunds to the customers before the transfer takes place?

A Well, the agreement also states that L.P. Utilities is going to accept the obligation. And if the property owners association purchases it, they will accept whatever balance is left because the price has been reduced X amount of dollars.

Q Right. So the answer is no, you don't intend to have it fully paid back before the transfer takes place?

A The way you are stating it, yes, you're correct.

Q Okay. Now, how many customers is it your understanding that exists outside the POA that would prevent the POA from being exempt in its water operations, if the transfer takes place as the application has sought?

A Any customers outside for the wastewater treatment plant?

Q No, no, I'm sorry. Just on the water side. Well, let me back up. On the water side, if the transfer takes place as the application has sought, the utility will still remain a regulated utility as far as your understanding goes, is that correct?

A Yes, sir.

Q And why is that?

A Because there are 38 to 40-some, if you count the commercial customers that are outside the subdivision of Camp Florida Resort.

Q And where are they physically, where are they located? Are they on U.S. 27? Where are these customers?

A There is three commercial customers right across the parking lot from the entrance at Cash 'N Kary (phonetic) Shopping Center. The other commercial customer outside the subdivision is Lake Grassy Motel, maybe three-quarters of a mile south, and they are on U.S. 27. And there are two residential subdivisions on the east side of 27, one being Lakeridge Estates and one being Hickory Hills.

Q Now, are they adjacent to any other public utilities that you are aware of?

A Not that I'm aware of, no.

Q Is Camp Florida adjacent to any public utilities at this point?

A I believe Highlands -- and I may have the name wrong, but I believe Highlands Utilities, which is a wastewater, that they have a territory described, and that we had a portion of their area deleted and it was included into our area at one time. And I know they service the commercial area there at the Cash 'N Kary.

Q What about Mr. Cozier's personal residence, is that considered to be in the POA? Is that considered to be part of the territory that would be --

A He's in the -- in the legal description for the territory, his residence is in the territory, yes.

Q So his personal lot is one of the lots that is being assessed for all the various assessments, and one of the ones upon which he exercises autonomy to vote?

A Now, when you say his personal lot, you mean his residence at 241 Shoreline Drive?

Q Yes.

A He does not pay assessments on that lot there. Or it is not a lot, it is a parcel of land.

Q But it is where his home is, it is where his residence is, isn't it?

A Correct.

Q And does he pay a water or wastewater bill?

A He is on a septic system, sir.

Q Does he pay a water bill?

A No.

Q Does he receive water service from L.P. Utilities?

A Yes, he does.

Q So when you say there are something like 38 connections that would prevent the water system from being exempt, he is one of the connections?

A I guess if you include -- yes.

Q How long have you been running the utility operations for the Camp Florida?

A I have taken over the duties when I started working for Highvest Corporation.

Q And that would be -- I'm sorry?

A Approximately four years ago, I believe. Five years ago.

Q Is that when you moved into the area, four or five years ago?

A No, I moved to Highlands County back in '94.

Q On the mortgage that is due to Highvest for the utility assets from L.P. Utilities, is that current at this point as far as payments?

A No, it is not.

Q Are you able to give us an approximation as to the amount of arrearage?

A No.

Q Do you have any idea, no ballpark number?

A No ballpark number.

MR. BURGESS: All right. Thank you.

COMMISSIONER DEASON: Staff.

CROSS EXAMINATION

BY MS. FLEMING:

Q Hi, Mr. Lovelette. If you could, please, I have a binder, a blue binder if front of you, if I could direct you to that. The pages are numbered at the bottom. If you could please turn to Page 184. This is the annual report for L.P. Utilities for December 2002, is that correct?

A I believe that is what it is.

Q You were just discussing a mortgage for L.P. Utilities from Highvest. Is that reflected on this page?

A I'm not sure where I would be looking for it at this --

Q Would you agree, subject to check, the column that is labeled notes payable, 232, that has a balance of 378,563 is that mortgage?

A Yes, there is a note that is -- yes.

Q Can I get you to look at Page 185, please.

A I'm sorry.

Q 185, please. This is L.P. Utilities' annual report for December 2003?

A Okay.

Q Is that same mortgage reflected on this page, as well?

A Is that under the notes payable?

Q Yes.

A Yes, there is a notes payable there, yes.

Q And what is that dollar amount?

A Under the current year, 378,563.

Q So why didn't the principal amount on that mortgage change from 2002 to 2003?

A Because there probably wasn't any payments.

Q Let's discuss your duties at L.P. Briefly, you state in your direct testimony that you are the director of L.P.

Utilities, correct?

A Yes.

Q What are your specific duties as it relates to the daily operations of the utility?

A I assist in the billing operation, inputting the bills, mailing the bills day-to-day. I go to the post office box about once a week. And we have a person in our office that usually posts them on a collection list sheet, and then I input them into the computer billing program to keep track of it. Day-to-day operations with the utility, I usually have contact a couple of times during the week with the operators of the system. Paper work required, any forms, contact with the FDEP. I do the annual report known as the consumer confidence report, things like that.

Q So your duties do include overseeing the billing and collection of water and wastewater services for L.P. Utilities, correct?

A Yes.

Q Do those bills include beginning and ending meter readings pursuant to Commission orders or Commission rules?

A On the bills that we send out, yes. I believe you can ask our customers if they are on there.

Q How many bills do you send out?

A I don't know the number that we send out.

Q Let's talk a little bit about the transfer of the

wastewater system. The purchase price of the wastewater system is $191,523, correct?

A Without referring to the purchase and sale agreement, I will agree to that number.

Q Okay. I believe that number is in your testimony on Page 9, if you need to refer to that. Who will be financing this loan from L.P. to Camp Florida?

A I believe either Highvest or Anbeth.

Q The individual or the corporation financing this loan would be listed in the purchase and sale agreement, correct?

A I believe so.

Q And just to point out, Anbeth and Camp Florida are on the purchase and sale agreement, so --

A All right.

Q Who is the shareholder of L.P. Utilities?

A Anbeth Corporation.

Q Who are the owners of Anbeth?

A I believe currently it is R. Anthony Cozier and Elizabeth Cozier.

Q Who is the president of Highvest?

A R. Anthony Cozier.

Q Who is the vice-president of Highvest?

A I am.

Q Who negotiated the terms of the loan on behalf of the property owners association?

A It was discussed with the board.

Q Who is included in that board?

A I am on the board, my wife is on the board, Terri Lovelette, Pat DeSilva (phonetic), Mio Sarni (phonetic), and Evelyn Cloud (phonetic).

Q What is your position in the property owners association?

A I'm the president of the board.

Q Do you own a lot in the resort?

A I own two lots in the resort. My wife and I own two lots together, jointly.

Q Looking at the terms of the loan for the purchase of the wastewater system, why was ten years chosen as the payback period for the loan?

A It was a convenient period of time.

Q Was a longer payback period considered?

A No. I didn't want to drag it out over a longer period of time.

Q And this loan is financed at a 6.99 percent interest rate?

A Yes, that is what was agreed to.

Q How did you arrive at this interest rate?

A That was currently what was offered to us.

Q By whom?

A Highvest or Anbeth Corporation.

Q Now, you stated just a few moments ago that the ten-year payback period was convenient. Could you please explain that?

A It is a nice even number. If you take the payments out over a longer period of time you end up paying more interest on it. And a shorter period of time places a larger burden up front, or a larger burden.

Q You were discussing earlier that there were fees associated with the sale of the wastewater system, correct?

A Fees with the sale, I'm sorry.

Q Fees associated with the sale. In the contract you state that there will be quarterly assessment fees to the property owners association, is that correct?

A Yes.

Q How does the property owners association intend to pay this $191,000 loan?

A They will be assessed equally on the lots. Some of the lots are -- there has been a discussion why we are using a number of 382 verse 397, because some of the owners have more than one lot or half a lot, and so those owners that have like two lots that are together are unitized, and so that is why the 382 came up with. But this number would be divided amongst that. And currently, in the previous, and as a practice, the property owners association bills its members on a quarterly basis.

Q So this assessment on the wastewater system will be in addition to what the customers currently pay for wastewater service, is that correct?

A Yes, ma'am.

Q Who is operating the wastewater system today?

A L.P. Utilities.

Q And is L.P. Utilities going to continue operating the system?

A If the sale is approved and a transfer is approved, the assets are going to be transferred to the property owners association.

Q And you are currently managing the utility?

A Yes.

Q Who will be managing the utility in your place?

A Well, the board wants to hire someone to manage that.

Q Do you plan on training your replacement?

A I will assist in the transition.

Q Assuming that the transfer of the wastewater system is approved, L.P. currently owns the land where the wastewater system sits. Does L.P. plan to transfer this land to the property owners association?

A Yes.

Q If the transfer isn't approved, what does L.P. intend to do?

A I'm not sure.

Q Are there any other options? What happens to the utility if the transfer isn't transferred to the property owners association?

A L.P. will -- there is a big if there. Are we also assuming that the Public Service Commission will not approve the transfer of the certificate to L.P. utility for the sewer system?

Q My hypothetical is just what happens if the transfer isn't approved to the property owners association?

A Well, I will do a hypothetical then that the Public Service Commission has approved the transfer to L.P. Utilities of the certificates, and that they would continue to operate at which time they either decided to -- I know we have talked about selling the utility, because as Mr. Cozier spoke that he does not care to own and operate a utility system at this time.

Q Now, let's take that one step further as you were just suggesting. What if the Commission does not approve the transfer from Woodlands to L.P., what happens to the utility at that point?

A Well, I'm not sure. I don't see it conceivable why there is a reason why they wouldn't transfer the certificate to it. There is no -- that I see. And I know, speaking with staff previously, that the owner and operator of the system has an obligation to continue to provide services to their customers, they just can't say, "Sorry, Charlie, I'm closing

the door tomorrow," and walking away.

Q Let's talk a few minutes about the transfer of the water system. We have heard plenty of testimony today that there will be an assessment fee of $261.78 per lot assessed for this purchase of the stock, correct?

A Yes.

Q And that is only referring to the water system, correct?

A Yes, ma'am.

Q And you have stated previously as of today you don't know the amount of refunds that have been paid. The sale of the stock is based on a $100,000 purchase price, correct?

A Yes, ma'am.

Q And that price is going to increase based on the amount of refunds paid, is that correct?

A Well, originally when the agreement was signed, the buyer, the Camp Florida Property Owners Association was willing to agree to assume the liability for the refunds in exchange to have a reduction of price.

Q I guess what I'm asking for is in your prefiled testimony on Page 10, Lines 19 through 22, you state that the purchase price of the shares will be increased by the amount of refunds paid as of the effective date?

A Yes.

Q So to explain that, is that telling me that the

$100,000 purchase price that is currently listed will increase based on the amount of refunds that are paid?

A That was the agreement that was made, yes.

Q So the assessment for the property owners could be more than $261, is that correct?

A It could be, yes.

Q And this assessment will be in addition to the wastewater assessment that we discussed a few moments ago?

A Yes.

Q And these two additional assessments will be in addition to the provisions for water and wastewater service, correct?

A Yes.

Q Let me go back a second. You stated earlier the property owners association is looking to hire another manager of the utility. Has that position been advertised?

A No.

Q When does the property owners association intend to advertise that?

A Probably as soon as we get an approval.

MS. FLEMING: That's all the questions I have. Thank you.

COMMISSIONER DEASON: Commissioners.

COMMISSIONER DAVIDSON: Two or three questions here. The first question, if Mr. Cozier receives water service at his

parcel of land, his personal residence from the utility, but does not pay an assessment for it, is it accurate to state that the other parcel owners in the POA pay for the cost of that service?

THE WITNESS: I'm not following the way you --

COMMISSIONER DAVIDSON: Well, you stated that he doesn't receive wastewater service from the utility because he is on a septic system. I believe you stated, and I may be mistaken, that he receives water service from the utility at his residence.

THE WITNESS: Yes, he does.

COMMISSIONER DAVIDSON: You also stated, I believe, that he doesn't pay an assessment for that water service?

THE WITNESS: Right now there is no assessment for water service. We don't have an assessment for it.

COMMISSIONER DAVIDSON: Do the other owners in the POA, do the other parcel owners in the POA pay for water service?

THE WITNESS: Yes.

COMMISSIONER DAVIDSON: Does Mr. Cozier pay for water service?

THE WITNESS: No.

COMMISSIONER DAVIDSON: Who pays for the water service that he receives, how is that paid for?

THE WITNESS: It isn't.

COMMISSIONER DAVIDSON: It's free?

THE WITNESS: I guess that would be --

COMMISSIONER DAVIDSON: Nothing is free.

THE WITNESS: Nothing is free. He owns the company, so he --

COMMISSIONER DAVIDSON: Is it fair to state that if there is a cost associated with that water, that whatever that cost is is being borne by the other parcel lot owners in the POA?

THE WITNESS: I wouldn't -- I would say that whatever cost that he -- the cost for the water that he has used there is borne through the entire system.

COMMISSIONER DAVIDSON: At Page 6 of your direct testimony at Lines 8 through 10, you state the association is expected to continue to operate in much the same manner as the utility currently does, and will continue to be fully subject to all applicable laws. At Page 5, Lines 17 through 19, you state --

COMMISSIONER BRADLEY: Where was that?

COMMISSIONER DAVIDSON: At Page 5, the previous page. You state at 17 through 19, "The association will retain the utility's current experienced and knowledgable staff to operate the water system in a manner that will satisfy applicable regulations and industry standards."

A couple of questions here. And one, it is fairly

long, but all the points relate to the same central issue. And the first question is what is the precise reason for seeking to transfer L.P. Utility to the POA? Why not just have the utility retain ownership? And is there some enhanced level of service that is going to occur with the transfer from L.P. to the POA?

THE WITNESS: Well, in the long-term it will be a benefit to the POA. The POA will be able to hire a person and fund a person from this thing, and his day-to-day operations just like my day-to-day operations, I do not spend my eight hours a day, five days a week working for doing the utility. I know there is X number of hours that the staff has allowed the utility. The POA also wants to hire a manager. So it would be like person will be -- will have two hats. One he will be working directly for the POA. One of his duties will be managing the utility, the other one will be managing operations in the property owners association in Camp Florida Resort.

COMMISSIONER DAVIDSON: And that would not be you?

THE WITNESS: No. And then, like I say, after ten years this note will be paid off, and I believe there is about $2,700, or $27,000, or some amount that is being paid on a yearly basis that then the utility, since they own it free and clear, then will be able to use, and also being the property owners association will be used for whatever reason they want.

COMMISSIONER DAVIDSON: If you could turn to Page 10,

please, of your direct. The figure of $89,086.

COMMISSIONER BRADLEY: What page is that?

COMMISSIONER DAVIDSON: Page 10, Commissioner. Is that figure, as you use it there -- I apologize, I don't have the order -- some $69,000, a refund plus interest, is that the amount ordered plus interest?

THE WITNESS: No, I don't know what the total amount was. I believe that $89,086 is more than what was the amount that staff had calculated as a total amount.

COMMISSIONER DAVIDSON: Well, at Page 7, you reference the Commission order requiring the Woodlands to refund 69,065 plus interest. And my question was is that 89,000, does that constitute the 69,000 plus interest?

THE WITNESS: No. The $69,065 is a number that the Public Service staff arrived at. I don't know how much interest is on that, but I doubt that there is another $20,000 in interest on that. But I know the 89,086 is less than the total amount that they came up with. I believe Troy Rendell of the Public Service Commission at one time gave me a sheet with a breakdown of what it was.

COMMISSIONER DAVIDSON: At Page 10, is the 89,086 the amount which the utility considers it's obligated to pay as a refund?

THE WITNESS: No, the utility is not obligated to pay 89,086.

COMMISSIONER DAVIDSON: Well, I am trying to figure out, and it is probably my own misreading of this, but the purchase price is equal to the value of the rate base less a deduction of $89,086, which is in consideration of the utility assuming the obligation to pay the refund. What is that $89,000 if it is not a refund amount?

THE WITNESS: The Staff had determined that the value of the utility, or the purchase -- or that the utility would be a value of 189,086. And we reduced the sale price to an even $100,000 dropping the 89,086, which is in excess of the total amount of refund.

COMMISSIONER DAVIDSON: Okay. Of the total amount of refund -- well, one, what do you estimate as you sit here today to be the total amount of refund? And, Staff, do we know that?

MS. FLEMING: Yes, Commissioner, if I could clarify. That $69,000 was the interest or the refund that was due as of December 2002, not 2003. That order was protested by the utility. We went to hearing. And the final order on September 2003 stated that the amount of refunds that were due were $78,268, excluding interest.

COMMISSIONER DAVIDSON: And have we calculated interest as of -- it's probably a complicated process.

MS. FLEMING: I know that the Staff in the SARC docket has been calculating the interest, and they have been working with the utility as far as the refund reports that have

been filed monthly, and they have been keeping track of what refund amounts have been paid and what is due.

COMMISSIONER DAVIDSON: Do we have an estimate from either yourself, sir, or from Staff, as to the amount of that 78,268 that has been paid and actually utilized, for lack of a better word, to date, either paid out in cash, or paid out in credit where the customer has actually received the benefit of the credit? They got a $40 credit on their bill, their bill was 50, they got the benefit of $40?

MS. FLEMING: Staff actually sent out some interrogatories to the utility asking what the current refund amount that had been paid to date, and I will try to locate that number for you.

COMMISSIONER DAVIDSON: Okay. That's fine. You can get that later. And one final -- couple of questions. Again, the number of total lots is 397?

THE WITNESS: Yes, sir.

COMMISSIONER DAVIDSON: And, currently, of that 397 how many are owned by Highvest, roughly? Was it 245 or 240?

THE WITNESS: Hang on. I just revised that. As of today's date we own 240. Highvest owns 240 lots.

COMMISSIONER DAVIDSON: Leaving 157 held by others. Is it accurate to state, under the transaction as contemplated, that the owners, the lot owners, who if the transaction was approved would become the owners of the utility, would share

equally in any potential revenue flow or profit, income stream from the utility? Meaning -- let's assume for the moment that there were 400 lots, 200 were owned by Highvest and 200 were owned by others. Would those two groups, under the deal as contemplated, share equally in both the benefit and the burdens of the transaction?

THE WITNESS: Yes.

COMMISSIONER DAVIDSON: Thank you.

MS. FLEMING: Commissioner, if I may, I have those numbers for you. The utility responded on June 22nd to a Staff interrogatory, and it is included in one of the stipulated exhibits. The total refund to date as of June 9th, 2004, monthly report is $32,586.73. That leaves a remaining balance of $56,983.93 for a total refund calculated of $89,570.

COMMISSIONER DAVIDSON: Thank you.

COMMISSIONER BRADLEY: The special assessment of $261.78 for each of the 382 lots, how many lots does Highvest own again of the 382?

THE WITNESS: Well, as of today they own 240.

COMMISSIONER BRADLEY: Will Highvest also pay the assessment?

THE WITNESS: Yes.

COMMISSIONER BRADLEY: And where will that be placed, in an escrow account?

THE WITNESS: It will be paid to the property owners

association. We do not have an escrow account set up. It will be put into the general fund. But through Cauley Financial, she keeps a separate accounting of what it is in that fund.

COMMISSIONER BRADLEY: So how will you deal with the assessment when a lot sells? How will you deal with the assessment that that lot has paid into the fund?

THE WITNESS: Right now we have not -- since the association has not received any payments for the assessments since December, or early December, late November of last year when we notified our members that we were not going to pursue collecting this until the Commission approved the sale, and so right now we have not received anything more. And I believe someone testified that there was approximately $19,000 that had already been received from property owners.

COMMISSIONER BRADLEY: Okay. But my question is when a lot sells, how do you deal with the disbursement of the assessment?

THE WITNESS: If a lot was to sell today --

COMMISSIONER BRADLEY: And the lot has paid and has been assessed.

THE WITNESS: All right. If the lot has paid their assessment, then the new owner is not liable for it or anything else. It has been paid and it is on the books. But if for some unforeseen reason the Commission denies the sale and transfer to the property owners association, then our governing

documents require us to return to the people that have paid the assessment. It is a special assessment and can only be used for the purchase of this system. It can't be used for any other reason by the association.

COMMISSIONER BRADLEY: I'm still unclear, and I'm not trying to confuse you. A new owner appears. Highvest has paid an assessment of $261.78. What happens to the $261.78? Is the new owner also going to be afforded the opportunity to become an investor, or does that person automatically become an investor, or is it that the $261.78 then is refunded to Highvest and the new owner --

THE WITNESS: No, it would not be refunded to Highvest. Say if the new owner purchased a lot from Highvest, Highvest would pay the $261. The new owner would not have an obligation to pay the assessment, but he would have the benefit of the system and he would be a member. He is an automatic member once you become a property owner in there. Once you purchase property, you automatically become an automatic member of the association.

COMMISSIONER DEASON: Redirect.

MR. FRIEDMAN: I do have a question, Mr. Lovelette.

REDIRECT EXAMINATION

BY MR. FRIEDMAN:

Q In response to a question of counsel for the Public Service Commission, I believe you testified there would be

quarterly assessments on the wastewater system. And my question is why would there be assessments for the wastewater system if the cash flow from the revenue of the wastewater system was sufficient to make the mortgage payments?

A I probably misunderstood the question that if the wastewater system was paid for by one special assessment, there would not be an additional quarterly assessment. But if the utility -- say the water system here is being purchased over time, the utility that is being purchased over time for a ten-year period, then there would be quarterly assessment on that.

MR. FRIEDMAN: Okay. Thank you.

COMMISSIONER DEASON: Is that all the redirect? Okay. And we have already addressed the exhibits, and they have already been identified and admitted. Thank you. You may be excused.

And you will return for rebuttal testimony, correct?

THE WITNESS: Yes, Commissioner.

COMMISSIONER DEASON: We will take a ten-minute recess at this time.

(Recess.)

COMMISSIONER DEASON: Okay. Call the hearing back to order.

Mr. Burgess, you may call your witness.

MR. BURGESS: Yes. We would call Donna DeRonne to

the witness stand. And she appears to be already there, so I can go ahead and start.

DONNA DeRONNE

**was called as a witness on behalf of the Citizens of the State of Florida, and** having been duly sworn, testified as follows:

**DIRECT EXAMINATION**

BY MR. BURGESS:

Q Would you state your name and business address for the record, please?

A My name is Donna DeRonne, and I'm with the firm Larkin and Associates. Our address is 15728 Farmington Road, Livonia, Michigan 48154.

Q And have you prefiled testimony -- did you prefile testimony in this docket on April 29th that included four exhibits which have been identified as Exhibit Numbers 9 through 12 for the purposes of this hearing?

A Yes, I did.

Q Do you have any amendments or changes to the testimony as filed?

A Yes, I do have one correction to my prefiled testimony. If you turn to Page 9, Line 2. This is where I discuss the circuit court case on the findings against Mr. Cozier, and on Line 2 I refer to Mr. Lovelette. That needs to be changed to Ms. Lovelette.

At the time I prepared this testimony, I had

initially thought it was Mr. Lovelette involved in the proceeding. And prior to filing it, I did become aware that it was his wife, Ms. Lovelette, and not Mr. Lovelette. And I changed later references in my testimony and I failed to pick up this one. So I do apologize, also, to Mr. Lovelette for mentioning his name in connection with that circuit court decision.

Q Are there any other changes that you would like to make?

A No, not at this time.

Q With that change, if the questions posed in this prefiled testimony were posed today, would your answers be the same?

A Yes, they would.

MR. BURGESS: Commissioner, I would ask that the testimony be entered into the record as though read, and I would ask that Ms. DeRonne be allowed to give a summary of the testimony.

COMMISSIONER DEASON: Without objection, the testimony will be inserted into the record, and Ms. DeRonne may proceed with a summary.

MR. BURGESS: Thank you, Commissioner.

DIRECT TESTIMONY OF DONNA DERONNE
ON BEHALF OF THE CITIZENS OF FLORIDA
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS

INTRODUCTION

Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?

A. My name is Donna DeRonne. I am a Certified Public Accountant licensed in the State of Michigan and a senior regulatory consultant at the firm of Larkin & Associates, PLLC, Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan 48154.

Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES, PLLC.

A. Larkin & Associates, PLLC, is a Certified Public Accounting and Regulatory Consulting Firm. The firm performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin & Associates, PLLC, has extensive experience in the utility regulatory field as expert witnesses in over 400 regulatory proceedings, including numerous electric, gas, water and wastewater and telephone utility cases.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION?

A. Yes. I have testified before the Florida Public Service Commission on several prior

occasions. I have also testified before several other state regulatory commissions.

Q. HAVE YOU PREPARED AN APPENDIX DESCRIBING YOUR QUALIFICATIONS AND EXPERIENCE?

A. Yes. I have attached Appendix I, which is a summary of my regulatory experience and qualifications.

Q. ON WHOSE BEHALF ARE YOU APPEARING?

A. Larkin & Associates, PLLC, was retained by the Florida Office of Public Counsel (OPC) to review the application submitted by The Woodlands of Lake Placid, L.P. (Company) for approval to sell, assign or transfer utility facilities to Camp Florida Property Owners Association, Inc. and for approval to transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc. Accordingly, I am appearing on behalf of the Citizens of Florida (Citizens).

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to address the proposed transfer of Certificate No. 620-W and 533-S by the Petitioner in this docket.

Q. WHAT IS THE STANDARD THAT THE PSC SHOULD APPLY IN DETERMINING WHETHER TO ALLOW THIS TRANSFER?

A. The standard is specified in Section 367.071 of the Florida Statutes. The most relevant provisions of that statutory section states:

> (1) No utility shall sell, assign, or transfer its certificate of authorization, facilities or any portion thereof, or majority organizational control without determination and approval of the commission that the proposed sale, assignment, or transfer is in the public interest and that the buyer, assignee, or transferee will fulfill the commitments, obligations, and representations of the utility.

Q. IS IT YOUR INTENTION TO MAKE A LEGAL INTERPRETATION OF THIS STATUTE?

A. No, it is not. I do intend, however, to discuss the factual circumstances in this case that I believe are relevant to the determination of "the public interest."

Q. DO YOU BELIEVE THE COMMISSION SHOULD APPROVE THE TRANSFER OF CERTIFICATE NOS. 620-W AND 533-S?

A. No, I do not. The transfer is clearly against the public interest.

Q. HAVE YOU SPOKEN TO THE UTILITY'S CUSTOMERS ABOUT ANY OF THE ISSUES THAT YOU WILL ADDRESS IN THIS TESTIMONY?

A. Yes, I have spoken to the customers on several occasions. During the utility's unsuccessful attempt to challenge the results of the recent Staff Assisted Rate Case (SARC), I visited Lake Placid and had discussions with customers. More recently, on March 31, 2004, I visited Camp Florida Resort for the specific purpose of discussing this proposed transfer. In an extraordinary turnout, more than seventy-five residents of Camp Florida gathered at one resident's home to give their input about the proposed transfer. These residents, as owners of lots in the Camp Florida Resort, are members of the Camp Florida Property Owners Association. The meeting lasted about two hours,

and everyone in attendance was invited to speak his or her mind.

Q. WAS THERE A CONSENSUS?

A. There was far more than a consensus. Of the many people who spoke, there was unanimous agreement that they vehemently opposed the transfer.

Q. IN HIS DIRECT TESTIMONY, LP UTILITIES WITNESS JOHN LOVELETTE STATES THAT THE MAJORITY OF CUSTOMERS OF THE WATER AND WASTEWATER SYSTEM AGREED WITH THE PROPOSED TRANSACTION. GIVEN YOUR ABOVE STATEMENT, HOW CAN MR. LOVELETTE'S ASSERTION BE ACCURATE?

A. According to page 11 of Mr. Lovelette's testimony, of the 397 votes in the Property Owners Association, 276 voted in favor of the transfer, 85 voted against the transfer and 36 votes abstained. Each lot within Camp Florida Resort has one vote in POA matters. While it is correct that the majority of the lots voted in favor of the transaction, the majority of the individual customers did not. Highvest Corporation, for which Mr. Anthony Cozier makes the management decisions, owns 246, or 62%, of the 397 lots. As a result, Highvest Corporation essentially has full control of the decisions made by the POA as it has 62% of the votes.

Q. WHAT REASONS WERE GIVEN BY THE INDIVIDUAL LOT OWNERS, WHICH ARE MEMBERS OF THE POA, TO OPPOSE THE TRANSFER?

A. Various customers gave a number of valid reasons for their opposition. I would paraphrase and categorize the reasons as follows:

1. They believe that they should not be forced to put up money to purchase a business.

2. They believe that they should not be forced into a relationship of business co-ownership with someone whose ethics they seriously question.

3. They believe that they should not be forced to put up their money to purchase a business whose management is incompetent or has allegiances that are counter to the financial health of the business.

Q. DO YOU AGREE WITH THE REASONING AND THE CONCLUSIONS REACHED BY THE CUSTOMERS?

A. Yes, I do.

FORCED TO PURCHASE A BUSINESS

Q. WOULD YOU PLEASE ADDRESS THE FIRST ISSUE IDENTIFIED ABOVE?

A. Yes. The first issue is that the residents do not feel they should be forced to purchase a business. This is an even more compelling issue when it is being run in such a fashion that it is essentially assured to go bankrupt. Not only is the utility's history one of financial failure, but its current practice renders it almost certain to repeat its history of financial failure.

At the time Staff was conducting its investigation in the SARC, the utility was owned by The Woodlands of Lake Placid, LP (whose general partner was Camper Corral, Inc.)

and the utility assets were subject to a mortgage held by Highvest Corporation. Highvest, through the foreclosure described below, also owns the rental lots in Camp Florida Resort, which are the majority of the lots. Prior to the foreclosure, these rental lots were owned by an entity owned and controlled by Mr. Anthony Cozier. Counter to any reasonable business practice, the utility chose to provide water and wastewater service (and incur all the variable costs thereon) to the lots owned by Mr. Cozier through one of his business entities, but chose not to collect any fees for the utility service. Partially as a result of this "business practice," the Woodlands of Lake Placid, L.P. could not generate enough revenue to stay current on the mortgage note covering the utility assets. At a time of its choosing, Highvest then foreclosed on the mortgage, and the utility assets were taken from the Woodlands of Lake Placid, L.P. and transferred by Highvest to the LP Utilities, Inc. As a result of the foreclosure, Highvest also became owner of the majority of the lots.

To the best of my knowledge, L.P. Utilities is currently engaging in fundamentally the same business practice in that water and wastewater service is being provided to the rental lots, but L.P. Utilities does not collect water and wastewater revenues from Highvest for service to those lots. Collection of revenues from the majority of the lots within the resort is necessary to recover all costs incurred by the utility operations. Clearly, this practice is certain to once again lead to financial ruin.

There may be other situations in which a utility chooses to forego a very limited amount of revenue from a particular customer, and simply absorbs that loss in the owner's bottom line. In this case, however, that practice is entirely unacceptable for two reasons.

First, Highvest owns 246 of the 397 platted lots in Camp Florida Resort. This is approximately 62% of the lots. Thus, the rental lots owned by Highvest consisted of a significant portion of utility's total revenue responsibility when rates were set by the Commission. No company can forego such a high portion of its revenue and continue to remain financially viable.

Second, under this proposal, the loss from the foregone revenue would be borne by the remaining lot owners, which are members of the POA and include those who specifically voted against the transaction. The loss would be absorbed by the non-Highvest owners (i.e., the individual customer/owners) to the extent of their proportionate ownership. In other words Highvest would benefit by escaping payment of 100% of the foregone charges, but only have to bear the loss to the extent of its proportionate ownership share. Naturally, the POA (as new owner of the utility) would not object to this inequity because Highvest would approve the arrangement via exercising of its majority POA votes.

Before long, the utility owner (the POA) would be forced to either go bankrupt and lose the utility assets, or raise new capital to fund the continuation of this inequitable arrangement. For the wastewater system, if the Petitioners proposal is adopted, the customers would be even worse off as they would no longer have the protection of the Public Service Commission. Either decision, i.e., raising new capital or bankruptcy, would be made unilaterally by Highvest with its majority control. Since this would be a capitalization decision supposedly made by the utility owners, it may be argued that it is beyond the Public Service Commission's concern for even the water system. How

can it be in the public interest to force the customers of the utility system to become owners of the system under such circumstances?

FORCED BUSINESS RELATIONSHIP

Q. WHAT ABOUT THE SECOND POINT RAISED BY THE CUSTOMERS?

A. The second summarized point made by the residents was that they feel they should not be forced into a relationship of business co-ownership with someone whose ethics they seriously question. Many of the individuals who spoke at the March 31, 2003 discussion felt strongly about this issue, with strong agreement from the other attendees.

Business partnerships are typically thought of in terms of voluntary arrangements – if I am leery of someone's ethics, I can simply avoid a business partnership with that person. This is an important freedom. That freedom is a significantly more important when the business partnership involves not just co-ownerships, but also co-management of the business and co-purchasing of the product produced by the jointly owned business. A person should be able to make his own decision of whether to become entangled in such an all-encompassing fashion.

The personal autonomy over such a decision is particularly important when one has grave reservations about the ethics and motives about the potential partner. In this case, a number of customers expressed deep concerns about the ethics and motives of Mr. Cozier, the president of Highvest. Their concerns arise from the history of their interactions with Mr. Cozier in other matters. In Richard Peratoni, Sara Keller, et al, vs. Camper Corral, Inc., a Florida not for profit corporation, et al., Case No. GC 97-240, GC

98-158 (Consolidated), several of the individual lot owners, who are members of the POA, sued Mr. Cozier and Mr. Lovelette in Circuit Court. Among other findings on behalf of the plaintiffs, the Court awarded the plaintiff's $289,934.23 plus interest in damages, along with $96,274.06 in prejudgement interest. The Final Judgment reached a number of remarkable findings of fact, including the following:

> The representatives of the association negotiated a sale in good faith. The Parties had created an enforceable contract for sale of the property but the Defendant Cozier and the Defendant Woodlands added additional requirements and conditions to its final offer. The Defendant Cozier negotiated in bad faith and throughout the negotiation process used suspect, underhanded, unethical, and bad faith tactics to mislead the Plaintiffs to a timetable that exceeded the Statute of Limitations.
>
> * * * * *
>
> 4. BREACH OF FIDUCIARY DUTY: Defendants Cozier and Lovelette breached their fiduciary duties to the Plaintiffs as members of the Property Owners Association thru a variety of acts including without limitation:
>
> * * * * *
>
> e. Intentionally misrepresenting the Developer's obligation for maintenance payments to the association, advising the members that the Developer had no legal obligation to pay any assessments.
>
> f. Amending the bylaws, skirting the Covenants and Restrictions, to reduce the Developer's obligation for maintenance payments.
>
> g. Diverting funds that should have been reimbursed to the members to the road reserve without requiring the Developer to make any proportionate contributions to that reserve.
>
> * * * * *

i. Continuously meeting and discussing Property Owners Association business and issues including the budget without notice to the members as required by Statute.

j. Double charging for maintenance during the year 1998 by paying his own corporation Camper Corral by paying Cozier's own corporation Camper Corral, Inc. for maintenance that was not performed on behalf of the Property Owners Association.

* * * * *

This is just a partial list of the things Mr. Cozier has done to the individual lot owners, which are members of the Property Owners Association.[1] How can it possibly be in the public interest to force these people directly against their will to enter into a further business partnership with someone who has already done these things to them?

Based on these incidents, as well as others I have not recounted, customers question the ethics and motives of Mr. Cozier. When this validated level of distrust exists, it cannot be in the public interest to force people into a business partnership. Commissioners and Staff need only ask themselves whether they would consider it in the public interest if they were forced into such a business relationship. I recommend that the Commissioners read the list of findings by the Circuit Court, which is provided as Exhibit__(DD-3), attached to this testimony.

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[1]The dollar award was overturned by the District Court because the amount of damages was based on the effects as applied to the total park, while only a small number of those residents brought suit. Nevertheless, none of the Circuit Court's findings of fact were disturbed by the Appellate Court. A copy of both Circuit Court and District Court decisions are attached to this testimony as Exhibit __(DD-3) and Exhibit __(DD-4).

CONFLICTING ALLEGIANCE OF THE UTILITY MANAGEMENT

Q. WOULD YOU PLEASE ADDRESS THE THIRD POINT RAISED BY THE CUSTOMERS?

A. Yes. Many customer expressed their concern with the management of the utility. In a proper business setting, management exercises a fiduciary obligation to the owner(s) of that business. This is an indispensable component of acceptable business practice. It is also important to understand that the management must have its allegiance to the business owner(s) in their capacity as owners of that business, rather some other capacity or interest that an owner might also happen to have.

In this case, the homeowners have every reason to be concerned about this factor. The utility has been run and managed by Mr. John Lovelette. The Application proposes that Mr. Lovelette continue to manage the utility business. The utility, under Mr. Lovelette's watch, has not collected charges for water and wastewater services from Highvest as the current owner of the rental lots or the prior owner of the rental lots, which was an entity owned by Mr. Cozier. To the best of my knowledge this practice continues. As I described earlier, this deficiency led directly to the prior foreclosure on the utility assets. This was a fundamental business failure.

The business failure, of itself, is bad enough, but the continued refusal to rectify the situation is even worse. To the best of my knowledge, the utility still is not collecting water and wastewater charges from Highvest, so the financial duress continues. One would expect a utility manager to charge Highvest to prevent a second financial ruin.

The obvious problem, of course, is that Mr. Lovelette exercises his allegiance to Mr. Cozier personally, rather than to the financial well-being of the company he manages. The transfer Petition proposes to have Mr. Lovelette continue as the manager of the utility operations. Since Mr. Lovelette was managing the utility operations that were foreclosed upon, there is no reason to believe that the utility will be managed any differently.

Once again, it is obviously contrary to the public interest to force customers, directly against their will, to purchase a utility that is and will continue to be managed by someone who will not have an allegiance to them as owners, and who has proven to be unable to run a solvent utility operation.

GOING CONCERN ISSUE

Q. ARE THERE ANY ADDITIONAL FACTS THAT DEMONSTRATE THAT THE TRANSFER OF THE UTILITY ASSETS TO THE CAMP FLORIDA PROPERTY OWNERS ASSOCIATION IS NOT IN THE PUBLIC INTEREST?

A. Yes. The issue of potential bankruptcy of the business was addressed previously. I wish to provide some further compelling facts to the Commission with regards to this issue. Under the method by which L.P. Utilities proposes to sell and transfer the wastewater facilities to the POA, it would not be possible for the POA to make the full mortgage payment on the wastewater facilities and pay on-going wastewater system operating costs under the current wastewater rates that were set and approved by the Commission in its Order No. PSC-03-1051-FOF-WS. This makes it highly possible for the POA to default on the proposed mortgage for the purchase of the wastewater facilities absent a

significant increase in the amount to be collected from customers, which are POA members, for wastewater service. It clearly is not in the public interest to set up the sale and transfer in such a way that a default on the proposed mortgage is virtually guaranteed absent a significant increase in the rates charged.

Q. WOULD YOU PLEASE DISCUSS THE PROPOSED MORTGAGE THAT WOULD BE USED TO PURCHASE THE WASTEWATER ASSETS BY THE POA ALONG WITH THE ANNUAL FINANCIAL IMPACT OF THE PROPOSED MORTGAGE ON THE POA?

A. Yes. According to LP Utilities' witness John Lovelette's direct testimony in this case, at page 9, the POA would acquire the wastewater system assets for $191,523, with the entire purchase price paid in the form of a note to be executed by the POA. The POA would then pay the note in quarterly installments of principle and interest over a ten-year period at 6.99% interest per year. The note terms are identified in Mr. Lovelette's testimony and also provided for in the Agreement for Purchase and Sale provided as Exhibit "B" of Exhibit__(JHL-1) to his testimony, at page 1. Under the terms, the quarterly payments would be $6,694.96, resulting in total annual mortgage payments by the POA of $26,779.84.

Q. WHO WOULD HOLD THE NOTE ON THE WASTEWATER PROPERTY?

A. According to the proposed Agreement for Purchase and Sale identified above, as well as the Company's Application in this case, the note payable would be to Anbeth Corporation and would be secured by a first mortgage and a promissory note in favor of Anbeth Corporation of the real property and improvements comprising the

wastewater system. As indicated in Commission Order No. PSC-03-1051-FOF-WS, at pages 17 and 18, "Anbeth Corporation is a corporate business entity, whose officers/directors and shareholder is a trust formed by Anthony Cozier and his wife, Elizabeth Cozier." Mr. Cozier and his wife are the effective owners and sole decision makers for Anbeth Corporation.

Q. YOU PREVIOUSLY INDICATED THAT IT WOULD NOT BE POSSIBLE FOR THE POA TO PAY THE FULL MORTGAGE PAYMENT ON THE WASTEWATER ASSETS AND SYSTEM OPERATING COSTS ABSENT A SIGNIFICANT INCREASE IN THE AMOUNTS COLLECTED FROM THE POA MEMBERS FOR THE WASTEWATER SERVICE. WOULD YOU PLEASE EXPLAIN THIS STATEMENT?

A. Yes. Under the proposed loan terms, the annual required payments to Anbeth Corporation for principle and interest would be $26,779.84. On Exhibit__(DD-1), Schedule 1, attached to this testimony, I provide an analysis of the ability of the POA to make this annual payment from the wastewater revenues in addition to the costs of operating the wastewater system. The schedule utilizes the adjusted operating costs contained in the schedules provided with Commission Order No. PSC-03-1051-FOF-WS in the recent Staff Assisted Rate Case. As shown on line 15 of Schedule 1, the annual level of recurring operation and maintenance expenses for operating the wastewater system, assuming no impacts from inflation, non-recurring items or salary and wage increases to employees since the time of the rate case, is $27,967. This excludes costs that will discontinue due to the system no longer being regulated under LP Utility's proposal, such as regulatory commission expense. The amount of annual

operating costs increases to $32,493 once property taxes and payroll taxes applicable to the wastewater plant are considered. If the annual amount of mortgage payments are added to this based on the terms contained in the Agreement for Purchase and Sale, the annual cash requirements would be $59,273. It is important to note that this amount is based on the annual level of cash costs of the operations and debt payment and does not include expenses associated with non-cash items, such as depreciation. Nor would it include costs that may be needed for capital, such as replacement of wastewater plant components.

In the Commission's Order in the SARC, rates were set to recover an annual wastewater revenue level of $57,334. As shown on line 21 of Schedule 1, the annual revenue amount is $1,939 less than the amount that would need to be collected to recover the annual level of expenditures for operating the system and annual mortgage payments. This amount also assumes Highvest will be billed for and pay for the wastewater services received on the rental lots, including both base and usage charges.

At the time of the rate case, 162 rental lots were factored into the rate design calculations. As previously mentioned, Highvest owns 246 of the 397 platted lots in Camp Florida Resort. To the best of my knowledge, and based on Mr. Lovelette's testimony, meters still have not been placed or the majority of the rental lots. I have seen no evidence that Highvest has begun to pay for water and wastewater service on the rental lots. If non-payment for wastewater service for the lots owned by Highvest continues, the cash shortfall will be significantly greater than the $1,939 identified above.

Q. PLEASE EXPLAIN.

A. In Exhibit__(DD-1), Schedule 2, I estimated the amount of wastewater revenues from the 162 rental lots included in the rate design calculations to be $21,591, consisting of the base facility charge and gallonage charge. If Highvest, for which Anthony Cozier is responsible for decision making, does not pay for the wastewater service on at least the 162 rental lots factored into the rate design calculations, then the $1,939 cash shortfall would increase to a shortfall of $23,530. The calculation of this shortfall is presented on Schedule 1. In this situation it would not be possible for the POA to pay the full mortgage payment from the wastewater revenues to be collected. Either amounts collected for wastewater service would have to be increased significantly or other POA funds would have to be used to pay the mortgage on the wastewater facilities; otherwise, there is a good chance the POA would default on the mortgage. Clearly under either scenario an increase in costs to the individual homeowners within the POA is likely. This is even exacerbated if Highvest, which is operated by Mr. Cozier, does not pay for wastewater service on the Highvest owned rental lots.

Q. WHAT HAPPENS IF THE POA DEFAULTS ON THE MORTGAGE?

A. I assume Anbeth would foreclose on the mortgage, with the result being that the wastewater assets could become the property of Anbeth Corporation, or one of Mr. Cozier's other entities. As was evident in the SARC in Docket No. 020010-WS, and as was previously mentioned in this testimony, Mr. Cozier has used entities under his control to foreclose on assets of other entities controlled by him. During the time of the SARC, Highvest foreclosed on the water and wastewater assets of The Woodlands of Lake Placid, L.P. due to failure to pay mortgage payments, thereafter transferring control

of the water and wastewater assets to L.P. Utilities. All three of these entities were either owned or controlled by Mr. Cozier at the time of the transactions.

Q. COULD YOU PROVIDE A MATRIX SHOWING THE RELATIONSHIPS BETWEEN THE VARIOUS ENTITIES THAT ARE OWNED OR CONTROLLED BY MR. COZIER?

A. Yes. In reviewing the Petitioners proposed transfer, it is important for the Commission to consider the relationships between the various entities involved. The Commission's Order No. PSC-03-1053-PAA-WS in this docket, dated September 22, 2003, at pages 7 and 8, provided a matrix which charts the relationships among the entities showing how interrelated they are. I am providing a copy of these pages from the Commission's Order as Exhibit__(DD-2) for ease of reference to the those reviewing this testimony. The entities mentioned throughout this testimony, with the exception of the Property Owners Association, are shown in this matrix. As previously mentioned, 246 of the 397 votes in the Property Owners Association are controlled by Highvest, which is included in the matrix.

Q. PLEASE SUMMARIZE YOUR OVERALL RECOMMENDATION.

A. For all of the foregoing reasons, forcing the homeowners to purchase the wastewater assets and the stock of L.P. Utilities (thereby purchasing the water assets) is not in the public interest. The transfer should be denied.

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes, it does.

THE WITNESS: Okay. I would like to begin my summary by first going over Florida Public Statute 367.071, which is located on Page 3 of my testimony. And this is really the statute that covers the transfer that is being proposed in this case. Under this statute it specifically says under Section 1, which is quoted at Page 3, that no utility shall sell, assign, or transfer its certificate of authorization, facilities, or any portion thereof, or majority organizational control without determination and approval of the Commission that the proposed sale, assignment, or transfer is in the public interest, and that the buyer, assignee, or transferee will fulfill the commitments, obligations, and representations of the utility.

My testimony then goes on to address the two main factors that are required under the statute. The first one being that the Commission has to find that it is in the public interest, and the second one being that the purchasing entity will be able to fulfill the obligations of that utility.

I first address the public interest issue, which I think is very significant in this case. We had many customers of this utility come up and speak that they do not want the company's proposal to go through as the utility is proposing.

In addition, I attended a customer meeting on March 31st of this year where many of the customers that could not make it down here today due to travel issues and the fact that many of these customers of this utility are here primarily in

the winter months and were not able to make it. But at the time of that meeting many of them were still at Camp Florida Resort.

At that meeting, over 75 people, individuals that receive water and wastewater service from this entity, vocally voiced their opposal to this. If you thought there was a lot of testimony against it today, in that meeting a significant amount of people spoke up. And I really can't stress enough the feelings and amount of cheering, and so forth, that went on when they were very vocal against wanting this to go through.

I think you got some flavor for that this morning, but I suspect that if all the additional customers were here, it would be magnified 10, 20-fold. That is the first reason, is the public interest. We have to remember, it may be that under property association law that the way these by-laws are written each lot gets one vote, but when determining the public interest under the statute and what is in the public interest, I really stress to the Commissioners, you need to consider all of the public and all of the individual customers of that water and wastewater utility. Not to prorate that consideration based on the number of lots a person happens to own.

If you look in Mr. Lovelette's testimony, and I also address it in my testimony on Page 4, out of the total of 397 votes, 376 of those voted in favor of the transfer. And it is my understanding that approximately somewhere between 242 and

246 of those votes were controlled by Highvest. Eighty-five people voted against the transfer, and 36 people didn't vote at all on it.

Once you take the total number of votes, the 397 that are available, take out the absentee votes and Mr. Cozier votes, essentially you only have 30-some people, individuals, voting beyond the Highvest votes that were in favor of those. And some of those individuals, I presume, would include the current board members of the association and individual employees of Mr. Cozier. So that is something to also consider. When you consider the actual vote of the individuals that are served by this water and wastewater utility, those individuals are not in favor of this, and have vociferously indicated that they are not interested in owning these utility assets.

And I go into my testimony, I won't resummarize it here, but the findings of the circuit court decision about past relationships between these individual owners and the current owner of the utility system. I then get into financial issues, and whether or not if the transfer goes through as proposed, if the property owners association would be able to continue to run this utility for the utility to meet its obligations in serving those customers. And in my testimony I first address the wastewater situation.

If you look, I provided a schedule at the back of my

testimony where I calculated out just the minimal amount found in the staff-assisted rate cases, the ongoing O&M expenses. These are the recurring annual fees that are needed just to run the wastewater system. I didn't include any depreciation in this number. I only included the O&M expenses, and the property taxes, and payroll taxes that would be required.

If you total those out, and then you add to that balance the amount that will have to be paid annually under the proposed mortgage with Anbeth for the POA to purchase the wastewater assets, the annual mortgage on that is $26,780. If you add to that only the O&M and property tax costs, no depreciation, no allowance for capital, no allowance for replacement of mains, or repair, or capital repairs needed to the wastewater plant, they would already be operating in year one at a cash shortfall where they would not have enough cash coming in under the rates determined to be fair and reasonable in the staff-assisted rate case to cover just their operating costs and that mortgage. You automatically have it in the first year where there is not enough coming in to pay the full amount of the mortgage.

One reason this is a significant concern from the customer perspective, this mortgage would be held as proposed under the purchase proposal by Anbeth Corporation. And during the course I was involved in the staff-assisted rate case on behalf of the consumers, we had a similar situation where

another Highvest -- managed entity, Highvest, foreclosed on the mortgage on the Woodlands of Lake Placid that owned the utility assets, and that resulted in the transfer to L.P. Utilities of those assets.

I don't see any reason to believe that if there is a failure to pay this mortgage to the same individual that he would not avail himself of the foreclosure options. There has been nothing presented in that case to give an extra level of protection on that issue. And making it even a higher concern is that if this goes through the way it is being proposed, the wastewater system would no longer be regulated by the Public Service Commission. So they would have no protection and no one to go to if this situation occurs. At least now if it continues under the operation of L.P. Utilities, these individual customers and residents have at least the protection of the Public Service Commission that they will only pay rates on their wastewater service that are found reasonable and appropriate by the Commission.

Which leads me to another -- I didn't get as much into the water system issue in my testimony. But since the date my testimony was filed, significant concerns have arisen about them being able to make -- on the water side of the operations to make their cash obligations needed just to run the water operations.

MR. FRIEDMAN: Commissioners, may I interpose an

objection? It seems like to me that she is going beyond her testimony and dealing with an issue which she did not deal with in her prefiled testimony, and thus we have no notice or opportunity to respond on this issue. She didn't address the financial aspects of the water system at all and, therefore, we haven't prepared any response to that, and I think that it is prejudicial to us.

COMMISSIONER DEASON: Mr. Burgess, there has been an objection that it is outside the scope of prefiled direct.

MR. BURGESS: Right. And I will agree that it is not in the prefiled testimony. This is based on information that has, one, been -- well, perhaps I should ask the witness and have this confirmed. But my understanding is it is based on information that was received subsequent to the testimony. I certainly don't mind -- I mean, the utility witness is coming up on rebuttal testimony. I don't mind him addressing it. I think that would be fair.

But this is information we received there and information that has come to light at this hearing. Some in response to the questions the Commission has had, and some in response to questions Staff has had, and so we have certain information that I think needs to be addressed. Much like Mr. Lovelette was allowed to respond to the testimony he heard for the first time today that was presented by the customers. Even though it was not in his prefiled testimony, he was entitled to

respond to it. And so all we are looking for is the opportunity to address subject matter that we think is important to the consideration of this hearing, and we certainly don't think the utility should be foreclosed from an opportunity of addressing that, and they have that opportunity.

MR. FRIEDMAN: Well, it is not --

COMMISSIONER DEASON: There is no need. There's no need.

Ms. DeRonne, I am going to direct you to confine your summary to your prefiled direct.

Mr. Burgess, I understand your explanation. But when it comes to expert witnesses, we are very strict when it comes to giving summaries on prefiled testimony. We give a great deal of flexibility and latitude to members of the public to address matters, and when we give that flexibility and latitude to them, we obviously have to give some latitude to parties with adverse interests to respond to that.

But, Ms. DeRonne, please confine your summary to your prefiled direct.

THE WITNESS: Okay. Yes, Commissioner.

With that, then I will just add one more concern that is pointed out in my prefiled testimony and that is dealing, once again, with the wastewater system. Through this date and in the past -- well, let me give a slight background first.

Throughout the proceedings of the staff-assisted rate

case, and up until fairly recently, Highvest was not paying anything for the water service to the rental lots that it owns. In normal ongoing operations, if that were to occur, there would be a significant cash shortfall.

Fortunately, under the regulation of the Public Service Commission, as part of the staff-assisted rate case, Staff was able to -- despite the fact the developer was not paying any water or wastewater usage on those rental lots, they were able to impute revenue on those lots so that the remaining individual customers of the system were not harmed by that lack of payment. They weren't an ownership situation where they owned part of that utility and would become liable for those shortfalls. The shortfalls went entirely to the developer and owner, and he would then be responsible for them.

If this wastewater system becomes unregulated and goes through the way it is proposed, they also will no longer have that protection, the protection of imputing revenue and setting rates, because their rates would no longer be regulated by the Public Service Commission. And with that, that would conclude my summary.

COMMISSIONER DEASON: Thank you.

MR. BURGESS: We tender the witness.

COMMISSIONER DEASON: Mr. Friedman.

MR. FRIEDMAN: Thank you.

CROSS EXAMINATION

BY MR. FRIEDMAN:

Q Ms. DeRonne, are you a member of a homeowners association where you live?

A No, I'm not.

Q Now, you point out in your prefiled testimony that Highvest owns about 62 percent of the lots and thus votes 62 percent of the votes. Do you see that as being inappropriate?

A No. I have never said it is inappropriate, no, under the by-laws and the home ownership association rules.

Q And you are familiar with the court decision I mentioned in Story v. Mayo about customers being able to choose. Is that something within your regulatory expertise?

A I am familiar with a later Supreme Court decision in which that was quoted involving Lee County Electric Cooperative versus John R. Marks dealing with the Florida Power and Light issue of a customer essentially extending a very long line in order to get to Florida Power and Light's service territory. So I'm only familiar with the decision you are referencing to the degree it is referenced in this decision. And I'm also aware of several other Commission decisions dealing with customer choice in utility providers.

Q Let me direct you to Page 6, Line 15. There you state to the best of your knowledge L.P. is not -- starting on 15 and running through that paragraph, you are stating to the best of your knowledge that L.P. is not collecting water and

wastewater rates from Highvest on their rental lots?

A Yes, I did state that at that time.

Q Okay. And prior to making that statement, did you ask anybody at L.P. Utilities whether they were paying?

A At that point I had not issued a data request on that, but I had several other documents and information that led me to the belief that they may not be making them at that point. I knew for a considerable amount of time until just prior to that point they weren't making payments. Since then we did issue a data request, and I do have more updated information on that.

Q So I understand that now you agree that they are paying?

A They have paid beginning in -- their first bill they received was December 2003. For base service charge for November and December, if you look at the actual bills that were provided in the record on that, it didn't include any usage charge, and then beginning in January they were billed based on a base facility charge and estimated usage, not metered usage. Through the most recent bill I have available, which is the July bill, they continue to use estimated meter usage. But they have been billed, and they have been paying since -- I believe the first payment was received in December 2003. Prior to that point, it is my understanding, and based on a data response in the record that they had never

essentially paid for water or wastewater service on the rental lots to that point.

Q And that was the subject of that PSC case that you were involved in, was it not?

A One of the many subjects in the case, yes, it was.

Q And so beginning on Page 6, Line 15, and running through Page 8, Line 2, you discuss all of the problems that arise because of the nonpayment of wastewater service by Highvest, correct?

A Yes, I do. And I do -- and I must stress that under the proposal, the wastewater service would no longer be regulated by the Public Service Commission. And there is a long history of no bills being enforced and no payments made on these lots. And once that falls out of the Commission purview, I have no guarantee that that wouldn't, once again, continue at some point in the future. So I think there is still that financial concern going forward. There is a little bit of alleviation of that concern in that it is currently being paid, but there is no guarantee that that would continue in the future.

Q Do you know whether under property owner association law whether one property owner could be legally treated differently than others in the respect that you just mentioned?

A Could you describe further what you mean by legally being treated different?

Q Yes. You said that, oh, if it is out of PSC jurisdiction, that we are concerned that maybe Highvest just won't -- or the utility, the POA will not bill Highvest for their lots. Is that what you said?

A I'm saying there is a concern that there won't continue to be payment on those lots.

Q And isn't that an issue that is governed by the laws governing property owner associations and homeowner associations?

A I'm not in detail familiar with those laws. I do know that part of the circuit court case, one of the issues was the fact that the developer had voted that he not pay assessments on maintenance fees for his lots. And they did take that forward, and it appears as though in the circuit court decision they won that issue.

Q So they do have a recourse --

MR. BURGESS: I would ask that she be allowed to finish her answer before he goes on to the next question.

MR. FRIEDMAN: I apologize.

THE WITNESS: As I was going to say, I would assume they would have that opportunity to take it to civil court in the event that arises.

BY MR. FRIEDMAN:

Q Beginning on Page 8 you talk about what you term a forced business relationship, meaning the customers do not want

to be co-owners with Mr. Cozier, is that correct?

A Correct.

Q Aren't they already co-owners with Mr. Cozier as joint --

A Well, they are co-members in the property owners association, yes.

Q And the property owners association is a business, is it not? I mean, it has a budget and it has maintenance that it undertakes for the roads, and the guardhouse, and other such things, does it not?

A Yes, that is my understanding.

Q On Page 11, beginning on Line 20, you question Mr. Lovelette's ability to carry out his fiduciary duties because you say he refuses to collect revenue from Highvest. Now, you now know that that is not correct, do you?

A Well, I know he did not collect it for a large number of years and did begin collecting it in December of 2003. But there is the history of a lot of years of not having collected that.

Q And that is the only basis that you have to assume that they may, in the future, go back to that process of not collecting from the --

A It is the long established history, yes.

Q And now isn't it true that there is a PSC order that is requiring them to bill those customers, whereas there wasn't

a specific PSC order in the past?

A Well, in setting the rates paid by the individual customers of the entity, revenues were imputed in that case for those lots. I'm not sure the Commission steps in and says you have to charge this customer. But the owner of the utility, if they decide not to charge a customer for service, then they accept the financial obligation of that.

Q Like -- I'm sorry.

A Go ahead.

Q Like Mr. Lovelette was testifying earlier that Mr. Cozier's residence isn't billed, that is the same thing; it's just the utility has to eat that expense if it doesn't bill a customer and the Commission imputes that in the rate case, is that correct?

A The Commission would impute that into the revenue requirement so that the remaining individual customers of that utility are not harmed by the utility owner's decision not to bill a particular customer, or a particular customer group. Which leads even further to why, if this transfer goes through to the property owners association, it is a concern. Because if you have a similar situation that we had in the staff-assisted rate case where you have to impute significant revenues that aren't being collected to protect these individuals customers, well now those individual customers would then also be owners of that system, so it will be harming

all of them instead of an individual owner that would have made the decision at that time not to make payments.

Q Would you have a lesser concern if the wastewater system were left in L.P. Utilities and just remain jurisdictional?

A If it were still under the Commission's jurisdiction, then there would be more protection for the individual customers of the system, so it would help to alleviate my concern. It wouldn't get rid of all of my concern if the POA ends up having to buy L.P. Utilities, but it would alleviate a significant portion of my concern.

Q Isn't it true that under Mr. Lovelette's direction, after the PSC issued this last order, that he has brought the company into compliance with all the regulatory requirements?

A I'm sorry, could you repeat that.

Q Yes. Isn't it true that Mr. Lovelette has brought the company in compliance with the recent PSC order requiring refunds, requiring meters, and the sort?

A I would have to disagree to an extent. One of the main reasons is as of July 14th, 2004, according to a letter filed in the staff-assisted rate case docket, the remaining amount of refund that is due to customers is $53,148.87. The current credit balance as of two days before that, July 12th, 2004, and this is in response to Citizen's Interrogatory 4, the credit balance on customers bills, this means it is an amount

they have going forward where they will go months before ever having to pay a utility bill, is $10,399. We now have two remaining months until the September 22nd deadline to pay the remaining $53,000 refund. So as of that date when the full refund is required, September 22nd, you are going to have a very, very significant credit balance on customers' bills.

If you then allow this transfer to go through as proposed, with that significant credit balance you have a lot of customers that are going to be going a significant period of time without ever having to pay a utility bill, because they are due such a credit. And I do not see how the water entity can fund the cash operations that the ongoing O&M expenses and just ongoing taxes and costs needed to fund that system for the first few years, if this case is allowed to go through and be transferred with this huge credit balance on these customers' bills. If you go through the numbers, which I have done, I don't see how it is possible without somehow getting more cash reserves into the utility.

Q Okay. On Page 14, beginning at Line 13, through Line 15 on Page 16 in your Exhibit 9, you question the viability of the purchase of the wastewater system, is that correct?

A Yes, the going forward financial viability of the wastewater system if it goes through as it is proposed.

Q Now, I noticed that you did back out the regulatory assessment fee on your Exhibit B of the amount of $724, is that

correct?

A Yes, I believe it has been identified in the record as Exhibit 9.

Q Exhibit 9. How did you calculate that $724?

A That's based -- if you go through the revenue requirement calculations that are specifically identified within the final decision in the staff-assisted rate case, if you would like I can give you a final decision number fairly quickly.

Q I've got that.

A Okay. If you go through the attachments to that final decision and how they determined the overall revenue requirement of the utility, it breaks out the different O&M expenses, chemical purchased power, within that decision it identifies the regulatory Commission expenses of $724 pertaining to the wastewater operations.

Q That was called what, Regulatory Commission Expense?

A Yes, I believe that was the exact title.

Q But that is not the regulatory assessment fees then, was it?

A It was the amount being collected in the revenue requirement under the taxes other section for regulatory Commission expense. If you give me a moment I can give you an exact answer on that.

Q Do you know how much the regulatory assessment fees

are, what the percentage is in Florida?

A I don't specifically recall.

Q You don't know how much it is?

A I don't recall.

Q But you do say on Page 15 at Line 11 that the wastewater revenue is $57,334, is that correct?

A I'm sorry, where was that?

Q I'm sorry, Line --

A Which page, I'm sorry?

Q Page 15, Line 11. Don't you say there that the SARC order set the annual revenue requirement at $57,334?

A Correct.

Q So don't you calculate the regulatory assessment fee by multiplying whatever that percentage is times this number, and that is what is paid to the Commission every year?

A I believe that is true.

Q Okay. So if you take your -- do you have a calculator with you?

A Yes, I do.

Q Would you take that $724, and using that revenue requirement of 57,334, and tell me what regulatory assessment fee percentage you come up with?

A 1.26 percent.

Q So that is the regulatory assessment fee percentage that you believe is applicable?

A No, what I'm stating in this schedule is that the specific amount included in calculating the $57,344 revenue requirement in this case, that that included $724 of regulatory Commission expense specifically identified.

Q Okay. So that is different than the 4.5 percent regulatory assessment fee that the utility is paying under regulation?

MR. BURGESS: Excuse me, I don't believe that has been established. He asked her earlier what it was, and she said she couldn't recall.

THE WITNESS: I don't recall exactly what the fee is.

MR. FRIEDMAN: I would ask you all to take official notice of your own statutory authority to impose regulatory assessment fees, and that that number is 4.5 percent. I didn't know that was a controversial issue, I apologize.

A I'm just not -- off the top of my head, I don't specifically recall what the ratio was.

Q And so if the wastewater system is not under regulation by the PSC, then wouldn't you take whatever that regulatory percentage is times this $57,000, and that would be a savings over and above what you have in your schedule, because they wouldn't be paying that?

A No. And, again, I want to point out what is shown in my schedule here. If you look at the total amount of O&M expenses as adjusted by the Commission, they are 27,691. And I

break that out by individual expense type taken right from the Commission decision. First, the overall purpose of this schedule was to demonstrate that the current rates being collected would not be enough to cover both just ongoing operating expenditures and the amount of mortgage payment that would be due annually under the proposed mortgage with Anbeth.

So what I did is I picked up each individual component of the expenses that are lined out in the decision by account group, and one of the line items in that was regulatory Commission expense of 724. I specifically backed that number out. But if you look at the remaining items in there, there are items such as salaries and wages, which would be ongoing; sludge removal expense would continue; power costs; chemical costs; contractual services; rents. These are all expenses that will continue under the operations, even if -- if or if not this transfer goes through. These are normal operating costs that have to continue.

I then added in the property taxes and the payroll taxes, these also will continue, to get the level of annually continuing expenditures that would have to be made of $26,780. And, again, this doesn't factor in any depreciation expense. It doesn't factor in any wage increases, or increases in costs due to inflation. And I add to that number the amount of minimal mortgage payment that has to be made, which is the $26,780 a year, to get a total minimum amount of cash

expenditures this operation would incur of $59,273. That is for the operation, the normal day-to-day operations and the mortgage payment on an annual basis.

And then if you compare that to the revenue requirement specifically identified in the order, the $57,334, which is what the rates were established based on, you immediately have a shortfall.

Q Of about $150 a month?

A $1,900 a year, yes. But, again, this analysis shows the approximately $2,000 shortfall takes into consideration no cash that would need to be expended to do the normal capital operations, any repairs of plant, replacement of plant or mains that would occur.

Q And at the end of ten years the property owners association would own the wastewater system free and clear and would have theoretically that $27,000 to use for other purposes?

A I think it is impossible to say that at this point. Because if you continue operating going forward at a beginning first-year cash shortfall, and you have capital expenditures come out, you are either going to have to take out additional loans that would have to be paid off, or pull in additional resources from the property owners association to pay the ongoing expenditures, or default on that mortgage. And if that occurs, then they have no assets in ten years.

Q But you would expect the rates to increase annually, would you not, by some amount?

A Rates.

Q Yes, the rates. Whether it is owned by the property owners association or whether it is subject to Public Service Commission jurisdiction, wouldn't you expect the rates to increase every year by some amount?

A Well, I have been participating in regulatory rate case proceedings for about 13 years, and I would not say that it is normal that rates go up on an annual basis. But in setting rates, the Commission did consider depreciation expense and other ongoing operation costs that, you know, aren't prepared in my analysis.

Q And you are familiar with the Florida law dealing with the indexing of rates every year?

A Somewhat. I haven't really personally been involved in an index case, but I do know there is an ability for water and wastewater utilities to come in. I wasn't under the understanding that that was an automatic index increase that occurs every year.

Q On Page 15, Line 19, you state to the best of your knowledge the meters have not been installed on the majority of the rental lots. Do you now know that --

A Yes. As of the date this testimony was submitted, April 29th, 2004, they had not been installed. I believe I saw

something that by the end of June they had been installed.

Q You also right after that, you state I have seen no evidence Highvest has begun paying for water and wastewater rates. You have now seen that, have you not?

A Yes. Since the date this testimony was filed, I did receive the data response that breaks out the payments, yes.

MR. FRIEDMAN: I understand. That's all the questions I have.

COMMISSIONER DEASON: Staff.

MS. FLEMING: We have no questions.

COMMISSIONER DEASON: Commissioners.

COMMISSIONER DAVIDSON: And I apologize in advance if these are not the most well-constructed questions. The first one, from a financial standpoint, how might a utility that had not foregone -- and I will use your language -- a significant portion of its total revenue responsibility, differ from one that had, in terms of the overall value of the business, cash reserves, and overall financial viability, or other measures?

THE WITNESS: There would be significant differences. Like, for example, with this specific situation during the time of the staff-assisted rate case, they had foregone significant revenues by not charging on the rental lots. And during that whole time they were not paying their mortgage. And as a result of that, Highvest foreclosed on the mortgage and essentially took the Woodlands of Lake Placid utility assets.

I mean, it has a significant impact on the cash balance of the utility and the ability of that utility to continue as an ongoing concern.

COMMISSIONER DAVIDSON: Assuming hypothetically the customers had no concerns at all regarding business practices or concerns about the parties, and assume that they wanted somehow to take ownership of the utility and had engaged you directly as their consultant to help them with this deal, with this transaction, what types of adjustments, if any, could be made, either real price adjustments, or adjustments to the financials, adding in a condition, for example, to increase cash reserves, such that any loss from past foregone revenue would by virtue of whatever adjustment or new term that you are negotiating in the deal, would not be borne by these customers who want to take ownership of it?

In other words, assuming they wanted the deal to go through, what could be done, in your opinion, to sort of make them whole, either in terms of having one party pony up more, or changing some aspect of the transaction, if something could be done?

THE WITNESS: Yes. I want to stress to this point to a large degree the negative impacts of the developer not paying on those rental lots resulted in the prior foreclosure in terms of Highvest. So all of the negative impacts of that, to this point, has been pretty much isolated to those entities that

have been controlled by the same person. Going forward, if you were going in to purchase that utility as an independent investor, you would first -- I know they put a lot of stress on the rate base value determined by the Commission in determining the transfer price and the purchased price for the wastewater utilities. That may be a starting point looking at, if you are going in to purchase a business, you know, what rate base has been established by the Commission, because it gives you a feel for the ability of revenue collection going forward based on the current rates.

But you are also going to want to go through every book of that entity. I mean, if I wanted personally to buy it, I would want to see all the financial statements, the general ledgers, and you would want to also inspect the assets to make sure that as a result of the years of not collecting enough revenue that the assets haven't been permitted to decline in substance.

And then you would consider all of those factors along with a reasonable projection of the going-forward revenue you are going to collect to come up with a reasonable purchase price for that system.

COMMISSIONER DAVIDSON: Staff, have fun. If there was some process by which, in your opinion, the customers could be made whole, and I'm not trying to suggest that this transaction doesn't make them whole. I mean, that is an issue

to be decided in this case. But if through some process you would be satisfied that the customers could be made whole, in going forward some type of independent or nonaffiliated manager of the utility could be put in place so that the customers didn't have concerns about sort of an affiliated transaction, what additional concerns, if any, would you have?

THE WITNESS: One of my main concerns is that if it goes through as is where the property owners association becomes a owner, many, many, many of the customers have indicated that they do not want to be an owner of this utility. They have no interest in that. A lot of them are on fixed incomes, a lot of them do not want to assume this long-term debt.

But I don't really see how you could protect them going forward, if this goes through as proposed, because of the fact the ownership would be under the POA, and the situation is one individual has complete say and control of the decisions made in the POA. So even if the Commission does allow this to go through as proposed -- and, again, I want to stress that whether or not this transaction goes through as proposed and is in the public interest is under the Commission's discretion under Section 371.071 of the statutes. But if they do decide against, you know, my recommendation, Public Counsel's recommendation, and a lot of the individual customer's recommendation to allow this, then the day-to-day operations of

that utility are under the ownership of the property owners association with one individual that has basically control of the votes of that. And I'm not sure we believe --

COMMISSIONER DAVIDSON: Well, my hypothetical was to have an independent manager. I mean, that was part of my hypothetical. If an independent, nonaffiliated manager of the utility would be making the decisions as opposed to someone sort of controlled by Highvest.

What I'm trying to get at is --

THE WITNESS: I guess if you could somehow come up with the situation where despite the individual having the majority of the votes on the property owners association that he is somehow not able to automatically make all decisions, that it becomes under the discretion of an independent manager --

COMMISSIONER DAVIDSON: Well, what I'm trying to get at --

THE WITNESS: That could be safer. But I don't know if under property association law, if that is possible.

COMMISSIONER DAVIDSON: Let me finish my question. What I'm trying to get at here is assuming that the customers wanted the transaction, and I understand the majority of the customers we have heard from, the individual customers as opposed to lot owners, do not based on what we have seen. But assuming that, what would you say one must do, you must obtain

these three, four, five, six goals in order to make the transaction the most palatable, or proper, or financially sound to correct for whatever you have identified as the issues. Let's assume you can't just say nope, not going through. If there was anything that could be done to repair it, what would that be, in your opinion?

THE WITNESS: You know, if there was one quick easy, one master safeguard that could be used, we have discussed this quite a bit as to if there is a way that this ownership could transfer the POA and still protect those individuals, and we could not specifically think of a way to do that. I mean, one idea was to get the agreement of the developer that maybe the votes switch to one vote per individual as to one vote per lot, that would give a lot more protection than what is in there now. But I don't know if under property association law -- and, again, I'm not a lawyer -- if that is a possibility. If that were a possibility, it would alleviate some concerns, because then all the individuals that are receiving this water and wastewater would have some say in how the utility is operated going forward.

COMMISSIONER DAVIDSON: Would reducing the sale price or increasing cash reserves make a difference?

THE WITNESS: Not necessarily. Because even if you reduce the sale price significantly -- like let's say, for example, you reduce the sale price of the wastewater by 50

percent, and you have a mortgage with Anbeth for half that amount. If going forward at some point there is not enough being brought in either through past history repeating itself --

COMMISSIONER DAVIDSON: But couldn't you compensate? Let's say that just hypothetically, and this is probably not even practical, but if there was $100,000 in foregone revenue over some period of time, theoretically couldn't adding $100,000 in cash reserves compensate for that past foregone revenue? I mean, you are talking about money.

THE WITNESS: Yes, but I'm still not sure it would give the individual customers protection going forward.

COMMISSIONER DAVIDSON: Against what?

THE WITNESS: Against -- again, under the current home association rules and by-laws, under the POA you still have one individual that will make all decisions going forward for this utility and the entity.

COMMISSIONER DAVIDSON: But didn't we just address that by partially changing it to one owner/one vote and having an independent manager?

THE WITNESS: If that could legally be done then, yes, that would alleviate a substantial amount of the concern that I have.

COMMISSIONER DAVIDSON: All right. Thank you.

THE WITNESS: You're welcome.

COMMISSIONER DEASON: Redirect.

MR. BURGESS: I have no redirect.

COMMISSIONER DEASON: We have already addressed the exhibits. Thank you, you may be excused.

THE WITNESS: Thank you, Commissioners.

COMMISSIONER DEASON: We have one last witness on rebuttal. Just let me inquire to the extent of cross-examination to determine whether we should take a break now or continue to go. We need a break. I'm getting a signal we need a break. We will take a ten-minute recess and then take the rebuttal testimony.

(Recess.)

COMMISSIONER DEASON: Call the hearing back to order.

Mr. Friedman, you may call your rebuttal witness.

MR. FRIEDMAN: Mr. John Lovelette.

**JOHN H. LOVELETTE**

**was called as a rebuttal witness on behalf of L.P. Utilities Corporation, and** having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. FRIEDMAN:

Q Please state your name.

A John H. Lovelette.

Q And, Mr. Lovelette, did you prefile rebuttal testimony on or about June 9th in this matter?

A Yes.

Q And if I asked you the questions in your prefiled testimony, would you respond according to how you responded in your prefiled testimony?

A Yes.

Q Do you have any changes or corrections to your prefiled testimony?

A No, sir.

MR. FRIEDMAN: Then I would request that Mr. Lovelette's prefiled rebuttal testimony be submitted into the record.

COMMISSIONER DEASON: Without objection it shall be inserted into the record.

**REBUTTAL TESTIMONY OF**

**JOHN H. LOVELETTE**

BEFORE THE PUBLIC SERVICE COMMISSION
Regarding the Application for authority to sell, assign or transfer utility facilities of The Woodlands of Lake Placid, L.P. in Highlands County, Florida to Camp Florida Property Owners Association, Inc. and application to transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc.
Docket No. 030102-WS

**Q: Have you reviewed the prefiled Direct Testimony of Donna DeRonne filed on behalf of the Public Counsel in this proceeding?**

A.: Yes.

**Q. Do you have any testimony in response to Ms. DeRonne's prefiled testimony on page 4 regarding the vote by the POA to purchase the Utility?**

A. Yes. Ms. DeRonne makes a failed attempt to differentiate customers from lot owners. In fact, several of Public Counsel's clients own more than one lot and cast a vote for each lot. The foundation of a democracy is that the decision of the majority is controlling. The Public Counsel's clients knew that when they purchased lots in Camp Florida Resort. It is the majority that determines what is in the public interest for the POA. If the minority could determine what is in the public interest for the POA, then the covenants and restrictions by which the Resort is governed would be circumvented. The minority cannot be allowed to determine what is best for the majority. Assuming Highvest Corporation voted all of its lots in favor of the purchase, there were 30 votes for the transfer from other lot owners. There were also 36 abstaining evidencing no preference one way or the other. Thus, of the non-

Highvest votes, there were 66 lot owners who either voted for the purchase or didn't care. This is far from being a Highvest versus everyone else issue.

Q. **Are you familiar with Ms. DeRonne's assumption at page 6 of her prefiled testimony that L.P. Utilities is not collecting revenues from Highvest for water and sewer service to Highvest lots?**

A. Yes.

Q. **Is that statement true?**

A. No. You will notice that she prefaces her statement with the phrase "to the best of my knowledge" which allows her to reach erroneous conclusions by being ignorant of the facts. If she is not certain of the facts, then she should not venture an opinion. Highvest is paying for water and sewer service to its lots in accordance with the recent SARC Order. Since the fact upon which she bases her opinion of financial doom is erroneous, her conclusion is equally erroneous. One would expect that someone who holds themselves out as an expert would not render an opinion unless they were sure that it was supported by a factual basis. Ms. DeRonne waxes on for several pages of testimony about the consequences of L.P.Utilities not collecting revenues from Highvest, all of which is irrelevant and should be disregarded. Assuming that the rates set by the Commission in the SARC are correct, there is no reason the utility system is not financially sound. In fact, it will be more so without the added cost of regulation including payment of regulatory assessment fees for the wastewater system.

Q. **Do you have any comments regarding what Ms. DeRonne calls a forced business relationship?**

A. Yes. At the outset, I would point out that Ms. DeRonne implies that the Circuit Court made findings that I breached my fiduciary duty to the POA. That Judgment did not involve me. Ms. DeRonne makes the same mistake which the Circuit Court did which caused the Judgment to be reversed on appeal. She is confusing the members and the POA. The POA is a legal entity separate from its members. It is the POA that is purchasing the utility system, not the individual members. And in that regard, my prior comments about majority rules is equally applicable to this point. I would also point out that Mr. Cozier is not on the Board of the POA nor is he an officer. I would also suggest that Mr. Cozier, as have we all, has learned from that experience.

**Q. Do you have any comments about Ms. DeRonne questioning your allegiances?**

A. Yes, of course. I will only be managing the Utility until the POA has hired someone else, which is expected to be done. I have successfully continued to operate the Utility through the financial strain of making the refunds ordered in the SARC. Ms. DeRonne's assumption that Highvest is not paying for water and sewer service to its lots is erroneous, thus all of her opinions based on such assumption must be disregarded. The law is clear regarding the fiduciary duty of officers and directors of a corporation and I intend to strictly follow that law. And I am sure that if Ms. Keller doesn't think so, I am sure she'll let everyone know. I do not want to manage the utility any longer than to accomplish a smooth transition to a new manager.

**Q. Do you have any comments about Ms. DeRonne's financial analysis of the wastewater system under POA ownership?**

A. Yes. Again, Ms. DeRonne's opinion of financial doom is based upon the erroneous assumption that Highvest is not paying for water and sewer service to its lots. She tries to give credibility to her lack of knowledge by stating that she has seen no evidence of Highvest making such payments. To my knowledge, she has never asked the Utility whether such payments are being made. She seems to abide by the philosophy that "ignorance is bliss". To review, Ms. DeRonne's financial analysis simplistically, the sewer system will operate at a break even point. Ms. DeRonne points out that under her analysis revenues are almost $2,000 less than expenses. Even if this were true, it would result in each customer paying less than $6.00 per year to cover that deficiency. However, when you consider that the POA will not be paying regular assessment fees, that offsets the deficiency. What Ms. DeRonne has failed to point out is that in ten years, the sewer system will be paid for, which will reduce annual expenses by almost $27,000, which will result in a significant rate decrease at that time. Ms. DeRonne has taken a shortsided view of the financial condition of the sewer system.

**Q. How many lots is Highvest paying water and sewer service on?**

A. Highvest is paying water and service on 202 lots, which is 40 more lots than Ms. DeRonne used in her calculation. Thus, there is actually almost $6,000 more in revenue that Ms. DeRonne has ignored .

**Q. Would you like to summarize your opinion of Ms. DeRonne's testimony?**

A. Yes, her entire testimony is premised upon her speculation that Highvest is not paying for water and sewer service to its lots. Since the premise upon which her opinions are based is erroneous, her opinions are likewise erroneous.

**Q. Does that complete your testimony?**

A. Yes.

BY MR. FRIEDMAN:

Q And a very short summary.

A Yes. Summarizing my rebuttal testimony, there were some questions about the number of lots that Highvest is paying for water and sewer on here. And that since November of last year Highvest has been paying for water and sewer on their lots, and they are continuing to do so. In fact, I can't quote the exact number, but I know that the -- like I say, the 202 lots that Highvest is paying on currently is higher than what was used in the rate case, so there will be a sufficient number of increase in income on there.

The opinion Ms. DeRonne had about speculating about Highvest not paying, and speaking of the court case, this court case was back in the late '90s time. We are in 2004. There has not been any instance of this not paying. In the future, I don't know believe that Highvest will not pay. I believe they will continue the practice of paying their things. They voted in favor of this purchase and there wouldn't be any reason to not.

MR. FRIEDMAN: We tender the witness.

COMMISSIONER DEASON: Mr. Burgess.

MR. BURGESS: Yes.

CROSS EXAMINATION

BY MR. BURGESS:

Q Mr. Lovelette, I have a couple of questions about the

last statement you made in your summary with regard to Highvest deciding whether to pay or not. Now, it is my understanding if the transfer takes place and the POA becomes the owner of the stock of the utility, that the POA could decide no longer to charge Highvest, is that correct?

A Theoretically that is correct, that the POA could decide. But the POA is governed by a board of directors who is obligated and bound by governing documents, and they are also protected, the members are protected by those documents. If the board chooses to show favoritism, or whatever else that is alluded by that, to one member by saying here, you don't have to pay, then the board has breached their fiduciary duty and would be open to immediately civil suit. And to my knowledge not one board member, not one person I know would be willing to willingly violate that fiduciary duty.

Q Now, is it true that Mr. Cozier would still have the majority of the votes with just being president of Highvest Company?

A Highvest would have the majority of votes as long as they maintain and own a majority of lots in there.

Q Right. So if Mr. Cozier chose, he could have the majority of the POA votes vote in favor of not charging Highvest for its water and wastewater service?

A Well --

Q I mean, that is correct, isn't it?

A He could say, here, I'm the majority owner in here, and I want the POA to vote, or have a vote, or whatever else, and that by that vote you would be showing favoritism to me. But then if we did that as a board, we would still be violating our fiduciary duty to the other members, and the board would say no.

Q The board would say no. The majority vote does not carry?

A If it is a problem where it would cause members harm, or the members of the board to violate their fiduciary duty to the other members.

Q That you would tell Mr. Cozier, no, you would not?

A Yes.

Q Okay. And if Highvest chose not to make payments, then I assume that you would shut Highvest off?

A Yes, sir.

Q Okay. Now, there was a period of time that Highvest -- for a number of months that Highvest wasn't making payments to the water and wastewater company, and you were running the water and wastewater company. Were they ever shut off before?

A During the time that Highvest was not making payments for water and wastewater, they were also paying any shortfall for expenses that occurred in the utility. Replacement of a shaft, impellers, purchase of a standby generator, repairs to

the pressure tank. They also paid the salary of the employees that were doing work for the utility.

Q Now, I'm not talking about paying shortfalls or anything. My question was wasn't there a period of time wherein Highvest was not paying water and wastewater service that they were receiving, and during which you were running the water and wastewater operations?

A Yes, that's correct.

Q And were they ever shut off for that?

A No, they were not.

MR. BURGESS: Thank you. That is all I have.

COMMISSIONER DEASON: Staff.

CROSS EXAMINATION

BY MR. FLEMING:

Q I just have a few questions, Mr. Lovelette. You were stating that the homeowners association has one vote per lot and that is established in the by-laws. Have the by-laws ever been amended?

A There are a couple of amendments that are on record but it has nothing to do with voting that I know.

Q Have the by-laws ever been amended to exempt a customer from paying utility bills?

A No, the by-laws have never been exempt for a customer to pay utility bills.

Q How about an amendment to exempt a customer from

paying assessments?

A It is my understanding that amendment that was passed was also thrown out by the circuit court case.

Q Now, you state in your rebuttal testimony that Highvest is currently paying service on 202 lots?

A At the time, yes.

Q How many lots are they currently paying service on as of today?

A It would be right around that, maybe about two or three less because we have had a couple of closings since this.

Q In your direct testimony, you stated that Highvest owns 240 lots?

A Yes.

Q Is Highvest paying for water and wastewater service on the remaining 38 or so lots?

A No, those lots were part of the -- when we had discussed with Staff before what were nonrentable lots, they are not used, they aren't used for RV services, or anything like that. There is no electric meter. Although the original developer ran the utilities to the lots, there is not anybody using those lots and they are for sale.

MS. FLEMING: Thank you. We have no further questions.

COMMISSIONER DEASON: Commissioners. Redirect.

MR. FRIEDMAN: Nothing.

COMMISSIONER DEASON: Thank you, Mr. Lovelette. You may be excused.

THE WITNESS: Thank you.

COMMISSIONER DEASON: That concludes the technical phase of the hearing.

(The technical hearing concluded at 5:40 p.m.)

STATE OF FLORIDA )

: CERTIFICATE OF REPORTER

COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 17th day of August, 2004.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

| Comprehensive Exhibit List for Entry into Hearing Record | | | |
|---|---|---|---|
| **Hearing I.D. #** | **Witness** | **I.D. # As Filed** | **Exhibit Description** |
| *Staff* | | | |
| 1 | | Exhibit List-Stip-1 | Comprehensive Exhibit List |
| 2 | | Stip-2 | L.P.'s responses to staff's first set of interrogatories (Nos. 1-6) |
| | | | L.P.'s responses to staff's first request for production of documents (Nos. 1-4) |
| 3 | | Stip -3 | L.P.'s application for transfer of certificate and utility facilities from the Woodlands of Lake Placid, L.P. to L.P. Utilities Corporation and late-filed exhibits associated with this application (Document Nos. 00931-03, 00952-03, 01388-03, 01418-03) |
| | | | Deficiency letter dated March 3, 2003, and response dated March 28, 2003, associated with application filed on January 29, 2003. (Document Nos. 02151-03 and 02955-03) |
| | | | $1500 filing fee for L.P. Utilities Corporation's application for authority to transfer the utility facilities of the Woodlands of Lake Placid, L.P. to the Camp Florida Property Owners Association, Inc. and for transfer of majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc. (Document No. 10575-03) |
| | | | Letter dated January 14, 2004, to L.P. Utilities listing deficiencies found in transfer application filed on October 20, 2004. (Document No. 00615-04) |
| | | | Letter dated February 14, 2004, in response January 14, 2004, deficiency letter (Document No. 02344-04) |
| 4 | | Stip-4 | Florida Department of State, Division of Corporations – status of The Woodlands of Lake Placid, L.P. |



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 1
COMPANY/ FPSC Staff
WITNESS: Exhibit List - Stip-1
DATE: 08-11-04

| Comprehensive Exhibit List for Entry into Hearing Record | | | |
|---|---|---|---|
| **Hearing I.D. #** | **Witness** | **I.D. # As Filed** | **Exhibit Description** |
| 5 | | Stip-5 | The Woodlands of Lake Placid, L.P. Annual Report Schedule F-4 for year ending December 31, 2002 |
| | | | L.P. Utilities Corporation Annual Report Schedule F-4 for years ending December 31, 2002 and December 31, 2003 |
| 6 | | Stip-6 | Schedules 3-A and 3-B, Order No. PSC-03-1051-FOF-WS, issued September 22, 2003, in Docket No. 030102-WS |
| *Testimony Exhibit List* | | | |
| *L.P. UTILITIES CORPORATION* | | | |
| 7 | John H. Lovelette | (JHL-1) | Application |
| 8 | John H. Lovelette | (JHL-2) | Meter Installation Contract |
| *OFFICE OF PUBLIC COUNSEL* | | | |
| 9 | Donna DeRonne | (DD-1) | Schedule 1 – Analysis of ability of Camp Florida Property Owners Association, Inc. to pay mortgage on wastewater property under current rates.<br>Schedule 2 – Estimate of revenue requirement allocated to rental lots |
| 10 | Donna DeRonne | (DD-2) | Portions of PSC Order No. 03-1053-PAA-WS |
| 11 | Donna DeRonne | (DD-3) | Circuit Court Final Judgment |
| 12 | Donna DeRonne | (DD-4) | District Court Opinion |

**EXHIBIT NO.** 2

**DESCRIPTION:**

# STAFF COMPOSITE EXHIBIT OF STIPULATED DOCUMENTS STIP-2

**L.P.'s responses to Staff's Interrogatory Nos. 1-6; L.P.'s responses to Staff's Request for Production of Documents Nos. 1-4**

**PROFFERING PARTY: STAFF**

**DOCKET NO. 030102-WS**
**WOODLANDS OF LAKE PLACID, L.P. AND**
**L.P. UTILITIES CORPORATION**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 2
COMPANY/ FPSC Staff
WITNESS: Stip-2
DATE: 08-11-04

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Utility Facilities of **THE WOODLANDS OF LAKE PLACID, L.P.** in Highlands County, Florida to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**, and Application to Transfer Majority Organizational Control of L.P. Utilities Corporation to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**

Docket No. 030102-WS

**L.P. UTILITIES CORPORATION'S ANSWERS TO COMMISSION'S FIRST SET OF INTERROGATORIES (Nos. 1-6)**

L.P. UTILITIES CORPORATION, by and through its undersigned attorneys and pursuant to Rule 1.340, Florida Rules of Civil Procedure and Florida Administrative Code, hereby Answers Commission's First Set of Interrogatories to L. P. Utilities Corporation (Nos. 1-6), as follows:

**INTERROGATORIES (NOS. 1-6)**

1. Please state the current status of the refunds ordered by Order No. PSC-02-0250-PAA-WS, in Docket No. 020010-WS, including the amount refunded to date, the amount remaining, and the date the refund will be complete.

**ANSWER**: The current status of the refunds ordered by Order No. PSC-02-0250-PAA-WS is as per report dated June 9, 2004 and mailed to the Division of the Commission Clerk and Administrative Services. A copy is also included in responses to the Commission's First Request for Production. The total refunded to date is $32,586.73. The amount remaining based on data from the PSC is $56,983.93. This amount is based on a total amount of refund as calculated by the PSC to be $89,570.66. The refunds will be completed no later than September 22, 2004. The utility is compiling a list of previous customers that are due a refund and an amount and these refunds will also be completed by September 22, 2004.



000001

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO 2
COMPANY/ FPSC Staff
WITNESS: Sta 0-2 (Int. 1-6)
DATE: 08-11-04

2. Please state the current status of the meter installation ordered by Order No. PSC-02-0250.PAA-WS, in Docket No. 020010-WS, including the number of meters installed to date, the number still to be installed, and the date installation will be completed.

**ANSWER**: The meter installation per Order No. PSC-02-0250-PAA-WS was completed on June 8, 2004. The total number of meters installed is 212. Meters were installed on lots known as "rental lots". Currently there is one customer who has a lot that is being serviced by the adjoining lot and has requested that meter installation be delayed until October when he returns.

3. Page 10 of John Lovelette's direct testimony states that a special assessment of $261.78 per lot will be assessed for each of 382 lots; however, page 4 states that there are 397 platted lots. Please explain why there are 15 lots not receiving the special assessment?

**ANSWER**: The Special Assessment of $261.78 per lot was assessed on 382 lots. There are 397 lots in the platted subdivision of Lake Placid Camp Florida Resort. At the time of the Special Assessment, there were 15 lots considered by the POA to be "unitized", meaning that the owner had purchased a lot adjoining another lot and combined the two, or had split a lot with another owner to have a total of 1 and ½ lots. Historically this has been the practice of the POA.

4. Does L.P. plan to assess the 15 lots in the future?

**ANSWER**: L.P Utilities did not assess the lots, it was the POA. The POA will not assess these lots in the future with this Special Assessment, unless the conditions change. For example, an owner of two unitized lots sells one or uses both of the lots as they are separate lots. Then the POA would assess the owner of the previously unitized lot not previously included.

5. Please state how much of the special assessment has been collected to date.

**ANSWER**: Per the records of the POA, 73 members have paid the Special Assessment for a total of $19,109.94. The Special Assessment was due in December of 2003, but with the redundant protest filed by a minority of customers, which is causing costly delays to all parties, the POA notified the members that the POA would not charge late fees and interest to those who had not paid. A majority of members who have not paid have stated that they would pay the assessment once the sale is approved by the PSC.

6. Please describe the sales arrangement for the transfer of the utility from Highvest Corporation to L.P., including purchase price, terms, and conditions, etc.

**ANSWER**: Highvest Corporation sold the assets of the utility to L.P. Utility for a purchase price of $409,959.00 after acquiring the assets in a foreclosure sale. The purchase price was based on the value the PSC originally determined for the utility. There is a mortgage and promissory note with the mortgage being $409,959.00, financed for 10 years at 10% per annum and payments of $5,417.64 per month.

Respectfully submitted on this 22 day of June, 2004, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By: _____
MARTIN S. FRIEDMAN

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Utility Facilities of **THE WOODLANDS OF LAKE PLACID, L.P.** in Highlands County, Florida to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**, and Application to Transfer Majority Organizational Control of L.P. Utilities Corporation to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**

Docket No. 030102-WS

**L.P. UTILITIES CORPORATION'S RESPONSE TO COMMISSION'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (Nos. 1-4)**

L.P. UTILITIES CORPORATION, by and through its undersigned attorneys and pursuant to Rule 1.350, Florida Rules of Civil Procedure and Florida Administrative Code, hereby responds to Commission's First Request for Production of Documents to L. P. Utilities Corporation (Nos. 1-4), as follows:

**REQUESTS FOR PRODUCTION (NOS. 1-4)**

1. Please provide copies of the Articles of Incorporation, Bylaws, and any amendments of the Camp Florida Property Owners Association, Inc.

**RESPONSE**: These documents are provided herewith.

2. Please provide proof that the Camp Florida Property Owners Association, Inc., is registered with the Florida Division of Corporations.

**RESPONSE**: These documents are provided herewith.

3. Please provide documentation regarding the sale of the utility from Highvest Corporation to L.P. Utilities, Inc., including purchase price, terms and conditions.

**RESPONSE**: These documents are provided herewith.



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 2
COMPANY/ FPSC Staff
WITNESS: Stip-2-10 (Int. 1-4)
DATE: 08-11-04

4. Please provide a copy of the most recent refund status report.

**RESPONSE**: These documents are provided herewith.

Respectfully submitted on this 22 day of June, 2004, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By: _____
MARTIN S. FRIEDMAN

REQUEST #1

ARTICLES OF INCORPORATION

OF

CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

Pursuant to Section 617.013, Florida Statutes, these Articles of Incorporation are created by LAKE PLACID CAMP FLORIDA RESORT, INC., a Florida corporation, as sole incorporator for the purposes set forth below.

ARTICLE I

NAME: The name of the corporation, herein called the "Association", is CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE II

PURPOSE AND POWERS: The Association's purpose shall be to promote the health, safety, welfare, comfort and convenience of the residents and owners of lots within LAKE PLACID CAMP FLORIDA RESORT, a subdivision in Highlands County, Florida as recorded in Plat Book 15, Page 32, of the Public Records of Highlands County, Florida by maintaining and improving such common areas as may be conveyed to the Association.

The Association is organized and shall exist on a non-stock basis as a corporation not for profit under the laws of the State of Florida, and no portion of any earnings of the Association shall be distributed or inure to the private benefit of any member, Director or officer of the Association. For the accomplishment of its purposes, the Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida, except as limited or modified by these Articles, the Declaration of Covenants and Restrictions or the Bylaws, including but not limited to the following:

A. To make and collect assessments against members of the Association to defray the costs, expenses and losses of the Association, and to use the proceeds of assessments in the exercise of its powers and duties.

B. To maintain, repair, replace and operate the Common Areas property and Association property.

C. To purchase insurance upon the Common Areas, common property and Association property for the protection of the Association and its members.

D. To reconstruct improvements after casualty and to make further improvements of the property.

E. To make, amend and enforce reasonable rules and regulations governing the use of the common areas and the operation of the Association.

F. To approve or disapprove the transfer, leasing, ownership and occupancy of units, as provided by the Declaration of Covenants and Restrictions and/or the By-Laws.



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G. To enforce the provisions of the Declaration of Covenants and Restrictions, these Articles, and the By-Laws of the Association.

H. To contract for the management and maintenance of the Association and to delegate any powers and duties of the Association in connection therewith except such as are specifically required by the Declaration of Covenants and Restrictions or By-Laws to be exercised by the Board of Directors or the membership of the Association.

I. To employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the Association.

J. To borrow money for any purpose, and to purchase units, and acquire, own, mortgage and convey real property.

All funds and the title to all property acquired by the Association shall be held for the benefit of the members in accordance with the provisions of the Declaration of Covenants and Restrictions, these Articles of Incorporation and the By-Laws.

## ARTICLE III

MEMBERSHIP:

A. The members of the Association shall be all record owners of a fee simple interest in one or more lots in Lake Placid Camp Florida Resort, as further provided in the By-Laws.

B. Change of membership shall be established by recording in the Public Records of Highlands County, Florida, a deed or other instrument of conveyance and by delivery to the Association of a copy of such recorded instrument.

C. The share of a member in the funds and assets of the Association cannot be assigned or transferred in any manner except as an appurtenance to his unit.

D. The owners of each lot, collectively, shall be entitled to one vote in Association matters as set forth in the the By-Laws. The manner of exercising voting rights shall be as set forth in the By-Laws.

## ARTICLE IV

TERM: The term of the Association shall be perpetual.

## ARTICLE V

AMENDMENTS: Amendments to these Articles shall be proposed and adopted in the following manner:

A. Proposal. Amendments to these Articles shall be proposed by a majority of the Board or upon petition of the owners of at least ten percent (10%) of the lots by instrument, in writing, signed by them.

B. Notice. Upon any amendment or amendments to these Articles being proposed by said Board or lot owners,

such proposed amendment or amendments shall be submitted to a vote of the members not later than the next meeting for which proper notice can be given.

C. Vote Required. These Articles of Incorporation may be amended by vote of majority of the voting interests at any annual or special meeting, or by approval in writing of a majority of the voting interests without a meeting, provided that notice of any proposed amendment has been given to the members of the Association, and that the notice contains a fair statement of the proposed amendment.

D. Effective Date. An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of Highlands County, Florida.

## ARTICLE VI

DIRECTORS AND OFFICERS:

A. The affairs of the Association will be administered by a Board of Directors consisting of the number of Directors determined by the By-Laws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors. Except for Directors appointed by the Developer, all Directors must be members of the Association, or the spouse of a member.

D. Directors of the Association shall be elected by the members in the manner determined by the By-Laws. Directors may be removed and vacancies of the Board of Directors shall be filled in the manner provided by the By-Laws.

C. The business of the Association shall be conducted by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board.

## ARTICLE VII

INITIAL DIRECTORS:

The initial Directors and officers of the Association shall be:

Jack M. Clark, Sr. - President
Post Office Box 1169
Lake Placid, Florida 33852

Jack M. Clark, Jr. - Vice President
Post Office Box 1169
Lake Placid, Florida 33852

Peter D. Aiken - Secretary/Treasurer
Las Olas Isles Building, Suite 300
1700 E. Las Olas Boulevard
Ft. Lauderdale, Florida 33301

## ARTICLE VIII

BY-LAWS:

The By-Laws of the Association shall be those By-Laws as adopted from time to time. The By-Laws of the Association may be altered, amended, or rescinded in the manner provided therein.

## ARTICLE IX

INITIAL REGISTERED AGENT:

The initial registered office of the Association shall be at:

110 Tower, 110 SE 6th Street
Suite 1220
Ft. Lauderdale, Florida 33301

The initial registered agent at said address shall be:

Peter D. Aiken, Esquire

## ARTICLE X

INDEMNIFICATION:

To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director and every officer of the Association against all expenses and liabilities, including attorneys fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be available if a judgment or other final adjudication establishes that his actions or omissions to act were material to the cause adjudicated and involved:

A. Willful misconduct or a conscious disregard for the best interests of the Association, in a proceeding by or in the right of the Association to procure a judgment in its favor.

B. A violation of criminal law, unless the director or officer had no reasonable cause to believe his action was unlawful or had reasonable cause to believe his action was lawful.

C. A transaction from which the Director or officer derived an improper personal benefit.

D. Wrongful conduct by Director or officers appointed by the Developer, in a proceeding brought by or on behalf of the Association.

In the event of a settlement, the right to indemnification shall not apply unless the Board of Directors approves such settlement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or officer may be entitled.

WHEREFORE, the incorporator has caused these presents to be executed this 2 day of July, 1989.

LAKE PLACID CAMP FLORIDA RESORT, INC.

By: _____
President

P.O. BOX 1169
LAKE PLACID, FL 33852

(Corporate Seal)

STATE OF FLORIDA )
)
COUNTY OF HIGHLANDS )

The foregoing instrument was acknowledged before me this 9th day of July, 1990, by JACK M CHOK, President of LAKE PLACID CAMP FLORIDA RESORT, INC., on behalf of the corporation.

_____
NOTARY PUBLIC

My commission expires:
Notary Public, State Of Florida At Large
My Commission Expires Nov. 27, 1993
Bonded By Lennon Bonding Corp

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept service of process for CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC., at the place designated in these Articles of Incorporation, I hereby accept the appointment to act in this capacity and agree to comply with the laws of the State of Florida in keeping open said office.

_____
PETER D. AIKEN, ESQUIRE

(Rev/RIH-5/14/90)

FILED
JUL 10 1990

# BY-LAWS

OF

CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

1. GENERAL. These are the By-Laws of Camp Florida Property Owners Association, Inc., hereinafter the "Association", a corporation not for profit organized under the laws of Florida.

1.1 Principal Office. The principal office of the Association shall be on the Association property, or at such other location as the Board may determine.

1.2 Seal. The seal of the Association shall be inscribed with the name of the Corporation, the year of its organization, and the words "Florida" and "not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the Association where a seal may be required.

2. DEFINITIONS. The following definitions shall apply to the terms used in the Articles of Incorporation and these By-Laws:

2.1 "Camp Florida Lake Placid Complex" shall mean and refer to that land described in Exhibit "B" of this Association's Articles of Incorporation.

2.2 "Association" shall mean and refer to CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

2.3 "Board" shall mean and refer to the Board of Directors of the Association.

2.4 "Common Area" or Common Property means the real property owned or to be owned by the Association and all improvements thereon and also includes personal property owned by the Association.

2.5 "Declaration of Covenants and Restrictions" shall mean that certain Declaration of Covenants and Restrictions affecting Lake Placid Camp Florida Resort, a subdivision, as recorded in Official Records Book ____, Pages _____, of the Public Records of Highlands County, Florida.

2.6 "Developer" shall mean and refer to Lake Placid Camp Florida Resort, Inc., its successors and assigns.

2.7 "Limited Common Area" means and includes those common areas owned by the Association which are reserved for the use of a certain member or members to the exclusion of other members, if any.

2.8 "Member" shall mean and refer to any or all of the owners referred to in Article III of the Articles of Incorporation, and as stated in Section 3 below.

2.9 "Unit" or "Dwelling Unit" shall mean and refer to any R.V. lot within Camp Florida Resort. The terms "unit" or "dwelling unit" and lot, are used interchangeably.

2.10 "Lake Placid Camp Florida Resort" is the subdivision to be operated by the Association. The subdivision is sometimes referred to as "Camp Florida Resort" and these terms may be used interchangebly.

3. MEMBERSHIP.

3.1 Qualifications. The owner(s) of each unit located in

Camp Florida Resort shall automatically be a member of this Corporation.

3.2 Voting Interests. When a vote of the members is required herein or by law, each member shall be entitled to one (1) vote in the affairs of the Association for each unit owned. The term "a majority of the voting interests", in cases of membership votes, shall mean the number of votes necessary to equal greater than fifty percent (50%) of the total number of votes.

3.3 Meeting of Members. The affairs of the Association shall largely be governed and managed by the Board of Directors of the Association, however, there shall be an annual meeting of the members related to the activity of this Association on such date as shall be determined by the Board. The members shall exercise their voting rights, when a vote of the members is required at annual organizational meetings, regular meetings, and special meetings, in the manner prescribed in Section 4 of these By-Laws.

4. BOARD OF DIRECTORS.

4.1 Number of Directors. The Association shall be governed by a Board of Directors initially consisting of three (3) Directors. The Directors of the Association shall have a fiduciary relationship to the members.

4.2 Selection of Directors. Except as otherwise provided in 11.1 below, at each annual meeting the members shall elect as many Directors as there are regular terms of Directors expiring or vacancies to be filled. The nominating committee, if any, shall submit its recommended nominees for the office of Director on the floor at the annual meeting, at which time any other eligible person may also be nominated as a candidate. Directors shall be elected by a plurality of the votes cast at the annual meeting. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected. No more than one vote may be cast by a member for each nominee, it being the intent hereof that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes shall be declared elected, except that a runoff shall be held if necessary to break a tie vote.

4.3 Organizational Meeting of Directors. The annual organizational meeting of the Board of Directors shall be held during February or March, but not later than March 15, of each year, at which time the newly-designated Directors shall elect officers and conduct such other business as they may deem appropriate. Written notice of the annual organizational meeting shall be sent to each member at least fifteen (15) days in advance of the annual organizational meeting.

4.4 Regular Meetings. Regular meetings of the Board may be held according to a prearranged schedule at such time and place in Highlands County, Florida, as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least ten (10) days prior to the day named for such meeting.

4.5 Special Meetings. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of at least two (2) Directors. Not less than two (2) days' notice of a special meeting shall be given to each Director, personally or by telephone or telegram, which notice shall state the time, date, place and purpose of the meeting. However, these notice requirements can be waived in cases of emergency situations which would not allow for the requisite notice. Business conducted at special meetings shall be limited to matters stated in the notice of the meeting.

4.6 Notice to Members. All meetings of the Board of Directors shall be open to attendance by any members of the Association, and notices of all Board meetings shall be provided to each member at least forty-eight (48) hours in advance, except in an emergency. Notice shall include a general outline of the agenda for the meeting. Notice of any Board meeting where assessments are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of the assessments. The right to attend does not include the right to participate unless permitted by the Board.

4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

4.8 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of at least a majority of the Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.9 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except as otherwise provided in below. Directors may not vote by proxy at Board meetings.

4.10 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest.

4.11 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum has been attained, may adjourn the meeting from time to time. At any adjourned meeting, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.12 Removal, Filling of Vacancies. Any Director (except those appointed by the Developer) may be removed with or without cause by a majority vote obtained at a meeting or by written agreement of the member Association that appointed him. Such removal shall be evidenced by presentation of a duly adopted resolution of the Board of Directors of said Association; all such vacancies shall be filled by election of the members of the Association.

4.13 Resignation. Any Director may resign by written notice to the Association, which resignation shall take effect upon receipt, unless another date is specified in the notice. Any Director who is absent from three (3) consecutive meetings of the Board shall be deemed to have tendered his resignation as of the date of the third meeting, and the Association, through its remaining Directors, shall appoint a replacement. The replacement shall not be the same person who was just removed.

4.14 Powers. The property and business of the Association shall be managed by the Board of Directors, which may exercise all corporate powers not prohibited by law, the Articles of Incorporation, or these By-Laws. The powers of the Board of Directors shall specifically include, but not be limited to, the following:

A. To levy and collect fees and assessments in accordance with the provisions of the Articles of Incorporation and these By-Laws, and to establish the time and manner within which payments of same are due;

B. To use and expend the fees and assessments collected for those purposes set forth in the Articles of Incorporation and as may be permitted by law;

C. To perform all functions set forth in the Articles of Incorporation and as may be permitted by law, and in conjunction with the foregoing, to purchase the necessary equipment, furnishings, fixtures, accessories and tools necessary or incidental to the maintenance of the Corporation property;

D. To collect delinquent fees and assessments by suit or otherwise;

E. To employ such personnel as may be necessary or incidental in order to carry out the purposes and functions of the Association;

F. To enter into such contracts and bind the Association thereby as the Board of Directors may deem reasonable in order to carry out the powers and functions of the Board of Directors, including the power to borrow money;

G. To make reasonable rules and regulations for the use of Association Property and for the operation of the Association.

4.15 Limitation on Powers. The Board of Directors may not purchase any land, nor make any material alterations of or substantial additions to the Common Property or the facilities located thereon costing more than $5,000 in the aggregate in any twelve-month period, without the prior approval of a majority vote of the members of the Association. However, if work necessary to insure, protect, maintain, repair or replace the Association Property or facilities also constitutes a material alteration or substantial addition, the foregoing limitation shall not apply.

4.16 Compensation. Directors and officers shall not receive compensation for their services as such, but may, at the discretion of the Board of Directors, receive reimbursement for so-called "out-of-pocket" expenses incurred in the actual performance of their duties.

4.17 Order of Business. The order of business at all meetings of the Board shall be substantially as follows:

A. Roll call;
B. Reading of minutes of last meeting;
C. Resignations and Elections;
D. Consideration of Communications;
E. Reports of officers and employees;
F. Reports of committees;
G. Unfinished business;
H. Original resolutions and new business.

4.18 Committees. The Board of Directors may, by resolution, designate such standing or temporary committees as it may deem advisable or as may be required herein. Each such committee shall have such authority as shall be specified in the resolution designating such committee. The Board of Directors shall have the power at any time to remove any individual serving on any such committee or committees, with or without cause, and to fill vacancies in and to dissolve such committee or committees. Each committee designated by the Board of Directors shall keep regular minutes of its meetings and shall report the same to the Board when required. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Director, or any individual executive Director of any responsibilities imposed by law.

5. OFFICERS. The officers of the Association shall be a President, and one or more Vice Presidents, all of whom must be Directors of the Association, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Any two of said offices may be held by one person, except that the President shall not hold any other office. The Board of Directors may appoint such other officers as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The officers of the Association have a fiduciary duty to the members.

5.1 Tenure of Officers. All officers of the Association shall hold office until their successors are elected and qualified. The term of office shall be for one year but an officer may be elected for more than one term. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of the majority of the Directors. Any officer may resign at any time by giving written notice to the Association and unless otherwise specified therein, the resignation shall become effective upon receipt. Any vacancy occurring in any office of the Association shall be filled by the Board of Directors of the Corporation.

5.2 The President.

A. The President shall preside at all meetings of the Directors; he shall have general and active management of the business of the Association; he shall see that all orders and resolutions of the Board of Directors are carried into effect; he shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association, except when required or permitted by statute to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association;

B. He shall have general superintendency and direction of all the other officers of the Association and shall see to the best of his ability that their duties are performed properly;

C. He shall submit a report of the operations of the Association for the fiscal year to the Board of Directors whenever called for by the Board; and from time to time shall report to the Board all matters within his knowledge which the best interest of the Association may require to be bought to their notice;

C. He shall hold an ex-officio position on all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the president of a corporation.

5.3 The Vice President. The Vice President, or if there be more than one, the Vice Presidents, according to the order of their election appointment, shall be vested with all powers and duties required to perform the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

5.3 The Secretary.

A. The Secretary shall be responsible for the keeping of the minutes of the meetings of the Board of Directors in one or more books provided for that purpose;

B. He shall see that all notices are duly given in accordance with these By-Laws, or as required by statute;

C. He shall be the custodian of the corporate records and of

the seal of the Association and shall see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws or as required by statute;

D. He shall keep a register of the post office address of each member;

E. In general, he shall perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the President or the Board of Directors.

5.5 The Treasurer.

A. The Treasurer shall be responsible for keeping full and accurate accounts of receipts and disbursements in books belonging to the Association and shall cause all monies and other valuable effects to be deposited or kept in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

B. He shall oversee the disbursement of funds of the Association, take proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions and of the financial condition of the Association.

C. He shall be the chairman of the Budget Committee, if any.

D. He may be required to give the Association a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and restoration of the Association in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association. The Association shall pay all premiums for issuance of the bond.

E. In general, he shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the President or the Board of Directors.

6. ASSESSMENTS AND FEES.

6.1 Method of Establishing Assessments. In accordance with Section 10.5 below, before the first day of December of each year, the Board of Directors shall consider and adopt an annual operating budget in amounts believed to be sufficient to enable the Association to perform its functions for the ensuing year. Based upon the amount of monies determined to be needed for the operation of the Association, the Board of Directors shall assess against each member its proportionate, equal share of the budget, such proportionate share being determined by utilizing a fraction, the numerator of which is one (1), the denominator of which is equal to the total number of units within LAKE PLACID CAMP FLORIDA RESORT subdivision. Therefore, each unit will be responsible for 1/396th of the Association's expenses.

6.2 Payment of Annual Assessments. Annual assessments shall be billed in quarterly installments payable in advance on the first day of January, April, July and October of each year.

6.3 Limitation on Change in Assessments. The Board of Directors of the Association shall not increase a members' annual assessment by more than twenty percent (20%) over and above the respective

member's annual assessments for the preceding year without the unanimous approval of the Board of Directors of the Association.

6.4 Collection of Assessments. The Board of Directors of the Association shall be authorized to adopt and promulgate rules and regulations for the collection of all assessments, and the determination and collection of assessments against the members shall be subject to the following provisions:

A. Assessments or installments thereof remaining unpaid longer than ten (10) days after the due date shall bear interest from the due date at the highest rate allowed by law; all payments on account shall be first applied to interest and then to the assessment payment first due.

B. No member may exempt itself from liability for its assessment hereunder by waiver of the use and enjoyment of any of the Association property.

7. USE RESTRICTIONS.

7.1 Promulgation of Rules. Reasonable regulations concerning the use of Association Property may be made and amended from time to time by the Board of Directors. Copies of such regulations and amendments thereto shall be made available to all unit owners in LAKE PLACID CAMP FLORIDA RESORT subdivision.

7.2 Restrictions. The restrictions regarding use of the lots and Common Areas shall be as set forth in the Declaration of Covenants and Restrictions. However, as set forth in Section 7.1 above, the Board of Directors shall have the authority to adopt, amend and revoke such additional rules and regulations as they deem to be in the best interest of the Association. Any such rules and regulations cannot be in conflict with the Declaration of Covenants and Restrictions, the Articles of Incorporation of the Association or these By-Laws.

8. INSURANCE.

8.1 Required Coverage. The Board of Directors of the Association shall obtain and maintain at all times the insurance listed below. The named insured on all insurance policies upon the Association Property shall be the Association individually and as agent for each member and their respective unit owners, without naming them.

A. Liability Insurance: Public liability insurance covering all of the Association Property and insuring the Association, the members, and their respective unit owners as their interests appear, in such amounts as the Board of Directors may determine from time to time. Premiums for such insurance shall be chargeable as an expense of the Association and shall be assessed against and paid by each of the members as provided for in Section 6 hereof. The Association shall not be responsible for purchasing liability insurance to cover accidents occurring outside the Association Property.

B. Property Insurance: Insurance against vandalism, malicious mischief, fire, windstorm and other perils normally covered by a standard "all-risk" property contract, insuring all of the insurable improvements upon the land owned and to be owned by the Association and all personal property included as Association Property, for a minimum of eighty percent (80%) of the full replacement value, together with such other insurance as the Association may deem necessary. Premiums for such insurance shall be chargeable as an expense of the Association and shall be assessed against and paid by each of the members

as provided for in Section 6 hereof. The Association shall annually make an analysis to determine replacement costs for insurance purposes for all of the then existing improvements for the ensuing year. Said insurance shall not insure against damage to property other than Association Property.

C. Such other insurance as the board of Directors of the Association shall determine from time to time to be desirable. Premiums for such insurance shall be an expense of the Association and shall be assessed against and paid by each of the members as provided for in Section 6 hereof.

8.2 Distribution of Proceeds. If a loss occurs for which the proceeds of insurance policies are received, payments under the policies shall be disbursed and expended in the following manner:

A. To the officers of the Association responsible for the conduct of the Association's financial affairs. Said officers shall be bonded at the Association's expense, at least to the full extent of the insurance proceeds and other funds on hand, and all such payees shall endorse the insurance company's check payable to the Association.

B. If the damage for which the proceeds are paid is to be repaired or reconstructed, the Association shall pay the proceeds to defray the costs thereof as elsewhere provided. Any proceeds remaining after the defraying of such costs shall be distributed to the Association to be used for the benefit of the members.

C. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the members.

8.3 Association as Agent. The Association is irrevocably appointed agent for each member, the respective unit owners, and for each holder of a mortgage or other lien upon a dwelling unit, and for each owner of any other interest in the Association property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases for payment of claims.

8.4 Members' Property. Each member and their respective unit owners shall obtain insurance coverage at their own expense upon their own property and for their own personal liability and living expense.

8.5 Reconstruction or Repair After Casualty. If any part of the Association Property shall be damaged by casualty, a decision as to whether or not it shall be reconstructed or repaired shall be made by the Board of Directors of the Association. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair, and if the Board of Directors has determined to proceed to reconstruct and repair, the Board may make a special assessment against each member in order to obtain the funds sufficient for the payment of such costs. Such special assessments shall be assessed against each member as provided for in Section 6.1 above.

9. NOTICES.

9.1 Method. Except as otherwise required, notices to Directors and each member shall be in writing and delivered personally or mailed to the Directors and each member at their addresses appearing on the records of the Association. Notice by mail shall be deemed to be given at the time when the same shall be deposited properly addressed with sufficient first class postage in the U.S.

mails. Notice to Directors may also be given by telegram, telephone, or in person.

9.2 Waiver. Whenever any notice is required to be given a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent hereto. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

10. FINANCES.

10.1 Fiscal Year. The Association shall operate on a fiscal year beginning on the first day of January and ending on the 31st day of December of each year. The Board of Directors is expressly authorized to change to a different fiscal year basis whenever deemed expedient for the best interest of the Association.

10.2 Checks. All checks or demands for money and notes of the Association shall bear two signatures, and may be signed by any of the following officers: President, Vice President, Secretary or Treasurer or by such officer or such other person or persons as the Board of Directors may from time to time designate.

10.3 Annual Financial Statement. The board shall provide a written financial statement prepared by an independent certified public accountant to each member within ninety (90) days after the end of each fiscal or calendar year as to the total fees and assessments and other income as to the method of disbursement of said funds. The minimum report required shall be a compilation, as defined by the Florida Board of Accountancy.

10.4 Depository. The Association shall maintain its accounts in such financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

10.5 Budget. The Treasurer shall prepare or cause to be submitted to the Board, not later than November 1 of each year, a proposed budget for the next year. The proposed budget shall be detailed and shall show the amounts budgeted for income and expense by accounts. The Board of Directors shall, not later than November 30 of each year, adopt an annual budget for the next fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting at which the budget will be considered shall be mailed to or served on each Director not less than fourteen (14) days prior to that meeting.

10.6 Reserves. In addition to the operating expenses provided in the budget, the Board may establish one or more reserve accounts for contingencies, operating expenses, repairs, improvements or deferred maintenance. The purpose of the reserves is to provide financial stability and to minimize the need for special assessments. The amounts proposed to be so reserved shall be shown in the annual budget. These funds may be spent for any purpose approved by the Board.

10.7 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, emergency, or non-recurring expenses, or for such other purposes as are authorized by the Articles of Incorporation or these By-Laws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the

purpose(s) of the assessment, and the funds collected must be spent for the state purpose(s) or credited to the members.

11. PROVISIONS RELATED TO DEVELOPER.

11.1 Appointment of Directors. As the Developer of the LAKE PLACID CAMP FLORIDA RESORT subdivision, Lake Placid Camp Florida Resort, Inc. shall have the right to appoint all of the Directors of the Association until the fourth (4th) annual meeting of the Association, or December 31, 1994, whichever occurs first. At that time, Directors shall be elected by the members as set forth in Sections 4.2 and 4.3 above. However, the Developer may allow unit owners other than itself to elect a member or members of the Board prior to the event and date set forth above in Developer's sole discretion.

12. AMENDMENT OF BY-LAWS. Amendments to these By-Laws shall be proposed and adopted in the following manner:

12.1 Proposal. Amendments to these By-Laws may be proposed by the President or by any two (2) Directors.

12.2 Procedure. Upon any amendment or amendments to these By-Laws being proposed, the appropriate notices and copies of the text of the proposed amendments shall be mailed to all Directors with notices of a meeting at which the amendments will be voted on.

12.3 Vote Required. Except as otherwise provided, these By-Laws may be amended by concurrence of at least two-thirds (2/3rds) of the Directors, and a majority of the membership votes, at any meeting called for that purpose. The text of any proposed amendment shall be contained in the notice of such meeting.

12.4 Certificate; Recording. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers of the Corporation with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Highlands County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Covenants and Restrictions are recorded.

13. COMPLIANCE AND DEFAULT; REMEDIES. In addition to any other remedies provided by law, the following provisions shall apply:

13.1 Fines. Pursuant to Section 617.10(3), Florida Statutes, the Board of Directors may levy reasonable fines against members whose unit owners commit violations of the rules and regulations, or condone such violations by their family members, guest or lessees. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed $200.

13.2 Suspension of Use Rights. The board of Directors may suspend the right of any unit owner, or his guest, tenants, and family members, to use Association Property for the period of time the owner shall have failed to pay any fine levied under 13.1 above, or for a reasonable time as punishment for infractions of Corporation rules and regulations by the unit owner, his family, guests or tenants.

14. MISCELLANEOUS.

14.1 Gender. Whenever the masculine or singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

14.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

14.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these By-Laws and the Articles of Incorporation, the provisions of the Articles of Incorporation shall prevail over the provisions of the By-Laws.

The foregoing constitute the first By-Laws of Camp Florida Property Owners Association, Inc. and were adopted by the Board of Directors at its initial organizational meeting held July 19, 19 72.

CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

By: _____
President

(SEAL)

Attest: _____
Secretary

(Rev/RIH-5/14/90)

CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

Proposed Budget, 1990

396 Units

7 Bath and Laundry Houses

| | | Per Annum |
|---|---|---|
| Sewage and Water | $7200.00/month | $86,400.00 |
| Insurance | $1750.00/month | 21,000.00 |
| Garbage & Trash Collection | 5075.00/month | 60,900.00 |
| Mowing/Landscaping & Maintenance | 3000.00/month | 36,000.00 |
| Reserve/road resurfacing | 404.17/month | 4,850.00 |
| Accounting/Bookkeeping | 400.00/month | 4,800.00 |
| Repairs/equip. maintenance | 4,000.00/month | 48,000.00 |
| Management | 2166.67/month | 26,000.00 |
| Recreational Facilities | 3333.33/month | 40,000.00 |
| | | $327,900.00 |

$327,900 - 396 - 12 = $69.00/month per unit/$207.00 quarter

Included in the above budget is sewage, water, garbage and trash collection, mowing, raking and lawn maintenance on common grounds, swales and individual lots, repairs and maintenance on seven bathhouses and common facilities, accounting and management. Included in the Rec. Facilities is full maintenance of the clubhouse, pool, tennis courts, shuffleboard courts, taxes, utilities and insurance. The assessment for recreational facilities is being collected by Camp Florida Property Owners Association, Inc. on behalf of Camp Florida Commons Recreation Association, Inc.

(RIII/REV:5/11/90)

## CERTIFICATE OF AMENDMENT

The attached amendment to the bylaws of Camp Florida Property Owners Association, Inc. was duly adopted by the association on March 29, 2000. This association was formed in accordance with the Declaration Of Covenants And Restrictions Of Lake Placid Camp Florida Resort recorded in O.R. Book 1115, Page 490, in the Public Records of Highlands County Florida.

** OFFICIAL RECORDS **
BK 1494 PG 1509

WITNESSES:

Melinda D. Bowlin

Name: Melinda D. Bowlin

Pamela J. Hottes

Name: Pamela J. Hottes

CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

By: _____
President

ATTEST:

_____
Secretary

STATE OF FLORIDA
COUNTY OF Highlands

The foregoing instrument was acknowledged before me this 29th day of March, 2000, by R. Anthony Cozier, who is personally known X OR produced _____ as identification, and Teresa A. Lovelette, who is personally known X OR produced _____ as identification.

Pamela J. Hottes
Notary Public - State of Florida

PAMELA J. HOTTES
MY COMMISSION # CC 871592
EXPIRES: October 30, 2003
Bonded Thru Notary Public Underwriters

Pamela J. Hottes
(Print, Type, or Stamp Commissioned Name of Notary Public)

THOMAS L. NUNNALLEE
E. MARK BREED III, P.A.
325 N. COMMERCE AVE.
SEBRING, FL 33870

AMENDMENT TO THE BYLAWS OF
CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

The bylaws of Camp Florida Property Owners Association, Inc., as amended on January 27, 1998, are further amended by the replacement of section 4.1 with the following:

> 4.1 Number and Term of Directors. The Association shall be governed by a Board of Directors consisting of five (5) Directors. Each Director, starting with the two Directors elected to bring the total number of Directors from three (3) to five (5), shall serve for a term of two (2) years, so that at each subsequent annual meeting, either three (3) or two (2) Directors' terms will have expired. The directors of the Association shall have a fiduciary relationship to the members.

The foregoing was adopted by the Board of Directors at its meeting held on March 29, 2000.

CAMP FLORIDA PROPERTY
OWNERS ASSOCIATION, INC.

BY: _____
President

(SEAL)

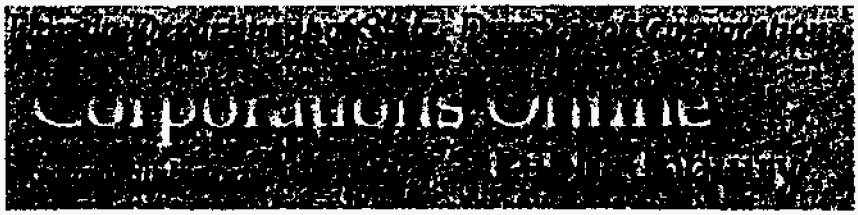
Attest:

_____
Secretary

** OFFICIAL RECORDS **
BK 1494 PG 1510

FILE # 1057519 RCD: Apr 18 2000 @ 09:33AM
L. E. "Luke" Brooker, Clerk, Highlands County

REQUEST # 2



# Florida Non Profit

## CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

PRINCIPAL ADDRESS
100 SHORELINE DR.
LAKE PLACID FL 33852 US
Changed 05/05/2002

MAILING ADDRESS
100 SHORELINE DR.
LAKE PLACID FL 33852 US
Changed 05/05/2002

| Document Number | FEI Number | Date Filed |
|---|---|---|
| N39032 | 593030182 | 07/10/1990 |
| **State** | **Status** | **Effective Date** |
| FL | ACTIVE | NONE |

## Registered Agent

| Name & Address |
|---|
| LOVELETTE, JOHN H<br>100 SHORELINE DR.<br>LAKE PLACID FL 33852 |
| Name Changed: 05/05/2002 |
| Address Changed: 05/05/2002 |

## Officer/Director Detail

| Name & Address | Title |
|---|---|
| LOVELETTE, JOHN H<br>38 HIDDEN HARBOR LANE<br><br>LAKE PLACID FL 33852 | P |
| LOVELETTE, JOHN H<br>38 HIDDEN HARBOR LANE<br><br>LAKE PLACID FL 33852 | D |
| DA SILVA, PAT<br>241 SHORELINE DR. | |

| | |
|---|---|
| LAKE PLACID FL 33852 | VP |
| LOVELETTE, TERESA<br>38 HIDDEN HARBOR LANE<br><br>LAKE PLACID FL 33852 | S |
| LOVELETTE, TERESA<br>38 HIDDEN HARBOR LANE<br><br>LAKE PLACID FL 33852 | D |
| SARMI, MINO<br>22 FREEDOM WAY<br><br>LAKE PLACID FL 33852 | D |

## Annual Reports

| Report Year | Filed Date |
|---|---|
| 2002 | 05/05/2002 |
| 2003 | 04/17/2003 |
| 2004 | 04/26/2004 |

Previous Filing | Return to List | Next Filing

No Events
No Name History Information

## Document Images

Listed below are the images available for this filing.

04/26/2004 -- ANN REP/UNIFORM BUS REP
04/17/2003 -- ANN REP/UNIFORM BUS REP
05/05/2002 -- COR - ANN REP/UNIFORM BUS REP
04/25/2001 -- ANN REP/UNIFORM BUS REP
04/12/2000 -- ANN REP/UNIFORM BUS REP
05/04/1999 -- ANNUAL REPORT
05/05/1998 -- ANNUAL REPORT
11/24/1997 -- Reg. Agent Change
02/27/1997 -- ANNUAL REPORT
02/26/1996 -- 1996 ANNUAL REPORT

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**

Corporations Inquiry | Corporations Help

# 2004 NOT-FOR-PROFIT CORPORATION ANNUAL REPORT

**FILED**
**Apr 26, 2004 8:00 am**
**Secretary of State**
04-26-2004 90423 029 ****61.25

DOCUMENT # N39032

1. Entity Name
CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

| Principal Place of Business | Mailing Address |
|---|---|
| 100 SHORELINE DR.<br>LAKE PLACID, FL 33852 US | 100 SHORELINE DR.<br>LAKE PLACID, FL 33852 US |

04162004 Chg-NP CR2E037 (10/03)

| 2. Principal Place of Business | 3. Mailing Address |
|---|---|
| Suite, Apt. #, etc. | Suite, Apt. #, etc. |
| City & State | City & State |
| Zip / Country | Zip / Country |

4. FEI Number 59-3030182 ☐ Applied For ☐ Not Applicable

5. Certificate of Status Desired ☐ $8.75 Additional Fee Required

| 6. Name and Address of Current Registered Agent | 7. Name and Address of New Registered Agent |
|---|---|
| LOVELETTE, JOHN H<br>100 SHORELINE DR.<br>LAKE PLACID, FL 33852 | Name<br>Street Address (P.O. Box Number is Not Acceptable)<br>City FL Zip Code |

8. The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida. I am familiar with, and accept the obligations of registered agent.

SIGNATURE _____ DATE
Signature, typed or printed name of registered agent and title if applicable. (NOTE: Registered Agent signature required when reinstating)

**Filing Fee is $61.25 Due by May 1, 2004**

9. Election Campaign Financing Trust Fund Contribution. ☐ **$5.00** May Be Added to Fees

**Make check payable to Florida Department of State**

| 10. OFFICERS AND DIRECTORS | | | 11. ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS IN 10 | | |
|---|---|---|---|---|---|
| TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | P<br>LOVELETTE, JOHN H<br>38 HIDDEN HARBOR LANE<br>LAKE PLACID, FL 33852 | ☐ Delete | TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | | ☐ Change ☐ Addition |
| TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | D<br>LOVELETTE, JOHN H<br>38 HIDDEN HARBOR LANE<br>LAKE PLACID, FL 33852 | ☐ Delete | TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | | ☐ Change ☐ Addition |
| TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | VP<br>SALVA, PAT DA<br>241 SHORELINE DR.<br>LAKE PLACID, FL 33852 | ☐ Delete | TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | DASILVA, PAT | ☒ Change ☐ Addition |
| TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | S<br>LOVELETTE, TERESA<br>38 HIDDEN HARBOR LANE<br>LAKE PLACID, FL 33852 | ☐ Delete | TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | | ☐ Change ☐ Addition |
| TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | D<br>LOVELETTE, TERESA<br>38 HIDDEN HARBOR LANE<br>LAKE PLACID, FL 33852 | ☐ Delete | TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | | ☐ Change ☐ Addition |
| TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | D<br>SARMI, MINO<br>22 FREEDOM WAY<br>LAKE PLACID, FL 33852 | ☐ Delete | TITLE / NAME / STREET ADDRESS / CITY-ST-ZIP | | ☐ Change ☐ Addition |

12. I hereby certify that the information supplied with this filing does not qualify for the exemption stated in Section 119.07(3)(i), Florida Statutes. I further certify that the information indicated on this report or supplemental report is true and accurate and that my signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 617, Florida Statutes; and that my name appears in Block 10 or Block 11 if changed, or on an attachment with an address, with all other like empowered.

SIGNATURE: John H. Lovelette John H. Lovelette, Pres. 19 April 04 863-699-1991
SIGNATURE AND TYPED OR PRINTED NAME OF SIGNING OFFICER OR DIRECTOR — Date — Daytime Phone #

REQUEST #3

OFFICIAL RECORDS
BK 1660 PG 657

1182567

DEED DOC STAMPS 2870.00 D.C. ONY

Q 1550 2870.00

Prepared by and return to:
James F. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
863-385-5188
File Number: 384-02MM
Will Call No.:

[Space Above This Line For Recording Data]

# Warranty Deed

**This Warranty Deed** made this 1 day of October, 2002 between Highvest Corp., a Florida corporation whose post office address is 100 Shoreline Drive, Lake Placid, FL 33852, grantor, and L.P. Utilities Corporation, a Florida corporation whose post office address is 129 South Commerce Avenue, Sebring, FL 33870, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

**Witnesseth**, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Highlands County, Florida to-wit:

WATER PLANT No. 1

A parcel of land located in the Northeast 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence S70° 46'35"E along the North line of said Lot 3, extended, a distance of 36.23 feet; thence N68° 40'00"E, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence S08° 10'00"W, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence S68° 40'00"W along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence N71° 09'55"W, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence S19° 45'00"W, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence N71° 09'55"W, along the North line of Shoreline Drive a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence N19° 45'00"E, along the East line of Lots 1 through 3, Block K, a distance of 123.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

WATER PLANT No. 2

A parcel of land located in the Northwest 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commencing at the Southerly most point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, at Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence N65° 07'11"E along the Southerly line of said Replat extended a distance of 310.00 feet; thence N24° 52'49"W, a distance of 282.81 feet to the POINT OF BEGINNING; thence continuing N24° 52'49"W, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat, (the following four (4) calls are along the boundary of said Replat); (1) thence N65° 07'11"E, a distance of 138.06 feet; (2) thence S69° 05'48"E, a distance of 8.86 feet; (3) thence N88° 19'15"E, a distance of 135.89 feet; (4) thence S35° 18'13"E, a distance of 256.10 feet; thence S65° 07'11"W, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

WASTEWATER TREATMENT PLANT

A Portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N89° 46'50"W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N1° 09'49"W along the West line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue N1° 09'49"W along the last described course for a distance of 300.00 feet to a point; thence run S89° 46'50"E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S1° 09'49"E, parallel to the West line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N89° 46'50"W parallel to the South line of said Southwest 1/4 of a distance of 410.00 feet to the POINT OF BEGINNING.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

000031

**Parcel Identification Number: This instrument was prepared from information furnished by the parties. No examination of title was made and no responsibility is assumed for title or description problems.**

**SUBJECT TO a Purchase Money First Mortgage, given by Grantee to Grantor, securing the original principal sum of $409,959.00.**

**This property does not constitute the homestead property of the Grantor.**

**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 the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to .

**In Witness Whereof,** grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Witness Name: [illegible]

Witness Name: TERESA A. LOVELETTE

Highvest Corp.
a Florida corporation

By:
R. Anthony Cozier
President

(Corporate Seal)

State of Florida
County of Highlands

The foregoing instrument was acknowledged before me this 1 day of October, 2002 by R. Anthony Cozier, President of Highvest Corp., a Florida corporation, on behalf of the corporation. He [ ] is personally known to me or [ ] has produced a driver's license as identification.

[Notary Seal]

TERESA A. LOVELETTE
MY COMMISSION # CC 868018
EXPIRES: Aug 31, 2003
1-800-3-NOTARY Fla. Notary Service & Bonding Co.

Notary Public, State of Florida

Printed Name: TERESA A. LOVELETTE

My Commission Expires:

FILED 1182567 RCD:Mar 10 2003 @ 4:09 PM
L.E. "Luke" Brooker Clerk of Courts Highlands Co

000032

OFFICIAL RECORDS
BK 1660 PG 659

1182588

MTG DOC STAMPS 1435.00
INTANGIBLE TAX 819.92 D.C. CAK

19.50
1435.00
819.92

Prepared by and return to:
James F. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
863-385-5188
File Number: 384-02MM
Will Call No.:

[Space Above This Line For Recording Data]

# MORTGAGE

**This Indenture**, Made this 1 day of October, 2002 by and between L.P. Utilities Corporation, a Florida corporation whose address is 129 South Commerce Avenue, Sebring, FL 33870, hereinafter called the Mortgagor, and Highvest Corp., a Florida corporation whose address is 100 Shoreline Drive, Lake Placid, FL 33852, hereinafter called the Mortgagee:

The terms "Mortgagor" and "Mortgagee" shall include heirs, personal representatives, successors, legal representatives and assigns, and shall denote the singular and/or the plural, and the masculine and/or the feminine and natural and/or artificial persons, whenever and wherever the context so admits or requires.

**Witnesseth**, that the said Mortgagor, for and in consideration of the aggregate sum named in the promissory note, a copy of which is attached hereto and made a part hereof, the receipt of which is hereby acknowledged, does grant, bargain and sell to the said Mortgagee, his successors and assigns, in fee simple, the following described land, situate, lying and being in Highlands County, Florida, to-wit:

WATER PLANT No. 1

A parcel of land located in the Northeast 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence S70° 46'35"E along the North line of said Lot 3, extended, a distance of 36.23 feet; thence N68° 40'00"E, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence S08° 10'00"W, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence S68° 40'00"W along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence N71° 09'55"W, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence S19° 45'00"W, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence N71° 09'55"W, along the North line of Shoreline Drive a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence N19° 45'00"E, along the East line of Lots 1 through 3, Block K, a distance of 121.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

WATER PLANT No. 2

A parcel of land located in the Northwest 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commencing at the Southerly most point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, at Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence N65° 07'11"E along the Southerly line of said Replat extended a distance of 320.00 feet; thence N24° 52'49"W, a distance of 282.81 feet to the POINT OF BEGINNING; thence continuing N24° 52'49"W, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat, (the following four (4) calls are along the boundary of said Replat); (1) thence N65° 07'11"E, a distance of 138.06 feet; (2) thence S69° 05'48"E, a distance of 8.86 feet; (3) thence N88° 19'15"E, a



Initials: _____
DoubleTimes

distance of 135.89 feet; (4) thence S35° 18'13"E, a distance of 256.10 feet; thence S65° 07'11"W, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

WASTEWATER TREATMENT PLANT

A Portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N89° 46'50"W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N1° 09'49"W along the West line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue N1° 09'49"W along the last described course for a distance of 300.00 feet to a point; thence run S89° 46'50"E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S1° 09'49"E, parallel to the West line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N89° 46'50"W parallel to the South line of said Southwest 1/4 of a distance of 410.00 feet to the POINT OF BEGINNING.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

And the said Mortgagor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

**Provided always**, that if said Mortgagor, his successors or assigns, shall pay unto the said Mortgagee, his successors or assigns, that certain promissory note, of which a true and correct copy is attached, and Mortgagor shall perform, comply with and abide by each and every stipulation, agreement, condition and covenant of said promissory note and of this mortgage, and shall duly pay all taxes, all insurance premiums reasonably required, all costs and expenses including reasonable attorneys fees that Mortgagee may incur in collecting money secured by this mortgage, and also in enforcing this mortgage by suit or otherwise, then this mortgage and the estate hereby created shall cease and be null and void.

Mortgagor hereby covenants and agrees:

1. To pay the principal and interest and other sums of money payable by virtue of said promissory note and this mortgage, or either, promptly on the days respectively the same severally come due.

2. To keep the buildings now or hereafter on the land insured for fire and extended coverage in a sum at least equal to the amount owed on the above described promissory note, and name the Mortgagee as loss payees, and to furnish Mortgagee with a copy of all current policies. If Mortgagor does not provide Mortgagee with copies of the policies showing Mortgagee as loss payees after 14 days written demand by Mortgagee, then Mortgagee may purchase such insurance and shall add any payments made for such policy to the principal balance owed on the mortgage, and such payments shall accrue interest at the maximum rate of interest allowed by law. In the event any sum of money becomes payable under such policy, Mortgagee, his legal representatives or assigns, shall have the option to receive and apply the same on account of the indebtedness hereby secured or to permit Mortgagor to receive and use it or any part thereof for repair or replacement, without hereby waiving or impairing any equity, lien or right under or by virtue of this mortgage. In the event of loss Mortgagor shall give immediate notice to Mortgagee.

3. To permit, commit or suffer no waste, impairment or deterioration of the property, or any part thereof.

4. To permit no other lien or mortgage to be placed ahead of this mortgage.

5. Mortgagor shall provide proof of payment of annual real estate taxes by March 15, for the preceding years taxes. In the event that Mortgagor does not pay the taxes by such date, the Mortgagee may pay the taxes and the full amount of such payment by Mortgagee shall be added to the principal balance owed on the mortgage, and shall accrue interest at the maximum rate allowed by law.

6. The Mortgagee may, at any time pending a suit upon this mortgage, apply to the court having jurisdiction thereof for the appointment of a receiver, and such court shall forthwith appoint a receiver, and such receiver shall have all the broad and effective functions and powers in anywise entrusted by a court to a receiver, and such appointment shall be made by such court as an admitted equity and a matter of absolute right to said Mortgagee. The rents, profits, income, issues, and revenues shall be applied by such receiver according to the lien of this mortgage.

7. If any of the sums of money due and owing to Mortgagee under the terms of the promissory note and this mortgage, including but not limited to any advance made by Mortgagee for the payment of insurance or taxes, are not paid within 15 days after the same become due and payable, or if each of the stipulations, agreements, conditions and covenants of the promissory note and this mortgage, or either, are not fully performed or complied with the aggregate sum owed on the promissory note shall become due and payable forthwith or thereafter at the option of Mortgagee, his successors, legal representatives, or assigns.

This mortgage and the note hereby secured shall be construed and enforced according to the laws of the State of Florida.

The principal sum secured hereby, along with any interest to be paid in accordance with the terms of the note secured hereby, shall immediately become due and payable without notice, if a transfer of title to the premises by sale or otherwise is made without the Mortgagee's written consent, while this mortgage remains a lien thereon, at the option of Mortgagee, his successors, legal representatives, or assigns.

Executed at Highlands County, Florida on the date written above.

Signed, sealed and delivered in the presence of:

Witness Name: John H. Lovelette

Witness Name: TERESA A. LOVELETTE

L.P. Utilities Corporation
a Florida corporation

By: _____
R. Anthony Cozier
Director

(Corporate Seal)

State of Florida
County of Highlands

The foregoing instrument was acknowledged before me this 1 day of October, 2002 by R. Anthony Cozier, Director of L.P. Utilities Corporation, on behalf of the corporation. He [X] is personally known to me or [ ] has produced a driver's license as identification.

[Notary Seal]

TERESA A. LOVELETTE
MY COMMISSION # CC 868019
EXPIRES: Aug 31, 2003
1-800-6NOTARY Fla Notary Service & Bonding Co.

Notary Public, State of Florida

Printed Name: TERESA A. LOVELETTE

My Commission Expires: _____

OFFICIAL RECORDS
BK 1660 PG 662

1182568

# PROMISSORY NOTE

$409,959.00

Lake Placid, FL, Highlands County, Florida

**FOR VALUE RECEIVED,** the undersigned promise to pay to the order of **Highvest Corp., a Florida corporation at 100 Shoreline Drive, Lake Placid, FL 33852** or at such other address as may be indicated in writing, in the manner hereinafter specified, the principal sum of **Four Hundred Nine Thousand Nine Hundred Fifty-Nine and 00/100 Dollars ($409,959.00)** with interest from the date hereof, at the rate of **Ten** percent ( 10 %) per annum on the balance from time to time remaining unpaid. The said principal and interest shall be payable in lawful money of the United States of America, on the date and in the following manner:

The sum of $5,417.64 representing a payment of principal and interest shall be due and payable on **December 15, 2002,** and on the 15th day of each month thereafter until **November 15, 2012,** at which time the remaining principal balance, together with any accrued but unpaid interest, shall be due.

All payments shall be first applied to late charges, if any, then to the payment of accrued interest, and the balance remaining, if any, shall be applied to the payment of the principal sum.

This note may be prepaid, in whole or in part, without penalty, at any time prior to maturity.

This note with interest is secured by a purchase money mortgage, of even date herewith, the terms of which are incorporated herein by reference, made by the makers hereof in favor of the said payee, is given as part of the purchase price of the real property described in the mortgage, and shall be construed and enforced according to the laws of the State of Florida.

If default be made in the payment of any installment under this note, and if such default is not made good within 15 days, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this Note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time for the same default or for any subsequent default. Any payment not received within 10 days of the due date shall include a late charge of 5% of the payment due. In the event of default in the payment of this note, and if the same is placed in the hands of any attorney for collection, the undersigned hereby agree to pay all costs of collection, including a reasonable attorneys' fee.

Makers waive demand, presentment for payment, protest, and notice of nonpayment and dishonor.

L.P. Utilities Corporation, a Florida corporation

By: _____
R. Anthony Cozier -Borrower, Director

(Corporate Seal)

The state documentary tax due on this Note has been paid on the Mortgage securing this indebtedness.

FILE# 1182568 RCD:Mar 10 2003 @ 4:09 PM
L.E. "Luke" Brooker Clerk of Courts Highlands Co

DoubleTime

REQUEST # 4

# LP UTILITIES, INC.

P. O. Box 478
LAKE PLACID, FL 33862
(863) 699-1173
Fax (863) 699-1890


June 9, 2004

Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0862

RE: May Monthly Report for Doc. No. 020010-WS

Dear Sir or Madam:

The following is the May 2004 monthly report as requested for the above referenced utility:

During the month of May the utility refunded a total of $4,431.88 to customers who were active customers during the period of 1 Jan 98 to 4 November 03 and paid the flat rate that was current at that time. Total amount refunded to date is $32,586.73.

The balance of the refund as calculated by the PSC is now $56,983.93. Per information supplied by the PSC the total refund through 3 Nov 03 was $89,570.66.

The total amount of the refund is based on information supplied by the PSC and may not reflect the actual amount of the refund due to active customers for the about mentioned time frame. Only active customers who paid for water service during the about time period are receiving a refund.

If you require any other information, please contact me.

Sincerely,

John H. Lovelette
Manager

file: PSC060904MonthlyReportMay

**EXHIBIT NO. 3**

**DESCRIPTION:**

# STAFF COMPOSITE EXHIBIT OF STIPULATED DOCUMENTS STIP-3

**L.P.'s application for transfer of certificate and utility facilities from the Woodlands of Lake Placid, L.P. to L.P. Utilities Corporation and late-filed exhibits associated with this application (Document Nos. 00931-03, 00952-03. 01388-03, 01418-03); Deficiency letter dated March 3, 2003, and response dated March 28, 2003, associated with application filed on January 29, 2003 (Document Nos. 02151-03 and 02955-03); $1500 filing fee for L.P. Utilities Corporation's application for authority to transfer the utility facilities of the Woodlands of Lake Placid, L.P. to the Camp Florida Property Owners Association, Inc. and for transfer of majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc. (Document No. 10575-03); Letter dated January 14, 2004, to L.P. Utilities listing deficiencies found in transfer application filed on October 20, 2004 (Document No. 00615-04); Letter dated February 14, 2004, in response to January 14, 2004 deficiency letter (Document No. 02344-04)**

**PROFFERING PARTY: STAFF**

**DOCKET NO. 030102-WS**
**WOODLANDS OF LAKE PLACID, L.P. AND**
**L.P. UTILITIES CORPORATION**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO 3
COMPANY/ FPSC Staff
WITNESS: Stip-3
DATE: 08-11-04

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
Fax (850) 656-4029
www.rsbattorneys.com

ORIGINAL

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
DAVID F. CHESTER
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DARREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, *OF COUNSEL*
WAYNE L. SCHIEFELBEIN, *OF COUNSEL*

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

January 29, 2002

**HAND DELIVERY**

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

030102-WS

Re: Docket No. _____ Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities
Our File No.: 37074.02

Dear Ms. Bayo:

Enclosed for filing are the original and two (2) copies of the Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities in Highlands County, Florida. Also enclosed is our check in the amount of $1,500 representing the appropriate filing fee.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Check received to Fiscal for deposit. Initials of person who received check

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF:dmp
Enclosures

cc: Mr. John Lovelette (w/enclosure)

ASO\LP Utilities\(02) Transfer 2003\PSC Clerk 01.ltr

DOCUMENT NUMBER-DATE
00931 JAN 29 &
000039 FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Certificate and Utility Facilities of The Woodlands of Lake Placid, L.P. in Polk County, Florida to L.P. Utilities Corporation

DOCKET NO.: _____

_____/

**APPLICATION OF L.P. UTILITIES CORPORATION FOR AUTHORITY TO SELL, ASSIGN OR TRANSFER CERTIFICATE AND UTILITY FACILITIES**

L.P. UTILITIES CORPORATION. (hereinafter referred to as "Buyer") by and through its undersigned attorneys and pursuant to the provisions of Rule 25-30.037, Fla. Admin. Code, and Section 367.071, Fla. Stat., files this Application for authority to sell, assign or transfer Certificate and Utility Facilities of THE WOODLANDS OF LAKE PLACID, L.P. (hereinafter referred to as "Utility") operating under Certificate Nos. 620-W and 533-S. In support of this Application, the Buyer states:

1. The complete name and address of the Utility is:

The Woodlands of Lake Placid, L.P.
1525 U.S. 27 South
Lake Placid, FL 33852

2. The complete name and address of the Buyer is:

L.P. Utilities Corporation
P.O. Box 478
Lake Placid, FL 33862

3. The name and address of the person authorized to receive notices and communications in respect to this application is:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701
Telephone: (407) 830-6331

DOCUMENT NUMBER-DATE
00931 JAN 29 8
FPSC-COMMISSION CLERK

Facsimile: (407) 830-8522
Email: mfriedman@rsbattorneys.com

4. The Buyer, a Florida corporation, was incorporated on June 15, 2001.

5. The names and addresses of the Buyer's corporate officers and directors are as follows:

R. Anthony Cozier, 100 Shoreline Drive, Lake Placid, FL 33852

John H. Lovelette, Director, 38 Hidden Harbour Lane, Lake Placid, FL 33852

Teresa A. Lovelette, Director, 38 Hidden Harbour Lane, Lake Placid, FL 33852

6. The Buyer owns no other water or wastewater utilities in Florida.

7. The Buyer's shareholder is: Anbeth Corporation, 100 Shoreline Drive, Lake Placid, FL 33852.

8. The Buyer purchased the utility facilities to be transferred pursuant to this Application (hereinafter referred to as the "Utility Facilities") on October 1, 2002. A copy of the Warranty Deed from Highvest Corporation to the Buyer is attached hereto as Exhibit "A". The Utility Facilities are more fully described on Exhibit "B" attached hereto.

9. Highvest Corporation acquired the Utility Facilities and associated real property pursuant to a judgment of foreclosure entered against the Utility on August 27, 2002, and almost immediately transferred them to the Buyer, as it had no interest in owning or operating a utility. A copy of the Certificate of Title of the Clerk of the Circuit Court of Highlands County, Florida is attached hereto as Exhibit "C".

10. There are no guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases that must be disposed of in association with the transfer of the Utility Facilities, all of which would have been discharged in the bankruptcy.

11. The entire purchase price for the Utility Facilities and associated real property was financed with a $409,959 loan from Highvest Corporation.

13. The approval of the sale, assignment or transfer of the Utility Facilities to Buyer is in the public interest for the following reasons:

The Utility borrowed funds from The Nancy Ayres Charitable Remainder Unit Trust (hereinafter referred to as the "Lender") to purchase the Utility Facilities and associated real property, and gave a mortgage on the Utility Facilities and associated real property as security for the loan. The mortgage was subsequently assigned to Highvest Corporation. When the Utility failed to meet its obligations, including the obligations under the Mortgage, Highvest Corporation called upon the Utility to pay the outstanding balance of the loan or lose the Utility Facilities and associated real property at foreclosure. As a result of the default of the Utility, Highvest Corporation filed for judicial foreclosure of its security. A final judgment of foreclosure was entered in relation to the Utility Facilities and associated real property on August 7, 2002 and Highvest Corporation purchased the Utility Facilities and associated real property at the foreclosure sale. The Clerk of the Court issued Highvest Corporation a Certificate of Title on September 27, 2002. On October 1, 2002, Highvest Corporation transferred its interest in the Utility Facilities and associated real property to the Buyer, as it had no interest in owning or operating a utility.

14. The Buyer will fulfill the commitments, obligations and representations of the Utility with regard to utility matters that accrued subsequent to the foreclosure. For these reasons, it is in the public interest to grant approval of the transfer to the Buyer.

15. The Utility was originally certificated by the Commission by Order No. PSC-01-1056-PCO-WS issued February 26, 2002. Temporary rates were set at that time, pending the completion of a

staff-assisted rate case in Docket No. 020010-WS. The Commission's decision on the rate case was deferred to give the Buyer, who had acquired the Utility Facilities in the interim, additional time to review the Staff's recommendation on the rate case. On October 17, 2002, Highvest Corporation filed an Objection or in the Alternative Motion to Cancel Proposed Agency Action. On December 10, 2002, the Commission ordered that the rates established in the Staff-Assisted rate Case be charged until such time as a rate proceeding is filed. A PAA Order was issued on December 10, 2002. Both Highvest Corporation and the Buyer have protested this Order.

16. The Commission has reviewed and audited the books and records of the Utility in connection with Docket No. 020010-WS. Rate Base for the water system is $230,536 and rate base for the wastewater system is $224,024. Pursuant to Rule 25-30.0371, Florida Administrative Code, no acquisition adjustment is appropriate.

17. After reasonable investigation, the Buyer has determined that the Utility Facilities appear to be in satisfactory condition and in compliance with all applicable standards set by Florida Department of Environmental Protection ("DEP").

18. The Utility Facilities are located on real property owned by the Buyer, more fully described in Exhibits "A" and "B".

19. The Utility will be responsible for payment of all regulatory assessment fees through September 26, 2002. The Buyer will be responsible for payment of all regulatory assessments fees due for revenues received from September 27, 2002 forward.

20. The original and two copies of Sample Tariffs reflecting the change in ownership are attached hereto as Exhibit "D".

20. The original Water Certificate Number 620-W and Wastewater Certificate 533-S are attached hereto as Exhibit "E".

21. An Affidavit that the actual notice of the application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, is attached hereto as Exhibit "F".

22. An Affidavit that the actual notice of the application was given to the each customer in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, will be filed as Late Filed Exhibit "G".

23. An Affidavit that the notice of the application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code, will be filed as Late Filed Exhibit "H".

24. The water system has the capacity to serve 403 ERCs and the wastewater system has the capacity to serve 34 ERCs. Pursuant to Rule 25-30.020, Florida Administrative Code, the appropriate filing fee is $1,500 ($750.00 for each system).

Respectfully submitted on this 24th day of January, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard
Suite 160
Altamonte Springs, FL 32701
TELEPHONE: (407) 830-6331
FACSIMILE: (407) 830-8255
EMAIL: mfriedman@rsbattorneys.com

By: _____
MARTIN S. FRIEDMAN

EXHIBITS:

A: Warranty Deed from Highvest Corporation

B: Description of Utility Facilities

C: Certificate of Title from Clerk of Circuit Court, Highlands County, Florida

D: Original and two copies of Sample Tariffs reflecting the change in ownership

E: Original Water Certificate No. 620-W and Wastewater Certificate No. 533-S

F: Affidavit that the actual notice of the application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code

G: Affidavit that the actual notice of the application was given to the each customer in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code (to be filed late)

H: Affidavit of Publication of the Notice of Application (to be filed late)

**AFFIDAVIT**

STATE OF FLORIDA

COUNTY OF Highlands

I, John H. Lovelette, 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 constitutes a complete statement of the matter to which it relates.

John H. Lovelette

Sworn to and subscribed before me this 23 day of January, 2003, by John H. Lovelette, as director on behalf of L.P. UTILITIES CORPORATION. He is personally known to me or has provided personally as identification.

Print Name: PATRICIA A da SILVA
NOTARY PUBLIC
My Commission Expires:

Patricia A da Silva
My Commission DD050265
Expires August 15, 2005

**EXHIBIT "A"**

Warranty Deed

Prepared by and return to:
James P. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
863-385-5188
File Number: 384-02MM
Will Call No.:

[Space Above This Line For Recording Data]

# Warranty Deed

**This Warranty Deed** made this 1 day of October, 2002 between Highvest Corp., a Florida corporation whose post office address is 100 Shoreline Drive, Lake Placid, FL 33852, grantor, and L.P. Utilities Corporation, a Florida corporation whose post office address is 129 South Commerce Avenue, Sebring, FL 33870, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

**Witnesseth**, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Highlands County, Florida to-wit:

WATER PLANT No. 1

A parcel of land located in the Northeast 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence S70° 46'35"E along the North line of said Lot 3, extended, a distance of 36.23 feet; thence N68° 48'00"E, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence S08° 10'00"W, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence S68° 48'00"W along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence N71° 09'55"W, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence S19° 45'00"W, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence N71° 09'55"W, along the North line of Shoreline Drive a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence N19° 45'00"E, along the East line of Lots 1 through 3, Block K, a distance of 121.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

WATER PLANT No. 2

A parcel of land located in the Northwest 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commencing at the Southerly most point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, at Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence N65° 07'11"E along the Southerly line of said Replat extended a distance of 320.00 feet; thence N24° 52'49"W, a distance of 282.81 feet to the POINT OF BEGINNING; thence continuing N24° 52'49"W, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat, (the following four (4) calls are along the boundary of said Replat); (1) thence N65° 07'11"E, a distance of 138.06 feet; (2) thence S69° 05'48"E, a distance of 8.86 feet; (3) thence N88° 19'15"E, a distance of 135.89 feet; (4) thence S39° 18'13"E, a distance of 256.10 feet; thence S65° 07'11"W, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

WASTEWATER TREATMENT PLANT

A Portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N89° 46'50"W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N1° 09'49"W along the West line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue N1° 09'49"W along the last described course for a distance of 300.00 feet to a point; thence run S89° 46'50"E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S1° 09'49"E, parallel to the West line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N89° 46'50"W parallel to the South line of said Southwest 1/4 of a distance of 410.00 feet to the POINT OF BEGINNING.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.



DOUBLE TIME

Parcel Identification Number: This instrument was prepared from information furnished by the parties. No examination of title was made and no responsibility is assumed for title or description problems.

SUBJECT TO a Purchase Money First Mortgage, given by Grantee to Grantor, securing the original principal sum of $409,959.00.

This property does not constitute the homestead property of the Grantor.

**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 the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to .

**In Witness Whereof**, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Witness Name: [illegible]

Witness Name: TERESA A. LOVELETTE

Highvest Corp.
a Florida corporation

By: _____
R. Anthony Cozier
President

(Corporate Seal)

State of Florida
County of Highlands

The foregoing instrument was acknowledged before me this _ 1 ___ day of October, 2002 by R. Anthony Cozier, President of Highvest Corp., a Florida corporation, on behalf of the corporation. He [ ] is personally known to me or [ ] has produced a driver's license as identification.

[Notary Seal]

TERESA A. LOVELETTE
MY COMMISSION # CC 899019
EXPIRES: Aug 31, 2003
1-800-3-NOTARY Fla. Notary Service & Bonding Co.

Notary Public, State of Florida

Printed Name: TERESA A. LOVELETTE

My Commission Expires: _____

**EXHIBIT "B"**

Description of Utility Facilities

EXHIBIT "B"

DESCRIPTION
OF
UTILITY FACILITIES

Water Plant No. 1:

All that certain water plant and related improvements located on a parcel of land located in the Northeast ¼ of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows:

BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence South 70° 46'35" East along the North line of Lot 3, extended, a distance of 36.23 feet; thence North 68°40'00" East, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence South 08°10'00" West, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence South 68°40'00" West along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence North 71°09'55" West, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence South 19°45'00" West, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence North 71°09'55" West, along the North line of Shoreline Drive, a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence North 19°45'00" East, along the East line of Lots 1 through 3, Block K, a distance of 121.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

Water Plant No. 2:

All that certain water plant and related improvements located on a parcel of land located in the Northeast ¼ of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows:

BEGINNING at the most Southerly point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence North 65°07'11" East along the Southerly line of said Replat extended a distance of 320 feet; thence North 24°52'49" West, a distance of 282.81 feet to the POINT OF BEGINNING; thence continuing North 24°52'49" West, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat (the following calls are along the boundary line of said Replat); (1) thence North 65°07'11" East, a distance of 138.06 feet; (2) thence South 69°05'48" East, a distance of 8.86 feet; (3) thence North 88°19'15" East, a distance of 135.89 feet; (4) thence South 35°18'13" East, a distance of 256.10 feet; thence South 65°07'11" West, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

Wastewater Treatment Plant:

All that certain wastewater treatment plant and related improvements located on a parcel of land located on a portion of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows:

BEGINNING at the Southeast corner of the Southwest ¼ of the aforesaid Section 8; thence run North 89°46'50" West along the South line of said Southwest ¼ of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East ½ of the East ½ of said Southwest ¼; thence run North 01°09'49" West along the West line of the East ½ of the East ½ of the Southwest ¼ for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue North 01°09'49" West along the last described course for a distance of 300.00 feet to a point; thence run South 89°46'50" East parallel to the South line of said Southwest ¼ of Section 8 for a distance of 410 feet to a point; thence run South 01°09'49" East, parallel to the West line of the East ½ of the East ½ of said Southwest ¼ for a distance of 300.00 feet to a point; thence run North 89°46'50" West parallel to the South line of said Southwest ¼ of a distance of 410.00 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

**EXHIBIT "C"**

Certificate of Title

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR HIGHLANDS COUNTY, FLORIDA

HIGHVEST, CORP.,
Plaintiff,

vs.

CASE NO: GC02-351

WOODLANDS, L.P., and
CAMPER CORRAL, INC., General Partner
Defendants.
_____/

FILED
2002 SEP 27 A 8:53

CERTIFICATE OF TITLE

The undersigned Clerk of the Court certifies that he executed and filed a Certificate of Sale in this action on September 4, 2002, for the property described herein and that any objections to the sale have been filed within the time allowed for filing objections.

The following property in Highlands County, Florida:

The West 210 feet of the South 450.00 feet of the Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, SAVE AND EXCEPT the South 50 feet thereof for Road Right of Way.

A portion of the East ½ of the East ½ of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section8; Thence run N 89 degrees 46 minutes 50 seconds W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East ½ of the East ½ of said Southwest 1/4; Thence run N 1 degree 09 minutes' 49" W along the West line of the East ½ of the East ½ of the East ½ of the Southwest 1/4 for a distance of 450.01 feet to the Point of Beginning of the Tract of land hereinafter to be described; Thence continue N 1 degree 09 minutes' 49" W along the last described course for a distance of 300.00 feet to a point; Thence run S 89 degrees 46 minutes 50 seconds East, Parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run south 1 degree 09 minutes 49

BK 1629 PG 1539

** OFFICIAL RECORDS **
BK 1629 PG 1540

seconds east parallel to the West line of the East ½ of the East ½ of said southwest 1/4 for a distance of 300.00 feet to a point; Thence run N 89 degrees 46 minutes 50 seconds W parallel to the South line of said Southwest 1/4 for a distance of 410.00 feet to the Point of Beginning.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND, the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East ½ of the East ½ of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

The West Half (W1/2) of the Northwest Quarter (NW1/4) East of State Road 19 (U.S. Highway No. 27) right-of-way and the West Half (W 1/2) of the East Half (E 1/2) of the Northwest Quarter (NW 1/4) East of State Road 19 (U.S. Highway No. 27) right-of-way LESS the South 413.15 feet thereof;
**AND**
The fractional Northeast Quarter (NE 1/4) and the East Half (E 1/2) of the Northwest Quarter (NW 1/4) LESS the South 413.15 feet thereof, and LESS road right-of-way;
all of the above real property located in Section 17, Township 31 South, Range 30 East, Highlands County, Florida;
**AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:**
A portion of the Northwest Quarter (NW 1/4) of Section 1, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: COMMENCE where the East line of the Northwest Quarter (NW 1/4) intersects the South right-of-way line of State Road No. 29; thence North 89 degrees 46 minutes 50 seconds West along the South right-of-way lin of said State Road No. 29 for a distance of 1083.72 feet to the POINT OF BEGINNING; thence continue North 89 degrees 46 minutes 50 seconds West along said South right-of-way line for a distance of 753.32 feet to a point on the Easterly right-of-way line of U.S. Highway No. 27; thence South 24 degrees 51 minutes 38 seconds East along the Easterly right-of-way line for a distance of 450.0 feet to a point; thence North 80 degrees 20 minutes 00 seconds East for a distance of 107.91 feet to a point; thence North 87 degrees 00 minutes 00 seconds East for a distance of 218.15 feet to a point; thence North 50 degrees 00 minutes 00 seconds East for a distance of 166.49 feet to a point; thence North 75 degrees 29 minutes 10 seconds East for a distance of 115.12 feet to a point; thence North 0 degrees 13 minutes 10 seconds East for a

** OFFICIAL RECORDS **
BK 1629 PG 1542
FILE # 1161488 RCD: Oct 01 2002 @ 08:36AM
L. E. "Luke" Brooker, Clerk, Highlands County

Grassy; thence S 25 degrees 16 minutes 19 seconds, W along the shoreline of Lake Grassy, 280.26 feet; thence N. 72 degrees 26 minutes 45 seconds W, 79.04 feet; thence N 01 degrees 56 minutes 40 seconds E, 55.30 feet; thence N 78 degrees 58 minutes 16 seconds W, 117.55 feet to a point on the East line of said Lake Placid Camp Florida Resort; thence along the arc of a non-tangent curve to the left, with a radius of 75.00 feet, a central angle of 24 degrees 02 minutes 22 seconds; whose chord bears N 20 degrees 11 minutes 05 seconds E, a chord distance if 31.24 feet, an arc distance of 31.47 feet; thence N 08 degrees 10 minutes 00 seconds E, along said East line, 163.58 feet to the POINT OF BEGINNING, containing 1.2561 acres, more or less.

was sold to : HIGHVEST CORPORATION 1525 US 27 SOUTH LAKE PLACID, FLORIDA 33852

Witness my hand and the seal of the Court on this 27th day of ~~August~~ September, 2002

L.E. "Luke" Brooker
As Clerk of the Court

By _____
As Deputy Clerk

THIS INSTRUMENT PREPARED BY:
James F. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
(863) 385-5188

**EXHIBIT "D"**

Original and two copies of Sample Tariffs

ORIGINAL SHEET NO. 1.0

# WATER TARIFF


**L.P. UTILITIES CORPORATION**

100 Shoreline Drive, Lake Placid, FL 33852

Telephone: (863) 699-1936

Facsimile: (863) 699-1890

**Emergency Telephone Number**

(863) 699-2828


FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

# WATER TARIFF

## TABLE OF CONTENTS


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R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

ORIGINAL SHEET NO. 3.0

L.P. UTILITIES CORPORATION

WATER TARIFF

## TERRITORY AUTHORITY

CERTIFICATE NUMBER -620-W

COUNTY - Highlands

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

| Order Number | Date Issued | Docket Number | Filing Type |
|---|---|---|---|
| PSC-02-0250-PAA-WS | 02/26/02 | 990374-WS | Original in Existence |

(Continued to Sheet No. 3.1)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

(Continued from Sheet No. 3.0)

## DESCRIPTION OF TERRITORY SERVED

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## COMMUNITIES SERVED LISTING

| County Name | Development Name | Rate Schedule(s) Available | Sheet No. |
|---|---|---|---|
| Highlands | Hickory Hills/ Lake Ridge Estates | GS, RS | 12.0, 13.0 |
| Highlands | Lake Placid Camp Florida Resort RV Park | GS, RS | 12.0, 13.0 |

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## TECHNICAL TERMS AND ABBREVIATIONS

1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.

2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.

3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.

4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.

5.0 "COMPANY" - The shortened name for the full name of the utility which is L.P. Utilities Corporation.

6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.

7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.

8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.

9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.

10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.

11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

(Continued from Sheet No. 5.0)

12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.

13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.

14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## INDEX OF RULES AND REGULATIONS


| | Sheet Number: | Rule Number: |
|---|---|---|
| Access to Premises | 9.0 | 14.0 |
| Adjustment of Bills | 10.0 | 22.0 |
| Adjustment of Bills for Meter Error | 10.0 | 23.0 |
| All Water Through Meter | 10.0 | 21.0 |
| Application | 7.0 | 3.0 |
| Applications by Agents | 7.0 | 4.0 |
| Change of Customer's Installation | 8.0 | 11.0 |
| Continuity of Service | 8.0 | 9.0 |
| Customer Billing | 9.0 | 16.0 |
| Delinquent Bills | 7.0 | 8.0 |
| Extensions | 7.0 | 6.0 |
| Filing of Contracts | 10.0 | 25.0 |
| General Information | 7.0 | 1.0 |
| Inspection of Customer's Installation | 9.0 | 13.0 |
| Limitation of Use | 8.0 | 10.0 |
| Meter Accuracy Requirements | 10.0 | 24.0 |
| Meters | 10.0 | 20.0 |
| Payment of Water and Wastewater Service Bills Concurrently | 10.0 | 18.0 |


(Continued to Sheet No. 6.1)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

(Continued from Sheet No. 6.0)


| | Sheet Number: | Rule Number: |
|---|---|---|
| Policy Dispute | 7.0 | 2.0 |
| Protection of Company's Property | 8.0 | 12.0 |
| Refusal or Discontinuance of Service | 7.0 | 5.0 |
| Right-of-way or Easements | 9.0 | 15.0 |
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| Unauthorized Connections - Water | 10.0 | 19.0 |


R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## RULES AND REGULATIONS

1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.

The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.

4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.

5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.

6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.

8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

(Continued from Sheet No. 7.0)

9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

(Continued from Sheet No. 8.0)

13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Not withstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

(Continued from Sheet No. 9.0)

18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.

19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.

20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.

21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.

22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.

23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.

24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.

25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

ORIGINAL SHEET NO. 11.0

L.P. UTILITIES CORPORATION

WATER TARIFF

## INDEX OF RATES AND CHARGES SCHEDULES


| | Sheet Number |
|---|---|
| Customer Deposits | 14.0 |
| General Service, GS | 12.0 |
| Meter Test Deposit | 15.0 |
| Miscellaneous Service Charges | 16.0 |
| Residential Service, RS | 13.0 |
| Service Availability Fees and Charges | 17.0 |


R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## GENERAL SERVICE

## RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

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

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

BILLING PERIOD - Monthly

RATE - Base Rate of $48.40, plus $1.00 per 1,000 gallons

MINIMUM CHARGE - $48.40

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

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

| | Residential | General Service |
|---|---|---|
| 5/8" x 3/4" | $35.00 | $100.00 |
| 1" | $35.00 | $100.00 |
| 1 1/2" | $35.00 | $100.00 |
| Over 2" | $35.00 | $100.00 |

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customers account during the month of December each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

| METER SIZE | FEE |
|---|---|
| 5/8" x 3/4" | $20.00 |
| 1" and 1 1/2" | $25.00 |
| 2" and over | Actual Cost |

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## MISCELLANEOUS SERVICE CHARGES

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

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

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

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

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

LATE PAYMENT CHARGE - This charge may be levied when the utility bill is not paid within the first 20 days of issuance.

### Schedule of Miscellaneous Service Charges

| | |
|---|---|
| Initial Connection Fee | $ 15.00 |
| Normal Reconnection Fee | $ 15.00 |
| Violation Reconnection Fee | $ 15.00 |
| Premises Visit Fee (in lieu of disconnection) | $ 10.00 |
| Late Payment Fee | $ 5.00 |

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original In Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## SERVICE AVAILABILITY FEES AND CHARGES

| Description | Amount | Refer to Service Availability Policy Sheet No./Rule No. |
|---|---|---|
| Back-Flow Preventor Installation Fee | | |
| 5/8" x 3/4" | $ | |
| 1" | $ | |
| 1 1/2" | $ | |
| 2" | $ | |
| Over 2" | $[1] | |
| Customer Connection (Tap-in) Charge | | |
| 5/8" x 3/4" metered service | $200.00 | |
| 1" metered service | $ | |
| 1 1/2" metered service | $ | |
| 2" metered service | $ | |
| Over 2" metered service | $[1] | |
| Guaranteed Revenue Charge | | |
| With Prepayment of Service Availability Charges: | | |
| Residential-per ERC/month (__GPD) | $ | |
| All others-per gallon/month | $ | |
| Without Prepayment of Service Availability Charges: | | |
| Residential-per ERC/month (__GPD) | $ | |
| All others-per gallon/month | $ | |
| Inspection Fee | $[1] | |
| Main Extension Charge | | |
| Residential-per ERC (__GPD) | $ | |
| All others-per gallon | $ | |
| or | | |
| Residential-per lot (__foot frontage) | $ | |
| All others-per front foot | $ | |
| Meter Installation Fee | | |
| 5/8" x 3/4" | $189.00 | |
| 1" | $ | |
| 1 1/2" | $ | |
| 2" | $ | |
| Over 2" | $[1] | |
| Plan Review Charge | $[1] | |
| Plant Capacity Charge | | |
| Residential-per ERC (__GPD) | $ | |
| All others-per gallon | $ | |
| System Capacity Charge | | |
| Residential-per ERC (__GPD) | $ | |
| All others-per gallon | $ | |

[1]Actual Cost is equal to the total cost incurred for services rendered.

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## INDEX OF STANDARD FORMS


| Description | Sheet No. |
|---|---|
| APPLICATION FOR WATER SERVICE ..... | 20.0 |
| COPY OF CUSTOMER'S BILL ..... | 21.0 |
| CUSTOMER'S GUARANTEE DEPOSIT RECEIPT ..... | 19.0 |


R. Anthony Cozier
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Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

**Application Form**

Name _____ Telephone Number _____

Billing Address _____

_____

City State Zip

Service Address _____

_____

City State Zip

Date service should begin _____

Service requested: Water ____ Wastewater _____ Both ____

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.

2. The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.

3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Forida Public Service Commission.

4. Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.

5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ____ days prior to the date the Customer desires to terminate service.

_____
Signature

_____
Date

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

ORIGINAL SHEET NO. 21.0

L.P. UTILITIES CORPORATION

WATER TARIFF

## COPY OF CUSTOMER'S BILL

Deliver payment to:
L.P. Utilities Corporation
100 Shoreline Drive
Lake Placid, FL 33852
(863) 699-1936

---

Return this portion with payment

| | | |
|---|---|---|
| | Previous Balance | $00.00 |
| Water CFR | | $22.00 |
| Sewer CFR | | $13.00 |
| Previous Balance | | $00.00 |
| Billed: 01/01 | Total New Charges: | $35.00 |

$35.00 is due on or before 02/21

Billed: 01/01After02/21 pay $40.00

$35.00 is due on or before 2/21

Invoice # 020651 Acct# A06
Service Address: 12 Grassy Lake Circle

Invoice # 020651
Acct # A06
You paid $105.00 on 12/20
Payment is due on or before 02/21/03
Please conserve water. Water restrictions are in force.

After 02/21 pay $40.00
Service: 01/01 to 01/31

R. Anthony Cozier
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Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## INDEX OF SERVICE AVAILABILITY


| Description | Sheet Number |
|---|---|
| Schedule of Fees and Charges | Go to Sheet No. 17.0 |
| Service Availability Policy | 23.0 |


R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WATER TARIFF

## SERVICE AVAILABILITY POLICY

The customer is required to furnish the utility all necessary easements and right-of-ways and shall pay the actual cost of all line extensions required to serve the customer. This policy is consistent with Rule 25-30.580(2), Florida Administrative Code, which provides that, at a minimum, new customers should pay for the cost of lines.

R. Anthony Cozier
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Director
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WASTEWATER TARIFF

# L.P. UTILITIES CORPORATION

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

**000083**

ORIGINAL SHEET NO. 1.0

# WASTEWATER TARIFF


**L.P. UTILITIES CORPORATION**

**100 Shoreline Drive, Lake Placid, Florida 33852**

Telephone: (863) 699-1936

Facsimile: (863) 699-1890

**Emergency Telephone Number**
(863) 699-2828


FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

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| Description of Territory Served | 3.1 |
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| Rules and Regulations | 6.0 |
| Service Availability Policy | 21.0 |
| Standard Forms | 17.0 |
| Technical Terms and Abbreviations | 5.0 |
| Territory Authority | 3.0 |


R. Anthony Cozier
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Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## TERRITORY AUTHORITY

CERTIFICATE NUMBER - 533-S

COUNTY - Highlands

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

| Order Number | Date Issued | Docket Number | Filing Type |
|---|---|---|---|
| PSC-02-250-PAA-WS | 02/26/02 | 990374-WS | Original in Existence |

(Continued to Sheet No. 3.1)

R. Anthony Cozier
ISSUING OFFICER

Director
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L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

(Continued from Sheet No. 3.0)

## DESCRIPTION OF TERRITORY SERVED

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast ¼ and the Northwest ¼ of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast ¼ and 413.15 feet North of the South line of said Northwest ¼ to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles ; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81°58'06" West, 29.61 feet; (2) thence North 35°18'13" West, 256.10 feet; (3) thence South 88°19'15" West, 135.89 feet; (4) thence North 69°05'48" West, 8.86 feet; (5) thence South 65°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 65°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65°08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87°00'00" East, 218.15 feet; (13) thence North 50°00'00" East, 166.49 feet; (14) thence North 75°29'10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of North 79°41'18" East, and a chord distance of 55.33 feet , an arc distance of 55.38 feet to the Point of Beginning.

R. Anthony Cozier
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Director
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L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## COMMUNITIES SERVED LISTING

| County Name | Development Name | Rate Schedule(s) Available | Sheet No. |
|---|---|---|---|
| Highlands | Hickory Hills/ Lake Ridge Estates | GS, RS | 12.0, 13.0 |
| Highlands | Lake Placid Camp Florida Resort Park | GS, RS | 12.0, 13.0 |

R. Anthony Cozier
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WASTEWATER TARIFF

## TECHNICAL TERMS AND ABBREVIATIONS

1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for wastewater consumption.

2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide wastewater service in a specific territory.

3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.

4.0 "COMMUNITIES SERVED" - The group of Customers who receive wastewater service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.

5.0 "COMPANY" - The shortened name for the full name of the utility which is L.P. Utilities Corporation.

6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive wastewater service from the Company and who is liable for the payment of that wastewater service.

7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for disposing of wastewater located on the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.

8.0 "MAIN" - A pipe, conduit, or other facility used to convey wastewater service from individual service lines or through other mains.

9.0 "RATE" - Amount which the Company may charge for wastewater service which is applied to the Customer's water consumption.

10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.

11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all wastewater service required by the Customer, the readiness and ability on the part of the Company to furnish wastewater service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

R. Anthony Cozier
ISSUING OFFICER

Director
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L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

(Continued from Sheet No. 5.0)

12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.

13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.

14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

INDEX OF RULES AND REGULATIONS


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| Adjustment of Bills | 10.0 | 20.0 |
| Application | 7.0 | 3.0 |
| Applications by Agents | 7.0 | 4.0 |
| Change of Customer's Installation | 8.0 | 10.0 |
| Continuity of Service | 8.0 | 8.0 |
| Customer Billing | 9.0 | 15.0 |
| Delinquent Bills | 10.0 | 17.0 |
| Evidence of Consumption | 10.0 | 22.0 |
| Extensions | 7.0 | 6.0 |
| Filing of Contracts | 10.0 | 21.0 |
| General Information | 7.0 | 1.0 |
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(Continued to Sheet No. 6.1)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

(Continued from Sheet No. 6.0)


| | Sheet Number: | Rule Number: |
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R. Anthony Cozier
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Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## RULES AND REGULATIONS

1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders wastewater service.

The Company shall provide wastewater service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.

4.0 APPLICATIONS BY AGENTS - Applications for wastewater service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.

5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue wastewater service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.

6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the wastewater service. The Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.

(Continued on Sheet No. 8.0)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

(Continued from Sheet No. 7.0)

8.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous wastewater service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous wastewater service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

9.0 LIMITATION OF USE - Wastewater service purchased from the Company shall be used by the Customer only for the purposes specified in the application for wastewater service. Wastewater service shall be rendered to the Customer for the Customer's own use and shall be collected directly into the Company's main wastewater lines.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish wastewater service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's wastewater service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for wastewater service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

10.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any change resulting from a violation of this Rule.

11.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's wastewater service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render wastewater service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Not withstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

(Continued on Sheet No. 9.0)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

(Continued from Sheet No. 8.0)

12.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

13.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code. In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

14.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of wastewater service.

15.0 CUSTOMER BILLING - Bills for wastewater service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public utility shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a utility utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

16.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any wastewater service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any water service bill rendered by the Company.

(Continued on Sheet No. 10.0)

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

(Continued from Sheet No. 9.0)

17.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, wastewater service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

18.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where wastewater service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

19.0 UNAUTHORIZED CONNECTIONS - WASTEWATER - Any unauthorized connections to the Customer's wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.

20.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule or, if wastewater service is measured by water consumption and a meter error is determined, the amount may be credited or billed to the Customer as the case may be, pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.

21.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

22.0 EVIDENCE OF CONSUMPTION - The initiation or continuation or resumption of water service to the Customer's premises shall constitute the initiation or continuation or resumption of wastewater service to the Customer's premises regardless of occupancy.

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

ORIGINAL SHEET NO. 11.0

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## INDEX OF RATES AND CHARGES SCHEDULES


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| General Service, GS | 12.0 |
| Miscellaneous Service Charges | 15.0 |
| Residential Service, RS | 13.0 |
| Service Availability Fees and Charges | 16.0 |


R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

ORIGINAL SHEET NO. 12.0

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## GENERAL SERVICE

## RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

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

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

BILLING PERIOD - Monthly

RATE - Base Rate of $48.40, plus $1.00 per 1,000 gallons

MINIMUM CHARGE - $48.40

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

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## RESIDENTIAL SERVICE

## RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For wastewater service for all purposes in private R.V. sites.

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

BILLING PERIOD - Monthly

RATE - Flat rate of $13.00

MINIMUM CHARGE - $13.00

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

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering wastewater service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

| | Residential | General Service |
|---|---|---|
| 5/8" x 3/4" | $35.00 | $100.00 |
| 1" | $35.00 | $100.00 |
| 1 1/2" | $35.00 | $100.00 |
| Over 2" | $35.00 | $100.00 |

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rule 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customers account during the month of December each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rule 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## MISCELLANEOUS SERVICE CHARGES

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

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

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

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

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

LATE PAYMENT CHARGE - This charge may be levied when the utility bill is not paid within the first 20 days of issuance.

### Schedule of Miscellaneous Service Charges

| | |
|---|---|
| Initial Connection Fee | $ 15.00 |
| Normal Reconnection Fee | $ 15.00 |
| Violation Reconnection Fee | $ Actual Cost (1) |
| Premises Visit Fee (in lieu of disconnection) | $ 10.00 |
| Late Payment Fee | $ 5.00 |

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

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## SERVICE AVAILABILITY FEES AND CHARGES

| DESCRIPTION | AMOUNT | REFER TO SERVICE AVAILABILITY POLICY SHEET NO./RULE NO. |
|---|---|---|
| **Customer Connection (Tap-in) Charge** | | |
| 5/8" x 3/4" metered service | $400.00 | |
| 1" metered service | $ | |
| 1 1/2" metered service | $ | |
| 2" metered service | $ | |
| Over 2" metered service | $[1] | |
| **Guaranteed Revenue Charge** | | |
| With Prepayment of Service Availability Charges: | | |
| Residential-per ERC/month (__)GPD | $ | |
| All others-per gallon/month | $ | |
| Without Prepayment of Service Availability Charges: | | |
| Residential-per ERC/month (__)GPD | $ | |
| All others-per gallon/month | $ | |
| **Inspection Fee** | $[1] | |
| **Main Extension Charge** | | |
| Residential-per ERC (__GPD) | $ | |
| All others-per gallon | $ | |
| or | | |
| Residential-per lot (__foot frontage) | $ | |
| All others-per front foot | $ | |
| **Plan Review Charge** | $[1] | |
| **Plant Capacity Charge** | | |
| Residential-per ERC (__GPD) | $ | |
| All others-per gallon | $ | |
| **System Capacity Charge** | | |
| Residential-per ERC (__GPD) | $ | |
| All others-per gallon | $ | |

[1]Actual Cost is equal to the total cost incurred for services rendered.

EFFECTIVE DATE - June 7, 2002

TYPE OF FILING - Original in Existence

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## INDEX OF STANDARD FORMS


| | Sheet No. |
|---|---|
| APPLICATION FOR WASTEWATER SERVICE | 19.0 |
| COPY OF CUSTOMER'S BILL | 20.0 |
| CUSTOMER'S GUARANTEE DEPOSIT RECEIPT | 18.0 |


R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

**Application Form**

Name _____ Telephone Number _____

Billing Address _____

_____

City State Zip

Service Address _____

_____

City State Zip

Date service should begin _____

Service requested: Water ____ Wastewater ____ Both ____

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the wastewater service; the Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.

2. The Company may refuse or discontinue wastewater service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.

3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.

4. Bills for wastewater service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.

5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ____ days prior to the date the Customer desires to terminate service.

_____
Signature

_____
Date

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## COPY OF CUSTOMER'S BILL

*Deliver payment to:*
L.P. Utilities Corporation
100 Shoreline Drive
Lake Placid, FL 33852
(863) 699-1936

Return this portion with payment

| | | |
|---|---|---|
| | Previous Balance | $00.00 |
| Water CFR | | $22.00 |
| Sewer CFR | | $13.00 |
| Previous Balance | | $00.00 |
| *Billed: 01/01* | Total New Charges: | $35.00 |

Billed: 01/01 After02/21 pay $40.00

$35.00 is due on or before 2/21

Invoice # 020651 Acct# A06
Service Address: 12 Grassy Lake Circle

$35.00 is due on or before 02/21

Invoice # 020651
Acct # A06
You paid $105.00 on 12/20
Payment is due on or before 02/21/03
Please conserve water. Water restrictions are in force.

After 02/21 pay $40.00
Service: 01/01 to 01/31

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## INDEX OF SERVICE AVAILABILITY POLICY


| | Sheet Number |
|---|---|
| Schedule of Fees and Charges ..... | Go to Sheet No. 16.0 |
| Service Availability Policy ..... | 22.0 |


R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

L.P. UTILITIES CORPORATION

WASTEWATER TARIFF

## SERVICE AVAILABILITY POLICY

The customer is required to furnish the utility all necessary easements and right-of-ways and shall pay the actual cost of all line extensions required to serve the customer. This policy is consistent with Rule 25-30.580(2), Florida Administrative Code, which provides that, at a minimum, new customers should pay for the cost of lines.

R. Anthony Cozier
ISSUING OFFICER

Director
TITLE

**EXHIBIT "E"**

Original Water Certificate No. 620-W and Wastewater Certificate No. 533-S

# FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

620 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

THE WOODLANDS OF LAKE PLACID, L.P.

Whose principal address is:

1525 U.S. Highway 27 South
Lake Placid, FL 33852 (Highlands County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER PSC-02-0250-PAA-WS DOCKET 990374-WS

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Commission Clerk and Administrative Services Director

# FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

533 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

THE WOODLANDS OF LAKE PLACID, L.P.

Whose principal address is:

1525 U.S. Highway 27 South
Lake Placid, FL 33852 (Highlands County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER PSC-02-0250-PAA-WS DOCKET 990374-WS

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Commission Clerk and Administrative Services Director

## AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared MICHELE PARKS, who, after being duly sworn on oath, did depose on oath and say that she is the Legal Assistant to Martin S. Friedman, attorney for L.P. UTILITIES CORPORATION and that on the 28TH of January, 2003, she did send by U.S. Mail a copy of the Notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

MICHELE PARKS

Sworn to and subscribed before me this 12 day of January, 2003, by Michele Parks, who is personally known to me.

Martin S. Friedman
MY COMMISSION # CC928326 EXPIRES
August 14, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

Print Name: _____
NOTARY PUBLIC
My Commission Expires:

EXHIBIT "F"

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER ASSETS AND CERTIFICATE NOS. 620-W AND 533-S LEGAL NOTICE**

Notice is hereby given on this 28th day of January, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utilities facilities of The Woodlands of Lake Placid, L.P., and Certificate Nos. 620-W and 533-S to L.P. Utilities Corporation providing water and wastewater service to the following described territory in Highlands County, Florida:

Certificate No. 620-W (Water):

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

Certificate No. 533-S (Sewer):

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast ¼ and the Northwest ¼ of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast ¼ and 413.15 feet North of the South line of said Northwest ¼ to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles ; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the

Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81°58'06" West, 29.61 feet; (2) thence North 35°18'13" West, 256.10 feet; (3) thence South 88°19'15" West, 135.89 feet; (4) thence North 69°05'48" West, 8.86 feet; (5) thence South 65°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 65°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65°08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87°00'00" East, 218.15 feet; (13) thence North 50°00'00" East, 166.49 feet; (14) thence North 75°29'10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of North 79°41'18" East, and a chord distance of 55.33 feet , an arc distance of 55.38 feet to the Point of Beginning.

Any objections to the Application must be made in writing and filed with the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a copy to Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 600 South North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, within 30 days from the date of this Notice. The objection must state the grounds for the objection with particularity.

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)
01/17/2003-03/17/2003

| UTILITY NAME | MANAGER |
|---|---|
| **HIGHLANDS COUNTY** | |
| AQUASOURCE UTILITY, INC. (WU827)<br>% AQUASOURCE, INC.<br>411 SEVENTH AVENUE, MD. 14-3<br>PITTSBURGH, PA 15219-1919 | WILLIAM V. PFROMMER<br>(412) 393-3623 |
| BUTTONWOOD BAY WATER & SEWER COMPANY, LLC (WS387)<br>% MR. MARC CANEVA<br>10607 NORTH HAYDEN ROAD, SUITE F106<br>SCOTTSDALE, AZ 85260-8511 | MARC CANEVA<br>(480) 609-4182 |
| C & H UTILITIES, INC. (SU526)<br>P. O. BOX 1088<br>SEBRING, FL 33871-1088 | WENDELL L. FAIRCLOTH<br>(863) 471-1400 |
| C & H UTILITIES, INC. (WU649)<br>P. O. BOX 1088<br>SEBRING, FL 33871-1088 | WENDELL L. FAIRCLOTH<br>(863) 471-1400 |
| COUNTRY CLUB OF SEBRING (WS654)<br>3035 WYNSTONE DRIVE<br>SEBRING, FL 33875-4745 | R. GREG HARRIS<br>(863) 385-6330 |
| CREOLA, INC. (SU658)<br>P. O. BOX 1257<br>SAFETY HARBOR, FL 34695-1257 | DAVID L. HICKMAN<br>(727) 793-9302 |
| CWS COMMUNITIES LP D/B/A CRYSTAL LAKE CLUB (WS831)<br>533 EAST CRYSTAL LAKE DRIVE<br>AVON PARK, FL 33825-9739 | BILL GALIDA<br>(863) 385-7727 |
| DAMON UTILITIES, INC. (WS551)<br>47 LAKE DAMON DRIVE<br>AVON PARK, FL 33825-8902 | LISA DAVIS<br>(863) 453-0773 |
| FAIRMOUNT UTILITIES, THE 2ND, INC. (SU648)<br>P. O. BOX 488<br>AVON PARK, FL 33826-0488 | ROGER E. MILLER<br>(941) 385-8542 |
| FLORIDA WATER SERVICES CORPORATION (WS618)<br>P. O. BOX 609520<br>ORLANDO, FL 32860-9520 | CARLYN KOWALSKY<br>(407) 598-4297 |

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)
01/17/2003-03/17/2003

| UTILITY NAME | MANAGER |
|---|---|
| **HIGHLANDS COUNTY (continued)** | |
| HARDER HALL - HOWARD, INC. (SU644)<br>122 EAST LAKE DRIVE BLVD.<br>SEBRING, FL 33872-5018 | PAUL E. HOWARD<br>(863) 382-8725 |
| HIGHLANDS RIDGE UTILITIES, LLC (WS844)<br>1275 LAKE HEATHROW LANE<br>HEATHROW, FL 32746-4398 | JOE DOBOSH<br>(407) 333-1000 |
| HIGHLANDS UTILITIES CORPORATION (SU299)<br>720 U.S. HIGHWAY 27 SOUTH<br>LAKE PLACID, FL 33852-9515 | DIXON PUGH<br>(863) 465-1296 |
| HOLMES UTILITIES, INC. (WU760)<br>760 HENSCRATCH ROAD<br>LAKE PLACID, FL 33852-8397 | DANIEL HOLMES<br>(941) 465-6044 OR -6911 |
| LAKE PLACID UTILITIES, INC. (WS709)<br>% UTILITIES, INC.<br>200 WEATHERSFIELD AVENUE<br>ALTAMONTE SPRINGS, FL 32714-4099 | DONALD RASMUSSEN<br>(407) 869-1919 |
| LANDMARK ENTERPRISES, INC. (SU666)<br>62 LAKE HENRY DRIVE<br>LAKE PLACID, FL 33852-6000 | DAVID S. PLANK<br>(863) 441-3004 |
| PLACID LAKES UTILITIES, INC. (WU193)<br>2000 JEFFERSON AVENUE, NORTH<br>LAKE PLACID, FL 33852-9749 | ROLAND TOBLER<br>(863) 465-0345 |
| SEBRING RIDGE UTILITIES, INC. (WS345)<br>3625 VALERIE BLVD.<br>SEBRING, FL 33870-7814 | CHRISTOPHER F MILLER<br>(863) 385-8542 |
| THE WOODLANDS OF LAKE PLACID, L.P. (SU840)<br>100 SHORELINE DRIVE<br>LAKE PLACID, FL 33852-5022 | R. ANTHONY COZIER<br>(863) 699-1936 |
| THE WOODLANDS OF LAKE PLACID, L.P. (WU824)<br>100 SHORELINE DRIVE<br>LAKE PLACID, FL 33852-5022 | R. ANTHONY COZIER<br>(863) 699-1936 |

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)
01/17/2003-03/17/2003

| UTILITY NAME | MANAGER |
|---|---|

GOVERNMENTAL AGENCIES

CENTRAL FL. REGIONAL PLANNING COUNCIL
P.O. BOX 2089
BARTOW, FL 33831

CLERK, BOARD OF COUNTY COMMISSIONERS, HIGHLANDS COUNTY
590 SOUTH COMMERCE AVENUE
SEBRING, FL 33870-3867

DEP SOUTH DISTRICT
2295 VICTORIA AVE., SUITE 364
FORT MYERS, FL 33901

MAYOR, CITY OF AVON PARK
110 EAST MAIN STREET
AVON PARK, FL 33825-3945

MAYOR, CITY OF SEBRING
368 SOUTH COMMERCE AVENUE
SEBRING, FL 33870-3606

MAYOR, TOWN OF LAKE PLACID
50 PARK DRIVE
LAKE PLACID, FL 33852-9693

S.W. FLORIDA WATER MANAGEMENT DISTRICT
2379 BROAD STREET
BROOKSVILLE, FL 34609-6899

SO. FLORIDA WATER MANAGEMENT DISTRICT
P.O. BOX 24680
WEST PALM BEACH, FL 33416-4680

LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY

(VALID FOR 60 DAYS)
01/17/2003-03/17/2003

| UTILITY NAME | MANAGER |
|---|---|

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

**EXHIBIT "G"**

Affidavit of Notice to Customers

LATE FILED EXHIBIT

**EXHIBIT "H"**

Affidavit of Publication

LATE FILED EXHIBIT

ORIGINAL

CK 28257
#1,500.00
MC

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
Fax (850) 656-4029
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CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
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DAVID F. CHESTER
MARTIN S. FRIEDMAN, P.A.
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WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

DEPOSIT DATE
D2 97● JAN 30 2003

January 29, 2002

**HAND DELIVERY**

030102-WS

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. _____ Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities
Our File No.: 37074.02

Dear Ms. Bayo:

Enclosed for filing are the original and two (2) copies of the Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities in Highlands County, Florida. Also enclosed is our check in the amount of $1,500 representing the appropriate filing fee.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF:dmp
Enclosures

cc: Mr. John Lovelette (w/enclosure)

ASO\LP Utilities\(02) Transfer 2003\PSC Clerk 01.ltr

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

000121

ORIGINAL

LAW OFFICES
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DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

February 6, 2003

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 030102-WS; Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities
Our File No.: 37074.02

Dear Ms. Bayo:

Enclosed for filing are the original and two (2) copies of Late Filed Exhibit "H", the Affidavit of Publication, to the Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities in Highlands County, Florida.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

AUS
CAF
CMP
COM
CTR
ECR
GCL
OPC
MMS
SEC 1
OTH

MSF:dmp
Enclosures

cc: Mr. John Lovelette (w/enclosure)

ASO\LP Utilities\(02) Transfer 2003\PSC Clerk 02.ltr

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Certificate and Utility Facilities of The Woodlands of Lake Placid, L.P. in Polk County, Florida to L.P. Utilities Corporation

DOCKET NO.: 030102-WS

/

**NOTICE OF FILING**

Applicant, L. P. UTILITIES CORPORATION, hereby notices the filing of Late Filed Exhibit "H", which is the Affidavit of Publication in the above-referenced docket.

Respectfully submitted on this 6th day of February, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard
Suite 160
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By: _____
MARTIN S. FRIEDMAN

ASO\LP Utilities\(02) Transfer)\NOF Aff of Publication

DOCUMENT NUMBER-DATE
01388 FEB 11 03
FPSC-COMMISSION CLERK

# THE NEWS-SUN

2227 U.S. 27 SOUTH
Published three (3) times weekly
SEBRING, HIGHLANDS COUNTY, FLORIDA

**STATE OF FLORIDA,**
**COUNTY OF HIGHLANDS:**

Before the undersigned authority personally appeared Mark Delaney, who on oath says that he is Advertising Director of the News-Sun, a tri-weekly newspaper published at Sebring, in Highlands County, Florida; that the attached copy of advertisement, being a Proof of Publication in the matter of:

Notice of Application to Transfer Assets and Certificate Nos. 620-W and 533-S

Was published in said newspaper in the issue(s) of:

January 31, 2003

Affiant further says the News-Sun is a newspaper published at Sebring, in Highlands County, Florida, and that the said newspaper has heretofore been continuously published in said County, Florida, Wednesday, Friday and/or Sunday and has been entered as a second class mail matter at the post office Sebring, in said county, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement, and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund of the purchase of securing this advertisement of publication in the said newspaper.

Mark Delaney, Advertising Director

Swore to and subscribed before me
On this 31st day of January
A.D. 2003

Notary Public, State of Florida

Denise W Knudtson
My Commission CC970772
Expires November 24, 2004

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER ASSETS AND CERTIFICATE NOS. 620-W AND 533-S**
**LEGAL NOTICE**

Notice is hereby given on this 31st day of January, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utilities facilities of The Woodlands of Lake Placid, L.P., and Certificate Nos. 620-W and 533-S to L.P. Utilities Corporation providing water and wastewater service to the following described territory in Highlands County, Florida:

Certificate No. 620-W (Water):
Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17,824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

Certificate No. 533-S (Sewer):
Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,256 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast 1/4 and the Northwest 1/4 of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast 1/4 and 413.15 feet North of the South line of said Northwest 1/4 to a point that is 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Page 1 of 2

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 61°58'06" West, 29.61 feet; (2) thence North 35°16'13" West, 256.10 feet; (3) thence South 89°19'15" West, 135.89 feet; (4) thence North 89°05'42" West, 8.65 feet; (5) thence South 85°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 85°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65° 08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87° 00'00" East, 218.15 feet; (13) thence North 50 ° 00'00" East, 166.49 feet; (14) thence North 75°29'19" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'18", whose radius is 377.51 feet, with a chord bearing of North 79 ° 41'16" East, and a chord distance of 55.33 feet, an arc distance of 55.39 feet to the Point of Beginning.

Any objections to the Application must be made in writing and filed with the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a copy to Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 600 South North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, within 30 days from the date of this Notice. The objection must state the grounds for the objection with particularity.

January 31, 2003

Denise W Knudtson
My Commission CC970777
Expires November 24, 200

Page 2 of 2

ORIGINAL

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

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STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, *OF COUNSEL*
WAYNE L. SCHIEFELBEIN, *OF COUNSEL*
VALERIE L. LORD, *OF COUNSEL*
*(LICENSED IN TEXAS ONLY)*

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

February 10, 2003

FPSC-COMMISSION CLERK
03 FEB 12 AM 9:27

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 030102-WS; Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities
Our File No.: 37074.02

Dear Ms. Bayo:

Enclosed for filing are the original and two (2) copies of Late Filed Exhibit "G", the Affidavit of Mailing Notice to Customers, to the Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities in Highlands County, Florida.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF:dmp
Enclosures

cc: Mr. John Lovelette (w/o enclosure)

ASO\LP Utilities\(02) Transfer 2003\PSC Clerk 03.ltr

03 FEB 12 AM 8:45
DISTRIBUTION CENTER
DOCUMENT NUMBER-DATE
01418 FEB 12 03
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Certificate and Utility Facilities of The Woodlands of Lake Placid, L.P. in Polk County, Florida to L.P. Utilities Corporation

DOCKET NO.: 030102-WS

**NOTICE OF FILING**

Applicant, L. P. UTILITIES CORPORATION, hereby notices the filing of Late Filed Exhibit "G", which is the Affidavit of Mailing Notice to Customers, in the above-referenced docket.

Respectfully submitted on this 10th day of February, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard
Suite 160
Altamonte Springs, Florida 32701
(407) 830-6331
(407) 830-8522 Fax

By: _____
MARTIN S. FRIEDMAN

ASO\LP Utilities\(02) Transfer)\NOF Aff of Mailing to Customers

DOCUMENT NUMBER-DATE
01418 FEB 12 8
000127 FPSC-COMMISSION CLERK

## AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF Highlands

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared John H. Lovelette who, after being duly sworn on oath, did depose on oath and say that he/she is the manager of L.P. UTILITIES CORPORATION and that on the 3rd day of February, 2003, he/she did send by first class U.S. Mail a copy of the notice attached hereto to each of the Utility's customers.

FURTHER AFFIANT SAYETH NAUGHT.

L.P. UTILITIES CORPORATION

By: _____

As: MANAGER

Sworn to and subscribed to before me this 4th day of February, 2003, by Oath, on behalf of L.P. Utilities Corporation. He/she is personally known to me or has provided Personally Known as identification.

_____

Print Name: PATRICIA A da SILVA

NOTARY PUBLIC

My Commission Expires:

Patricia A da Silva
My Commission DD050265
Expires August 15, 2006

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER ASSETS AND CERTIFICATE NOS. 620-W AND 533-S LEGAL NOTICE**

Notice is hereby given on this 3rd of February, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utilities facilities of The Woodlands of Lake Placid, L.P., and Certificate Nos. 620-W and 533-S to L.P. Utilities Corporation providing water and wastewater service to the following described territory in Highlands County, Florida:

Certificate No. 620-W (Water):

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

Certificate No. 533-S (Sewer):

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast ¼ and the Northwest ¼ of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast ¼ and 413.15 feet North of the South line of said Northwest ¼ to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles ; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the

Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81°58'06" West, 29.61 feet; (2) thence North 35°18'13" West, 256.10 feet; (3) thence South 88°19'15" West, 135.89 feet; (4) thence North 69°05'48" West, 8.86 feet; (5) thence South 65°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 65°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65°08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87°00'00" East, 218.15 feet; (13) thence North 50°00'00" East, 166.49 feet; (14) thence North 75°29'10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of North 79°41'18" East, and a chord distance of 55.33 feet , an arc distance of 55.38 feet to the Point of Beginning.

Any objections to the Application must be made in writing and filed with the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a copy to Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 600 South North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, within 30 days from the date of this Notice. The objection must state the grounds for the objection with particularity.

STATE OF FLORIDA

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

# Public Service Commission

March 3, 2003

Mr. Martin S. Friedman
Attorney at Law
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Blvd, Ste. 160
Altamonte Springs, FL 32701

Re: Docket No. 030102-WS - Application for authority to transfer Certificate Nos. 620-W and 533-S in Polk County from The Woodlands of Lake Placid, L.P. to L.P. Utilities Corporation.

Dear Mr. Friedman:

The above referenced application has been received and reviewed by Commission staff. This letter addresses the deficiencies found by staff in the transfer application filed on January 29, 2003, and also notes additional clarifications. All items must be addressed in order to process the application.

Deficiencies

1. Contract for Sale. Pursuant to Rule 25-30.037(2)(g), Florida Administrative Code (F.A.C.), the application is to provide a copy of the contract for sale and all auxiliary or supplemental agreements, which include, purchase price and terms of payment; a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed; and a description of all consideration between the parties. Please provide a copy of the contract for sale of the utility from Highvest Corporation to L.P. Utilities Corporation.

2. Transfer Without Prior Commission Approval. Pursuant to Section 367.071, Florida Statutes, no transfer is to take place without prior Commission approval. This section allows for transfer prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval. If the contract for sale does not contain language stating that the transfer is contingent on Commission approval, please provide an explanation as to why the contingency statement was not included.

02151 MAR-4 03
FPSC-COMMISSION CLERK

3. Customer Deposits. Pursuant to Rule 25-30.037(2)(h), F.A.C., the contract for sale shall also provide for the disposition of customer deposits and interest thereon. Please provide a statement addressing outstanding customer deposits and interest.

4. Financing of the Purchase. Pursuant to Rule 25-30.037(2)(i), F.A.C., the application is to contain a statement describing the financing of the purchase. According to information included in the application, Highvest Corporation financed the purchase with a loan for $409,959. However, no information was provided regarding the interest rate, repayment schedule, or other conditions of the loan. Please provide a statement addressing the financing terms and conditions.

5. Public Interest. Pursuant to Rule 25-30.037(2)(j), F.A.C., the application is to contain a statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations and a showing of the buyer's financial ability to provide service. The application did include paragraph 13 which indicated it would address public interest, however no specifics were provided as to the buyers experience in water or wastewater utility operations or a showing of the buyer's financial ability to provide service. Please provide a statement addressing the buyer's financial and technical ability. Specifically, provide a financial statement for the buyer and a detailed description of the operator's qualifications and licenses.

6. Land Ownership. Pursuant to Rule 25-30.037(2)(q), F.A.C., the application is to contain evidence that the utility owns the land upon which the utility treatment facilities are located. The application included a copy of an unrecorded warranty deed transferring the utility property from Highvest Corporation to L.P. Utilities Corporation. Please provide a recorded copy of the warranty deed.

Additional Clarifications

1. L.P. Utilities Corporation was filed with the Florida Department of State, Division of Corporations on June 15, 2001. What was the reason for incorporating at that time?

2. Who are the shareholders of Highvest Corp.?

3. Who are the trustees and beneficiaries of The Nancy Ayres Charitable Remainder Unit Trust? Is there any relationship between beneficiaries and trustees to any officer, director, or shareholder of Highvest Corporation, or The Woodlands of Lake Placid, L.P., or L.P. Utilities, Inc.? If so, describe the relationship.

4. What is the relationship of Anbeth Corporation's officers, directors, or shareholders to any officers, directors, or shareholders of Highvest Corporation, or The Woodlands of Lake Placid, L.P., or L.P. Utilities, Inc.?

5. Please submit documentation of the bankruptcy and foreclosure of The Woodlands of Lake Placid, L.P. Is it the applicant's position that the utility's regulatory assessment fee (RAF) obligation is discharged in either a foreclosure or a bankruptcy proceeding?

6. Has Highvest Corporation or L.P. Utilities, Inc. obtained the books and records of The Woodlands of Lake Placid, L.P.?

7. Your application indicates wastewater capacity of 34 ERCs. Please verify that this is correct.

The original and four copies of the response to this letter should be filed with the Commission on or before **March 31, 2003**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at 850-413-6997.

Sincerely,

Patti Daniel

Patti Daniel,
Supervisor of Certification

PD:SAC

cc: Division of Economic Regulation (Clapp, Redemann)
Office of the General Counsel (Harris)

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555
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REPLY TO ALTAMONTE SPRINGS

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
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F. MARSHALL DETERDING
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DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHILLER, OF COUNSEL

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

March 28, 2003

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 030102-WS; Application of L.P. Utilities Corporation for Authority to Sell, Assign or Transfer Certificate and Utility Facilities
Our File No.: 37074.02

Dear Ms. Bayo:

The following is in response to the PSC Staff's March 3, 2003, correspondence regarding the above-referenced matter:

Deficiencies

1. Contract for Sale. Due to the fact that the Utility System was purchased in a foreclosure proceeding by Highvest Corporation and almost immediately flipped to L.P. Utilities Corporation, there is no written contract for purchase of the utility facilities. The terms and conditions of the sale are reflected in the Warranty Deed, Mortgage, and Promissory Note executed by L.P. Utilities Corporation to Highvest Corp., on October 1, 2002.

2. Transfers Without Prior Commission Approval. In instances where property is purchased at a foreclosure or bankruptcy sale, it is not possible to obtain prior Commission approval. That is also true in the instant case where the Utility was flipped almost immediately to another party since the foreclosing party was not in the business of owning and operating utility facilities. Although Florida law makes it clear that the fact that a utility system was purchased at a foreclosure or bankruptcy sale does not eliminate the necessity for obtaining PSC approval, it does make prior approval or including the specific contingency language in the contract a legal impossibility.

02955 MAR 31 03
FPSC-COMMISSION CLERK

3. Customer Deposits. I understand that The Woodlands of Lake Placid, L.P., did not collect customer deposits.

4. Financing of the Purchase. The $409,969 loan which funded the purchase price for the utility assets is amortized over ten (10) years at ten percent (10%) interest (resulting in monthly payments of $5,417.64).

5. While L.P. Utilities Corporation has no previous experience in operating water and wastewater utilities, it is retaining the prior contract operators, Short Utilities, to handle the operating and maintenance responsibilities. Enclosed are copies of the specific operator's licenses. L.P. Utilities Corporation will be filing an annual report in accordance with the Commission's Rules and a copy of the Financial Statement portions of the annual report will be filed in this docket at that time.

6. Land Ownership. Enclosed is a copy of the Warranty Deed for the water and wastewater treatment plants which has been recorded in the Public Records of Highlands County, Florida.

Additional Clarifications

1. L.P. Utilities Corporation was created in 2001, and it was contemplated that it would acquire the utility assets serving The Woodlands.

2. The shareholder of Highvest Corp., is Nancy Ayres. There is no relationship between the Beneficiaries and Trustees of the Nancy Ayres Charitable Remainder Unit Trust and any officer, director or shareholder of Highvest Corporation, The Woodlands of Lake Placid, L.P., or L.P. Utilities Corporation.

3. Nancy Ayres is the shareholder of Highvest Corp. She has no relationship to the other entities or persons.

4. Anbeth Corporation is the sole shareholder of L.P. Utilities Corporation. Anthony Cozier is a Director of Anbeth Corporation, an Officer of Highvest Corp., and an Officer of Camper Corral, Inc., which is the general partner of The Woodlands of Lake Placid, L.P.

5. The utility assets of The Woodlands of Lake Placid, L.P., were foreclosed upon and we are unaware of any current bankruptcy proceeding regarding that

limited partnership. Enclosed is a copy of the Foreclosure Complaint, Final Judgment of Foreclosure, and Certificate of Title in connection with the foreclosure. It is L.P. Utilities' position that it did not assume responsibility for the payment of Regulatory Assessment Fees for revenue collected by the company foreclosed upon. Those Regulatory Assessment Fees are not discharged but remain the obligation of The Woodlands of Lake Placid, L.P., which collected the revenues subject to the Regulatory Assessment Fees.

6. L.P. Utilities Corporation does have the billing and customer records of The Woodlands of Lake Placid, L.P., but not any of its financial records.

7. The Application contained a typographical error and the number of wastewater ERCs should have been 344 instead of 34. Nonetheless, L.P. Utilities Corp., paid the appropriate filing fee.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF:dmp
Enclosures

cc: Mr. John Lovelette (w/o enclosures)

ASO\LP Utilities\(02) Transfer 2003\PSC Clerk 04 (deficiency resp).ltr

# State of Florida
## Department of Environmental Protection

ISSUED: 3/1/01

LICENSE NO. 0008196

THE C DRINKING WATER TREATMENT PLANT OPERATOR
NAMED BELOW IS LICENSED UNDER THE PROVISIONS OF
CHAPTER 403, FLORIDA STATUTES
VALID UNTIL: 4/30/03

Wendell L. Faircloth

Jeb Bush
GOVERNOR

DISPLAY IS REQUIRED BY LAW

David Struhs
SECRETARY

# State of Florida
## Department of Environmental Protection

ISSUED: 3/1/01

LICENSE NO. 0009088

THE C WASTEWATER TREATMENT PLANT OPERATOR
NAMED BELOW IS LICENSED UNDER THE PROVISIONS OF
CHAPTER 403, FLORIDA STATUTES
VALID UNTIL: 4/30/03

Wendell L. Faircloth

Jeb Bush
GOVERNOR

DISPLAY IS REQUIRED BY LAW

David Struhs
SECRETARY

# State of Florida

## Department of Environmental Protection

LICENSE No.: 0008189 DATE ISSUED: 3/1/01

CLASS: C DRINKING WATER TREATMENT PLANT OPERATOR

David Wendell Faircloth

IS LICENSED UNDER THE PROVISIONS OF CH. 403 F.S.

VALID UNTIL: 4/30/03

OFFICIAL RECORDS
BK 1660 PG 657

1182567

DEED DOC STAMPS 2870.00 D.C. ONY

9588
10-28
2870.

Prepared by and return to:
James F. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
863-385-5188
File Number: 384-02MM
Will Call No.:

[Space Above This Line For Recording Data]

# Warranty Deed

This Warranty Deed made this 1 day of October, 2002 between Highvest Corp., a Florida corporation whose post office address is 100 Shoreline Drive, Lake Placid, FL 33852, grantor, and L.P. Utilities Corporation, a Florida corporation whose post office address is 129 South Commerce Avenue, Sebring, FL 33870, grantee:

(Wherever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Highlands County, Florida to-wit:

WATER PLANT No. 1

A parcel of land located in the Northeast 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence S70° 46'35"E along the North line of said Lot 3, extended, a distance of 36.23 feet; thence N63° 40'00"E, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence S01° 18'00"W, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence S63° 40'00"W along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence N71° 09'55"W, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence S19° 45'00"W, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence N71° 09'55"W, along the North line of Shoreline Drive a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence N19° 45'00"E, along the East line of Lots 1 through 3, Block K, a distance of 122.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

WATER PLANT No. 2

A parcel of land located in the Northwest 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commencing at the Southerly most point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, at Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence N65° 07'11"E along the Southerly line of said Replat extended a distance of 320.00 feet; thence N24° 52'49"W, a distance of 281.81 feet to the POINT OF BEGINNING; thence continuing N24° 52'49"W, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat, (the following four (4) calls are along the boundary of said Replat); (1) thence N65° 07'11"E, a distance of 138.06 feet; (2) thence S69° 05'48"E, a distance of 2.86 feet; (3) thence N88° 19'15"E, a distance of 135.89 feet; (4) thence S35° 18'13"E, a distance of 256.10 feet; thence S65° 07'11"W, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

WASTEWATER TREATMENT PLANT

A Portion of the East 1/3 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N89° 46'50"W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East 1/3 of the East 1/2 of said Southwest 1/4; thence run N1° 09'49"W along the West line of the East 1/3 of the East 1/2 of the Southwest 1/4 for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue N1° 09'49"W along the last described course for a distance of 300.00 feet to a point; thence run S89° 46'50"E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S1° 09'49"E, parallel to the West line of the East 1/3 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N89° 46'50"W parallel to the South line of said Southwest 1/4 of a distance of 410.00 feet to the POINT OF BEGINNING.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND the right of ingress and egress over and upon that certain easement described as the East 30.01 feet of the West 260.01 feet of the South 450.01 feet of the East 1/3 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Double Time

OFFICIAL RECORDS
BK 1668 PG 658

1182567

Parcel Identification Number: This instrument was prepared from information furnished by the parties. No examination of title was made and no responsibility is assumed for title or description problems.

SUBJECT TO a Purchase Money First Mortgage, given by Grantee to Grantor, securing the original principal sum of $409,959.00.

This property does not constitute the homestead property of the Grantor.

**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 the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to .

**In Witness Whereof**, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Witness Name: [illegible]

Witness Name: TERESA A. LOVELETTE

Highvest Corp
a Florida corporation

By: _____
R. Anthony Cozier
President

(Corporate Seal)

State of Florida
County of Highlands

The foregoing instrument was acknowledged before me this 1 day of October, 2002 by R. Anthony Cozier, President of Highvest Corp., a Florida corporation, on behalf of the corporation. He [ ] is personally known to me or [ ] has produced a driver's license as identification.

[Notary Seal]

TERESA A. LOVELETTE
MY COMMISSION # CC 808619
EXPIRES: Aug 31, 2003
[illegible]

Notary Public, State of Florida

Printed Name: TERESA A. LOVELETTE

My Commission Expires: _____

FILE# 1182567 RCD:Mar 10 2003 @ 4:09 PM
L.E. "Luke" Brooker Clerk of Courts Highlands Co

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR HIGHLANDS COUNTY, FLORIDA

HIGHVEST. CORP.,
Plaintiff,

vs.

CASE NO: GC 02-551

WOODLANDS, L.P., and
CAMPER CORRAL, INC.. General Partner
Defendant.
_____/

VERIFIED
COMPLAINT

Plaintiff, HIGHVEST, CORP., sues Defendants, WOODLANDS, L.P. and CAMPER CORRAL, INC, General Partner., and alleges:

(Mortgage Foreclosure)

1. This is an action to foreclose mortgage on real property in Highlands County, Florida.

2. On March 29. 1999, Defendants, WOODLANDS, L.P. and CAMPER CORRAL. INC, General Partner, executed and delivered a Promissory Note and a Mortgage securing payment of the Note to Plaintiff. The Mortgage was recorded on March 29, 1999, in Official Records Book 1447, at Page 561, of the Public Records of Highlands County, Florida, and mortgaged the property described in the Mortgage then owned by and in possession of the mortgagor. A copy of the Note and Mortgage are attached hereto as Exhibits "A" and "B" respectively.

3. Plaintiff owns and holds the Note and Mortgage.

4. The property is now owned by Defendants, WOODLANDS, L.P. and CAMPER CORRAL, INC, General Partner., who holds possession.

5. Defendants, WOODLANDS, L.P. and CAMPER CORRAL, INC, General Partner., has defaulted under the Note and Mortgage by failing to make the payment due April, 2002. and all subsequent payments.

6. Plaintiff declares the full amount payable under the note and mortgage to be due.

7. Defendants. WOODLANDS, L.P. and CAMPER CORRAL, INC, General Partner, owes Plaintiff $700,000.00 that is due on principal on the Note and Mortgage, plus interest from March 23, 2002, as well as title search expenses for ascertaining the necessary parties to this action.

8. Plaintiff is obligated to pay its attorney a reasonable fee for his services.

WHEREFORE. Plaintiff, HIGHVEST, CORP., demands judgment foreclosing the mortgage, and, if proceeds of the sale are insufficient to pay Plaintiff's claim, a deficiency judgment.

**VERIFICATION**

STATE OF FLORIDA
COUNTY OF HIGHLANDS

I, JOHN H. LOVELETTE, as Vice President of Highvest, Corp., the Plaintiff in the above-entitled action. being first sworn, say that the above Complaint is true and correct.

HIGHVEST, CORP

By: _____
John H. Lovelette, Vice President

Sworn to and subscribed before me on this 3rd day of July, 2002.

_____
Notary Public – State of Florida

MELISSA NEWGENT
Notary Public, State of Florida
My comm. expires April 22, 2006
Comm. No. DD110716

MCCOLLUM & RINALDO, P.L.

_____
James F. McCollum
129 South Commerce Ave
Sebring, FL 33870
V (863) 385-5188 F (863) 471-1111
Florida Bar No. 0152027

# PROMISSORY NOTE: Private Portfolio Line Revolving Credit/Libor

| Amount | City, State | Date |
|---|---|---|
| $2,000,000.00 | Lake Placid, FL | March 29, 1999 |

FOR VALUE RECEIVED and intending to be legally bound, CAMPER CORRAL, INC., a Florida corporation *("Borrower")*, whose mailing address is 7406 U.S. 27 North, Sebring, FL 33870, hereby promises to pay to the order of HIGHVEST CORPORATION, a Florida corporation *("Highvest")*, whose mailing address is 1525 U.S. 27 South, Lake Placid, FL 33852, at their corporate office (or at such other place as Highvest may from time to time designate by written notice) in lawful money of the United States of America, the principal sum of TWO MILLION AND 00/100 DOLLARS or such lesser amount as may appear on this Note, or as may be entered in a loan account on Highvest's books and records, or both, together with interest and any other related fees and charges, all as provided below.

1. *Commitment.* This Note evidences an arrangement (the *"Subject Commitment"*) whereby Borrower may, on the date of this Note and thereafter until (but not including) March 29, 2004, (the *"Expiration Date"*) or such earlier date upon which the Subject Commitment is terminated or reduced to zero, obtain from Highvest, subject to the terms and conditions of this Note, such loans (each a *"Subject Loan"*) as Borrower may from time to time properly request. The amount of the Subject Commitment shall be equal to the face amount of this Note, *provided*, that Borrower shall have the right, at any time and from time to time, to permanently reduce the amount of the Subject Commitment to any amount that is an integral multiple of One Banking Day's prior notice (which shall be irrevocable) of the effective date of the reduction, *provided*, that no reduction in the amount of the Subject Commitment shall be effective if, after giving effect to that reduction, the aggregate unpaid principal balance of the Subject Loans would exceed the amount of the Subject Commitment as so reduced. Regardless of any fee or other consideration received by Highvest, the Subject Commitment may be terminated pursuant to section 9.

2. *Fees.* Borrower shall pay Highvest, on the date of this Note, a non-refundable closing and documentation fee in an amount equal to ZERO dollars ($0.00). Borrower shall pay Highvest annually a non-refundable fee equal to ZERO dollars ($0.00).

3. *Loan Requests; Disbursement.* A Subject Loan is properly requested if requested orally or in writing not later than 2:00 p.m., Banking-Office Time, of the Banking Day upon which that Subject Loan is to be made. Each request for a Subject Loan shall of itself constitute, both when made and when honored, a representation and warranty by Borrower to Highvest that borrower is entitled to obtain the requested Subject Loan. Highvest is hereby irrevocably authorized to make an appropriate entry on this Note, in a loan account on Highvest's books and records, or both, whenever Borrower obtains a Subject Loan. Each such entry shall be prima facie evidence of the data entered, but the making of such an entry shall not be a condition to Borrower's obligation to pay. Highvest is hereby directed, absent notice from Borrower to the contrary, to disburse the proceeds of each Subject Loan to Borrower's general checking account with borrower's bankers. Highvest shall have no duty to follow, nor any liability for, the application of any proceeds of any Subject Loan.



EXHIBIT "A"

000143

*4. Conditions: Subject Loans.* Each Subject Loan shall be an amount that is an integral multiple of the Minimum Borrowing Amount. Borrower shall not be entitled to obtain any Subject Loan *(a)* on or after the termination of the Subject Commitment or the reduction thereof to zero, *(b)* if either at the time of Borrower's request for that loan or when that request is honored there shall exist or would occur any Event of Default, *(c)* if any representation, warranty, or other statement (other than any expressly made as of a single date) made by any Person (other than Highvest) in any Related Writing would, if made either as of the time of Borrower's request for that Subject Loan or as of the time when that request is honored, be untrue or incomplete in any respect, or *(d)* if after giving effect to that Subject Loan and all others for which requests are then pending, the aggregate unpaid principal balance of the Subject Loans would exceed the then amount of the Subject Commitment.

*5. Interest. (a)* The unpaid principal balance of each Subject Loan shall at all times bear interest at a daily fluctuating rate equal to the Contract Rate. The *"Contract Rate"* shall at all times be a fluctuating rate equal to ONE AND ONE HALF percent (1.50%) per annum plus the One Month LIBOR *provided*, that in the event One Month LIBOR is unavailable as a result of Highvest's good faith determination of the occurrence of one of the events specified in Section 5(c), the Contract Rate shall be a fluctuating rate equal to MINUS ONE AND ONE HALF percent (-1.50%) per annum plus the Prime Rate; *provided further*, that so long as any principal of or accrued interest on any Subject Loan is overdue, all unpaid principal of each Subject Loan and all overdue interest on that principal (but not interest on overdue interest) shall bear interest at a fluctuating rate equal to two percent (2%) per annum above the rate that would otherwise be applicable; *provided further*, that in no event shall any principal of or interest on any Subject Loan bear interest at any time after Maturity at a lesser rate than the rate applicable thereto immediately after maturity. *(b)* Interest on each Subject Loan shall be payable in arrears on APRIL 30, 1999, and on the 30th day of each MONTH thereafter, and at Maturity, and on demand thereafter. *(c)* Notwithstanding any provision or inference to the contrary, the Contract Rate shall not be based on One Month LIBOR if Highvest shall determine in good faith that any governmental authority has asserted that it is unlawful for Highvest to fund, make, or maintain loans bearing interest based on one Month LIBOR, or if circumstances affecting the market selected by Highvest for the purpose of funding the loan make it impracticable for Highvest to determine One Month LIBOR. Highvest's books and records shall be conclusive (absent manifest error) as to whether Highvest shall have determined that the Contract Rate is prohibited from being based on One Month LIBOR.

*6. Repayment.* Subject to section 9, each Subject Loan shall be due and payable in full on the Expiration Date. Borrower shall have the right to prepay the principal of the Subject Loans in whole or in part, *provided*, that each such prepayment shall be in an amount that is an integral multiple of the Minimum Borrowing Amount. Each prepayment of a Subject Loan may be made without premium or penalty.

*7. Definitions.* As used in this Note, except where the context clearly requires others, *"Highvest Debt"* means, collectively, all Debt to Highvest, whether incurred directly to Highvest or acquired by it by purchase, pledge, or otherwise, and whether participated to or from Highvest in whole or in part; *"Banking Day"* means any day (other than any Saturday, Sunday or legal holiday) on which Bank's office is open to the public for carrying on substantially all of its banking functions; *"Banking-Office Time"* means, when used with reference to any time, that time determined at the location of Highvest's office; *"Debt"* means, collectively, all obligations of the Person or Persons in question, including, without limitation, every such obligation whether now owing or hereafter arising, whether owing absolutely or contingently, whether created by lease, loan, overdraft, guaranty of payment, or other contract, or by quasi-contract, tort, statute, other operation of law, or otherwise; *"Maturity"* means, when used with reference to any Subject Loan, the date (whether occurring by lapse or time, acceleration, or otherwise) upon which that Subject Loan is due; *"Note"* means this promissory note (including, without limitation, each addendum, allonge, or amendment, if any, hereto); *"Obligor"* means any Person who, or any of whose property, shall at the time in question be obligated in respect of all or any part of the Highvest Debt of Borrower and (in addition to Borrower) includes, without limitation, co-makers, indorsers, guarantors, pledgors, hypothecators, mortgagors, and any other Person who agrees, conditionally or otherwise, to make any loan to, purchase from, or investment

in, any other Obligor or otherwise assure such other Obligor's creditors or any of them against loss; *"One Month LIBOR"* means the rate per annum (rounded upwards, if necessary, to the next higher 1/16 of 1%) determined by Highvest on each and every Banking Day to equal the average rate per annum at which deposits (denominated in United States dollars) with a maturity one month after such Banking Day are offered to Highvest at 11:00 A.M. London time (or as soon thereafter as practicable) by Highvesting institutions in any eurodollar market selected by Highvest; *"Person"* means an individual or entity of any kind, including, without limitation, any association, company cooperative, corporation, partnership, trust, governmental body, or any other form or kind of entity; *"Prime Rate"* means the fluctuating rate per annum which is publicly announced from time to time by Highvest as being its so-called "prime rate" or "base rate" thereafter in effect, with each change in the Prime Rate automatically, immediately, and without notice changing the Prime Rate thereafter applicable hereunder, it being acknowledged that the Prime Rate is not necessarily the lowest rate of interest then available from Highvest on fluctuating-rate loans; *"Proceeding"* means any assignment for the benefit of creditors, any case in bankruptcy, any marshalling of any Obligor's assets for the benefit of creditors, any moratorium on the payment of debts, or any proceeding under any law relating to conservatorship, insolvency, liquidation, receivership, trusteeship, or any similar event, condition, or other thing.

*8. Events of Default.* It shall be an *"Event of Default"* if *(a)* all or any part of the Highvest Debt of any Obligor shall not be paid in full promptly when due (whether by lapse of time, acceleration, or otherwise); *(b)* any representation, warranty, or other statement made by any Obligor in writing related hereto shall be untrue or incomplete in any respect when made; *(c)* any Obligor shall repudiate or shall fail to omit to perform or observe any agreement contained in this Note or any writing related hereto that is on that Obligor's part to be complied with; *(d)* any judgment shall be entered against any Obligor in any judicial or administrative tribunal or before any arbitrator or mediator; *(e)* any Obligor shall fail or omit to comply with any applicable law, rule regulation, or order in any material respect; *(f)* any property in which any Obligor now has or hereafter acquires any rights or which now or hereafter secures any Highvest Debt shall be or become encumbered by any mortgage, security interest, or other lien, except any mortgage, security interest, or other lien consented to by Highvest; *(g)* any Obligor shall cease to exist or shall be dissolved, become legally incapacitated, or die; *(h)* any Proceeding shall be commenced with respect to any Obligor; *(i)* there shall occur any event, condition, or other things that has, or, in Highvest's judgment, is likely to have, a material adverse effect on the financial condition, properties, or business operations of any Obligor or on Highvest's ability to enforce or exercise any agreement or right arising under, out of, or in connection with any writing related hereto; or *(j)* the holder of this Note shall, in good faith, believe that the prospect of payment or performance of any obligation evidenced by this Note is impaired.

*9. Effects of Default.* If any Event of Default (other than the commencement of any Proceeding with respect to Borrower) shall occur, then, and in each such case, notwithstanding any provision or inference to the contrary, Highvest shall have the right in its discretion, by giving written notice to the Borrower, to *(a)* immediately terminate the Subject Commitment (if not already terminated or reduced to zero) and *(b)* declare each Subject Loan (if not already due) to be due, whereupon each Subject Loan shall accelerate and immediately become due and payable in full. If any Proceeding shall be commenced with respect to Borrower, then, notwithstanding any provision or inference to the contrary, automatically, without presentment, protest, or notice of dishonor, all of which are waived by all makers and all indorsers of this Note, now or hereafter existing, *(i)* the Subject commitment shall immediately terminate (if not already terminated or reduced to zero) and *(ii)* each Subject Loan (if not already due) shall accelerate and immediately become due and payable in full. Notwithstanding anything to the contrary contained in section 5 above, in the event Highvest elects to accelerate the entire unpaid principal balance of this Note, all unpaid principal of this Note and all overdue interest on that principal (but not interest on overdue interest) shall thereafter bear interest at a fluctuating rate equal to the maximum rate permitted by law or, if there is no such maximum rate, twenty-five percent (25%) per annum.

*10. Late Charges.* If any principal of or interest on any Subject Loan is not paid within ten (10) days after its due date, then, and in each such case, Highvest shall have the right to assess a late charge, payable by Borrower on demand, in an amount equal to the greater of forty dollars ($40.00) or ten percent (10%) of the amount not timely paid.

*11. No Setoff.* Borrower herby waives all now existing or hereafter arising rights to recoup or offset any obligation of Borrower under this Note or any writing related hereto against any claim or right of Borrower against Highvest.

*12. Indemnity: Governmental Costs.* If *(a)* there shall be enacted any law (including, without limitation, any change in any law or in its interpretation or administration and any request by any governmental authority) relating to any interest rate or any assessment, reserve, or special deposit requirement against assets held by, deposits in, or loans by Highvest or to any tax (other than tax on Highvest's overall net income) and *(b)* in Highvest's sole opinion any such event increases the cost of funding or maintaining any Subject Loan or reduces the amount of any payment to be made to Highvest in respect thereof, then, and in each such case, upon Highvest's demand, Borrower shall pay Highvest an amount equal to each such cost increase or reduced payment, as the case may be. In determining any such amount, Highvest may use reasonable averaging and attribution methods. Each determination by Highvest shall be conclusive absent manifest error.

*13. Indemnity: Administration and Enforcement.* Borrower will reimburse Highvest, on Highvest's demand from time to time, for any and all fees, costs, and expenses (including, without limitation, the fees and disbursements of outside legal counsel and the interdepartmental charges and/or salary of in-house counsel) incurred by Highvest in protecting, enforcing, or attempting to protect or enforce its rights under this Note.

*14. Waivers; Remedies; Application of Payments.* No waiver, consent, or amendment shall be binding upon Highvest unless set forth in a writing (which writing shall be narrowly construed) signed by Highvest. No course of dealing in respect of, not any omission or delay in the exercise of, any right, power, privilege by Highvest shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further or other exercise thereof or of any other, as each such right, power, or privilege may be exercised either independently or concurrently with others and as often and in such order as Highvest may deem expedient. Each right, power, or privilege specified or referred to in this Note is in addition to and not in limitation of any other rights, powers, and privileges that Highvest may otherwise have or acquire by operation of law, by other contract, or otherwise. Highvest shall have the right to apply payments in respect of the indebtedness evidenced by this Note with such allocation to the respective parts thereof and the respective due dates thereof as Highvest in its sole discretion may from time to time deem advisable.

*15. Other Provisions.* The provisions of this Note shall bind Borrower and Borrower's heirs, executors, successors and assigns and benefit Highvest and its successors and assigns, including each subsequent holder, if any, of this Note, *provided*, that no Person other than Borrower may obtain Subject Loans. Except for Borrower and Highvest and their respective successors and assigns, there are not intended beneficiaries of this Note or the Subject Commitment. The captions to the sections and subsections of this Note are inserted for convenience only and shall be ignored in interpreting the provisions thereof. If any provision in this Note shall be or become illegal or unenforceable in any case, then that provision shall be deemed modified in that case so as to be legal and enforceable to the maximum extent permitted by law while most nearly preserving its original intent, and in any case the illegality or unenforceability of that provision shall affect neither that provision in any other case nor any other provision. All fees, interest, and premiums for any given period shall accrue on the first day thereof but not on the last day thereof (unless the last day is the first day) and in each case shall be computed on the basis of a 360-day year and the actual number of days in the period. In no event shall interest accrue at a higher rate than the maximum rate, if any, permitted by law. Highvest shall have the right to furnish to its affiliates, and to such other Persons as Highvest shall deem advisable for the conduct of its business, information concerning the business, financial conditions, and property of Borrower, the amount of the Highvest Debt of Borrower, and the terms, conditions, and other provisions applicable to the respective parts thereof. Borrower hereby grants to Highvest a security interest in all deposit accounts Borrower has or any time may have with Highvest's affiliates to secure the payment of all amounts owed under this Note and all other Debt of Borrower to

Highvest or Highvest's affiliates. Borrower irrevocably makes Highvest Borrower's agent to sign on Borrower's behalf all documents and items in connection with this Note including, without limitation, applications, proofs of loss, receipts, settlements, releases, certificates, other evidences of title and any instrument payable to Borrower; this agency shall be coupled with an interest and shall not be revoked by the death, dissolution, incompetency or incapacity of Borrower. This Note shall be governed by the law (excluding conflict of laws rules) of the jurisdiction in which Highvest's office is located.

*16. Integration.* This Note and, to the extent consistent with this Note, the other writings related hereto, set forth the entire agreement of Borrower and Highvest as to the subject matter of this Note. Without limiting the generality of the foregoing, Borrower hereby acknowledges that Highvest's has not based, conditioned, or offered to base or condition the credit hereby evidenced or any charges, fees, interest rates, or premiums applicable thereto upon Borrower's agreement to obtain any other credit, property, or service other than any loan, discount, deposit, or service from Highvest.

CAMPER CORRAL, INC.

Borrower: X _____
By its President, R. ANTHONY COZIER

45.00
13:12:00

(5)

## OFFICIAL RECORDS ##
BK 1447 PG 551

CROSS REFERENCE: (a) Mortgage and Security Agreement dated September 15, 1995, and recorded at Book 1307, Page 603; and, (b) Mortgage and Security Agreement dated September 15, 1995, and recorded at Book 1307, Page 634.

This instrument was prepared by Craig M. Carpenter, Esq., Sommer & Barnard, PC, 4000 Bank One Tower, 111 Monument Circle, Indianapolis, IN 46204-5140

MORTGAGE DOC STAMPS $13,972.80 D.C.

Holland & Knight
100 S. Orange Ave.
Suite 1500
Orlando, FL 32801

## COLLATERAL ASSIGNMENT OF MORTGAGE AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT OF MORTGAGE AND SECURITY AGREEMENT ("Assignment"), dated as of October 25, 1995, is entered into by and between Camp Coral, Inc., a Florida corporation, with its principal place of business at 1525 U.S. 27 South, Lake Placid, Florida 33852 ("Assignor"), and HIGHVEST CORP., a Florida corporation, with its principal place of business at 7486 U.S. 27 North, Sebring, Florida 33870 ("Assignee").

WITNESSETH:

WHEREAS, pursuant to that certain Assignment and Assumption Agreement by and among the Assignor, The Nancy Ayres Charitable Remainder Unitrust ("Unitrust"), and Camp Florida Resort, L.P., an Indiana limited partnership ("Camp Florida"), dated of even date herewith, and recorded in Book 1447, at Page 526 (the "Camp Florida Agreement"), the Unitrust assigned its interest in Assignor in that certain Mortgage and Security Agreement, granted by Camp Florida to the Unitrust, dated September 15, 1995, recorded in Book 1307, at Page 603, concerning the first mortgage lien in the Mortgaged Property (as defined therein), the legal description of which is set forth in Exhibit A (the "Camp Florida Mortgage");

WHEREAS, pursuant to that certain Assignment and Assumption Agreement by and among the Assignor, The Nancy Ayres Charitable Remainder Unitrust ("Unitrust"), and The Woodlands of Lake Placid, L.P., an Indiana limited partnership ("The Woodlands"), dated of even date herewith, and recorded in Book 1447, at Page 546 ("The Woodlands Agreement"), the Unitrust assigned its interest in Assignor in that certain Mortgage and Security Agreement, granted by The Woodlands to the Unitrust, dated September 15, 1995, recorded in Book 1307, at Page 634, concerning the first mortgage lien in the Mortgaged Property (as defined therein), the legal description of which is set forth in Exhibit B ("The Woodlands Mortgage")(Camp Florida and The Woodlands are hereinafter sometimes collectively referred to as the "Mortgagors");

WHEREAS, pursuant to that certain Loan Agreement, dated of even date herewith, by and between Assignor and Assignee, Assignee has made a loan to Assignor in the original principal amount of $3,991,905 (the "Loan"); and

WHEREAS, to induce Assignee to make the Loan to Assignor and secure Assignor's obligations under the Loan Agreement and other Loan Documents (as defined in the Loan Agreement), Assignor agrees to execute and deliver this Agreement to Assignee.

NOW, THEREFORE, in consideration of the premises, the mutual promises contained herein, and

EXHIBIT "9"

other valuable consideration, the receipt and adequacy of which are hereby acknowledged, and with the intent to be legally bound hereby, the parties hereto agree as follows:

1. All capitalized terms used herein as defined terms which are not defined herein but which are defined in the Loan Agreement shall have the same meanings herein as given them in the Loan Agreement unless the context clearly indicates otherwise.

2. To secure the complete and timely payment, performance, and satisfaction of its obligations under the Loan Agreement and other Loan Documents, Assignor hereby assigns and grants to Assignee all of the Assignor's right, title, and interest in, to, and under the Camp Florida Mortgage and The Woodlands Mortgage (collectively, the "Mortgages"). This Assignment is made for collateral security purposes only. This Assignment shall create a continuing security interest in the Mortgages and shall remain in full force and effect until all of Assignors obligations under the Loan Agreement and other Loan Documents have been completely, performed, and satisfied and the Loan Agreement terminated. Assignor hereby authorizes Assignee to take any action Assignee deems appropriate to perfect or maintain the rights and interests of Assignee under this Assignment with respect to the Mortgages.

3. Assignor shall have the right, but not the obligation (in addition to any of the rights and remedies provided in the Loan Agreement and other Loan Documents, all rights and remedies allowed by law, and the rights and remedies afforded a secured party under the Uniform Commercial Code), upon the occurrence of an Event of Default to bring suit or take any other action to enforce the Mortgages, and if Assignee shall commence any such suit or take any such action, Assignor shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement. Assignor shall, upon demand, promptly reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this paragraph (including, without limitation, all attorneys' and paralegal's fees). If, for any reason whatsoever, Assignee is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the obligations secured hereby. No delay or omission on the part of Assignee to exercise any right or power arising from any Event of Default will impair any such right or power or be considered a waiver of any such right or power or a waiver of any such Event of Default or an acquiescence therein nor will the action or non-action of Assignee in case of such Event of Default impair any right or power arising as a result thereof.

4. Assignor represents and warrants to Assignee that (i) it has full power, authority, and legal right to execute and deliver this Assignment and to perform under this Assignment, (ii) its execution and delivery of and performance under this Assignment have been authorized by all necessary action, and (iii) this Assignment constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms.

5. Each of the parties to this Assignment agrees that at any time and from time to time upon the written request of any other party, such will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Assignment.

6. Except as otherwise provided herein, this Assignment represents a complete and total integration of the agreement of the parties hereto and supersedes all prior or contemporaneous written or oral agreements relating to this subject matter, if any. Except as otherwise provided herein, the parties hereto agree

that any and all prior agreements covering the subject matter of this Assignment, if any, are hereby terminated and of no further force or effect.

7. All of the terms and provisions of this Assignment shall be binding upon and inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. Whenever in this Assignment any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party.

8. The provisions of this Assignment are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Assignment in any jurisdiction.

9. This Assignment cannot be altered, amended, or modified in any way, except by a writing signed by the parties hereto.

10. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder will be in writing and will be conclusively deemed to have been received by a party hereto and to be effective if delivered personally to such party, or sent by telex, telecopy (followed by written confirmation) or other telegraphic means, or by overnight courier service, or by certified or registered mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or to such other address as any party may give to the other in writing for such purpose:

| | | | |
|---|---|---|---|
| To Assignor: | HIGHVEST CORP.<br>R. Anthony Cozier, President<br>7406 U.S. 27 North<br>Sebring, Florida 33870 | With copy to: | Edward W. Harris, Esq.<br>Sommer & Barnard, PC<br>4000 Bank One Tower<br>111 Monument Circle<br>Indianapolis, Indiana 46204 |
| To Assignee: | Cozier Corral, Inc.<br>R. Anthony Cozier, President<br>1525 U.S. 27 South<br>Lake Placid, Florida 33852 | | |

All such communications, if personally delivered, will be conclusively deemed to have been received by a party hereto and to be effective when so delivered, or if sent by telex, telecopy or telegraphic means, on the day on which transmitted, or if sent by courier service, on the day after receipt thereof with such service, or if sent by certified or registered mail, on the third business day after the day on which deposited in the mail.

11. THE PARTIES HERETO WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR

RELATED TO THIS ASSIGNMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE, THE PARTIES HERETO EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY ARE WAIVED BY OPERATION HEREOF AS TO ANY ACTION, COUNTERCLAIM, OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS ASSIGNMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS OF ASSIGNMENT.

IN WITNESS WHEREOF, the parties hereto have entered into this Collateral Assignment of Mortgage and Security Agreement on the date first written above.

"ASSIGNOR"

Cumber Clinic, Inc.

By: _____
R. Anthony Cumber, President

Witness: _____
Printed Name: _____

Witness: _____
Printed Name: _____

"ASSIGNEE"

HIGHVEST CORP.

By: _____
R. Anthony Cumber, President

Witness: _____
Printed Name: _____

Witness: _____
Printed Name: _____

ACKNOWLEDGMENT

Each of the undersigned Mortgagors hereby acknowledges, approves, and accepts the terms and conditions of this Assignment, and the assignment and transfer as collateral security by the Assignor of the Assignor's rights, interests, duties, liabilities, and obligations under its Mortgage, referenced above.

CAMP FLORIDA RESORT, L.P., an Indiana limited partnership

By: Camper Corral, Inc., its general partner

By: _____
R. Anthony Cotner, President

Witness: _____
Printed Name: _____

Witness: _____
Printed Name: _____

THE WOODLANDS OF LAKE PLACID, L.P., an Indiana limited partnership

By: Camper Corral, Inc., its general partner

By: _____
R. Anthony Cotner, President

Witness: _____
Printed Name: _____

Witness: _____
Printed Name: _____

STATE OF FLORIDA )
) SS:
COUNTY OF HIGHLANDS )

Before me, a Notary Public in and for said County and State, personally appeared R. Anthony Cotner, President of Camper Corral, Inc., a Florida corporation, general partner of Camp Florida Resort, L.P., an Indiana limited partnership, who after having been duly sworn, acknowledged the execution of the foregoing Collateral Assignment of Mortgage and Security Agreement for and on behalf of said corporation as general partner of said limited partnership and stated that any representations therein contained are true.

WITNESS my hand and Notarial Seal this 15th day of December, 1998.

_____, Notary Public

My Commission Expires: _____

My County of Residence: _____

CLIFFORD R. RHOADES
Notary Public, State of Florida
My Comm. Expires June 23, 2000
Comm. No. CC615295

-6-

EXHIBIT "A"

All lots within the Plat of LAKE PLACID CAMP FLORIDA RESORT, according to the plat thereof, as recorded in Plat Book 15, at Page 93, of the Public Records of Highlands County, Florida, said Plat being a replat of a portion of LAKE PLACID CAMP FLORIDA RESORT according to the plat thereof, as recorded in Plat Book 15, at Page 52, of the Public Records of Highlands County, Florida;

LESS THE FOLLOWING LOTS:

Block E: Lots 1, 42 and 44;
Block F: Lots 1 and 27;
Block G: Lot 1;
Block H: Lot 1;
Block I: Lot 27;
Block K: Lots 24, 25 and 28;

in LAKE PLACID CAMP FLORIDA RESORT, according to the plat thereof, as recorded in Plat Book 15, at Page 52, of the Public Records of Highlands county, Florida;

AND LESS:

Block A: Lots 6, 8, 9, 22, 23, 25, 26, 27, 30, 32, and 35;
Block B: Lots 3, 5, 6, 13, 14, 15, 16, 17, 18, 27, 28, and 38;
Block C: Lots 1, 17, 18, 25, 26, 27, and 36;
Block D: Lots 1, 6, 11, 14, 18, 21, 22, 23, 24, 25, and 27;
Block E: Lots 2 through 15, both inclusive, and 18, 20, 21, 25, 27, 41, 42, and 43;
Block F: Lots 2 through 9, both inclusive, 10, 11, 13 through 26, both inclusive, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, and 40;
Block G: Lots 2, 3, 7, and 10;
Block H: Lot 12;
Block I: Lots 2, 3, 4, 5, 6, 7, 8, 14, 19, 22, 24, and 27;
Block J: Lots 1B, 4, 5, 8, 12, and 14;
Block K: Lots 1, 6, 10, 11, 14, 16, 18, 20, 21, 22, 23, 24, 25, 26, and 27;
Block L: Lots 1, 6, 7, and 8;
Block M: Lots 1A, 1, 2, 3, 6, 11, 26, 34, and 37;

a replat of a portion of LAKE PLACID CAMP FLORIDA RESORT, according to the plat thereof, as recorded in Plat Book 15, at Page 93, of the Public Records of Highlands County, Florida.

EXHIBIT B

** OFFICIAL RECORDS **
BK 1447 PG 553

The West Half (W ½) of the Northwest Quarter (NW ¼) East of State Road 19 (U.S. Highway No. 27) right-of-way and the West Half (W ½) of the East Half (E ½) of the Northwest Quarter (NW ¼) East of State Road 19 (U.S. Highway No. 27) right-of-way LESS the South 413.15 feet thereof;

AND

The fractional Northeast Quarter (NE ¼) and the East Half (E ½) of the East Half (E ½) of the Northwest Quarter (NW ¼) LESS the South 413.15 feet thereof, and LESS road right-of-way;

all of the above real property located in Section 17, Township 37 South, Range 30 East, Highlands County, Florida;

AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:

A portion of the Northwest Quarter (NW ¼) of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: COMMENCE where the East line of the Northwest Quarter (NW ¼) intersects the South right-of-way line of State Road No. 29; thence North 89°46'50" West along the South right-of-way line of said State Road No. 29 for a distance of 1083.72 feet to the POINT OF BEGINNING; thence continue North 89°46'50" West along said South right-of-way line for a distance of 713.31 feet to a point on the Easterly right-of-way line of U.S. Highway No. 27; thence South 24°51'28" East along the Easterly right-of-way line for a distance of 450.0 feet to a point; thence North 89°57'00" East for a distance of 167.91 feet to a point; thence North 87°50'00" East for a distance of 212.15 feet to a point; thence North 10°00'00" East for a distance of 265.49 feet to a point; thence North 73°29'10" East for a distance of 115.12 feet to a point; thence North 0°13'10" East for a distance of 240.01 feet to the POINT OF BEGINNING;

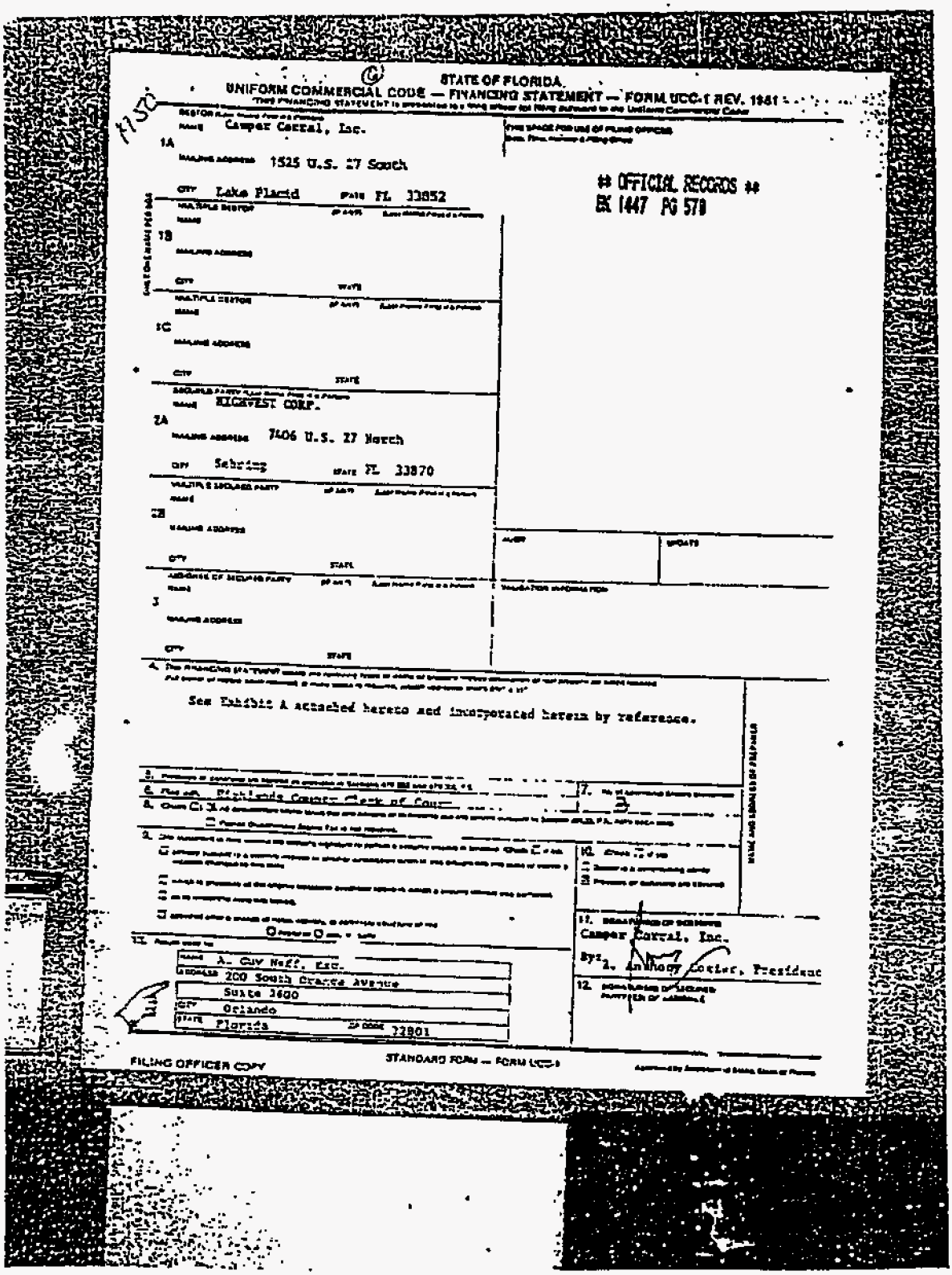
AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:

All lands within the Plat of LAKE PLACID CAMP FLORIDA RESORT, according to the plat thereof, as recorded in Plat Book 15, at Page 51, of the Public Records of Highlands County, Florida, and Plat being a resub of a portion of LAKE PLACID CAMP FLORIDA RESORT according to the plat thereof, as recorded in Plat Book 15, at Page 52, of the Public Records of Highlands County, Florida.

FILE # 1316799 REC: Mar 29 1999 @ 11:24AM
L. E. "Luke" Brocker, Clerk, Highlands County

AND

A portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida being more particularly described as follows: Commence at the Southwest corner of the Southwest 1/4 of the aforesaid Section 8; thence run N 89°46'50" W along the South line of said Southwest 1/4 of Section 8 for a distance of 660.02 feet to the intersection with the west line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N 0°13'10" E along the west line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 430.01 feet to the Point of Beginning of the Tract of Land hereinafter to be described; thence continue N 0°13'10" E along the last described course for a distance of 300.00 feet to a point; thence run S 89°46'50" E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 660.00 feet to a point; thence run S 0°13'10" E, parallel to the west line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N 89°46'50" W parallel to the South line of said Southwest 1/4 for a distance of 660.00 feet to the Point of Beginning.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 361, Page 330, Public Records of Highlands County, Florida; and the Plat of Towers and Access over and upon that certain easement described as the East 30.01 feet of the West 360.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.



STATE OF FLORIDA
UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1 REV. 1981

Name: Casper Corral, Inc.

1A Mailing Address: 1525 U.S. 27 South

City: Lake Placid State: FL 33852

1B

1C

2A Name: RIGAVEST CORP.

Mailing Address: 7406 U.S. 27 North

City: Sebring State: FL 33870

2B

3

# OFFICIAL RECORDS #
BK 1447 PG 578

See Exhibit A attached hereto and incorporated herein by reference.

6. Filed with: Highlands County Clerk of Court

12. Name: A. Guy Neff, Esq.
Address: 200 South Orange Avenue
Suite 3600
City: Orlando
State: Florida 32801

11. Casper Corral, Inc.
By: A. Anthony Carter, President

FILING OFFICER COPY — STANDARD FORM — FORM UCC-1

EXHIBIT B

** OFFICIAL RECORDS **
BK 1447 PG 573

The West Half (W ½) of the Northwest Quarter (NW ¼) East of State Road 19 (U.S. Highway No. 27) right-of-way and the West Half (W ½) of the East Half (E ½) of the Northwest Quarter (NW ¼) East of State Road 19 (U.S. Highway No. 27) right-of-way LESS the South 413.13 feet thereof;

AND

The fractional Northeast Quarter (NE ¼) and the East Half (E ½) of the East Half (E ½) of the Northwest Quarter (NW ¼) LESS the South 413.13 feet thereof, and LESS road right-of-way;

all of the above real property located in Section 17, Township 37 South, Range 30 East, Highlands County, Florida;

AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:

A portion of the Northwest Quarter (NW ¼) of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: COMMENCE at the East line of the Northwest Quarter (NW ¼) intersect the South right-of-way line of State Road No. 29; thence North 89°46'50" West along the South right-of-way line of said State Road No. 29 for a distance of 1083.72 feet to the POINT OF BEGINNING; thence continue North 89°46'50" West along said South right-of-way line for a distance of 753.32 feet to a point on the Easterly right-of-way line of U.S. Highway No. 27; thence South 7°51'28" East along the Easterly right-of-way line for a distance of 450.0 feet to a point; thence North 80°32'00" East for a distance of 107.91 feet to a point; thence North 87°00'00" East for a distance of 218.15 feet to a point; thence North 80°20'00" East for a distance of 166.49 feet to a point; thence North 75°27'10" East for a distance of 115.12 feet to a point; thence North 0°13'10" East for a distance of 240.01 feet to the POINT OF BEGINNING;

AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:

All lands within the Plat of LAKE PLACID CAMP FLORIDA RESORT, according to the plat thereof, as recorded in Plat Book 15, at Page 52, of the Public Records of Highlands County, Florida, said Plat being a replat of a portion of LAKE PLACID CAMP FLORIDA RESORT according to the plat thereof, as recorded in Plat Book 15, at Page 52, of the Public Records of Highlands County, Florida.

FILE # 1916200 REC: Mar 29 1999 @ 11:21AM
L. E. "Luke" Brocker, Clerk, Highlands County

AND

A portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida being more particularly described as follows: Commence at the Southwest corner of the Southwest 1/4 of the aforesaid Section 8; thence run N 0°13'10" E along the West line of said Southwest 1/4 of Section 8 for a distance of 966.83 feet to the intersection with the west line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N 0°13'10" E along the west line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 430.01 feet to the Point of Beginning of the tract of land hereinafter to be described; thence continue N 0°13'10" E along the last described course for a distance of 300.00 feet to a point; thence run S 89°46'50" E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S 0°13'10" E, parallel to the West line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N 89°46'50" W parallel to the South line of said Southwest 1/4 for a distance of 410.00 feet to the Point of Beginning.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; and, the right of ingress and egress over and upon that certain assigned boundaries on the East 30.01 feet of the West 240.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR HIGHLANDS COUNTY, FLORIDA

HIGHVEST, CORP.
Plaintiff,

vs. CASE NO: GC02-351

WOODLANDS, L.P. and
CAMPER CORRAL, INC., General Partner,
Defendant.
_____/

FINAL JUDGMENT OF FORECLOSURE

IT IS ADJUDGED THAT:

1. Plaintiff, HIGHVEST, CORP, is due $700,000.00 as principal, $216,562.00 as interest to date of this judgment, $150.00 for title search expense, $1,500.00 for attorneys' fees, with $155.50 for court costs now taxed, under the note and mortgage sued on in this action, making a total sum of $918,367.50, that shall bear interest as provided by law.

2. Plaintiff holds a lien for the total sum superior to any claim or estate of defendant, WOODLANDS, L.P. and CAMPER CORRAL, INC, on the real and personal property described in Exhibit "A" in Highlands County, Florida.

3. If the total sum with interest at the rate described in paragraph 1 and all costs accrued subsequent to this judgment are not paid, the clerk of this court shall sell the property at public sale on September 4, 2002, at 11:00 a.m. to the highest bidder for cash, except as prescribed in paragraph 4, at the Commerce Avenue door of the courthouse in Highlands County in Sebring, Florida, in accordance with section 45.031, Florida Statutes.

4. Plaintiff shall advance all subsequent costs of this action and shall be reimbursed for them by the clerk if plaintiff is not the purchaser of the property for sale. If plaintiff is the

purchaser, the clerk shall credit plaintiff's bid with the total sum with interest and cost accruing subsequent to this judgment, or such part of it, as is necessary to pay the bid in full..

5. On filing the certificate of title the clerk shall distribute the proceeds of the sale, so far as they are sufficient, by paying: first, all of plaintiff's costs; second, documentary stamps affixed to the certificate; third, plaintiff's attorneys' fees; fourth, the total sum due to plaintiff, less the items paid, plus interest at the rate prescribed in paragraph 1 from this date to the date of the sale; and by retaining any remaining amount pending the further order of this court.

6. On filing the certificate of title defendant and all persons claiming under or against defendant since the filing of the notice of lis pendens shall be foreclosed of all estate or claim to the property and the purchaser at the sale shall be let into possession of the property.

7. Jurisdiction of this action is retained to enter further orders that are proper including, without limitation, writs of possession and deficiency judgment.

DONE AND ORDERED in chambers, Sebring, Highlands County, Florida, this 1st day of ~~July~~ August, 2002.

/S/ ROGER A. ALCOTT

ROGER A. ALCOTT, Circuit Judge

cc: James F. McCollum
Woodlands, L.P.
Camper Corral, Inc.

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR HIGHLANDS COUNTY, FLORIDA

HIGHVEST, CORP.,
Plaintiff,

vs.

CASE NO: GC02-351

WOODLANDS, L.P., and
CAMPER CORRAL, INC., General Partner
Defendants.
_____/

CERTIFICATE OF TITLE

The undersigned Clerk of the Court certifies that he executed and filed a Certificate of Sale in this action on September 4, 2002, for the property described herein and that any objections to the sale have been filed within the time allowed for filing objections.

The following property in Highlands County, Florida:

The West 210 feet of the South 450.00 feet of the Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East. Highlands County, Florida, SAVE AND EXCEPT the South 50 feet thereof for Road Right of Way.

A portion of the East ½ of the East ½ of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section8; Thence run N 89 degrees 46 minutes 50 seconds W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East ½ of the East ½ of said Southwest 1/4; Thence run N 1 degree 09 minutes' 49" W along the West line of the East ½ of the East ½ of the East ½ of the Southwest 1/4 for a distance of 450.01 feet to the Point of Beginning of the Tract of land hereinafter to be described; Thence continue N 1 degree 09 minutes' 49" W along the last described course for a distance of 300.00 feet to a point; Thence run S 89 degrees 46 minutes 50 seconds East, Parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run south 1 degree 09 minutes 49

FILED
2002 SEP 27 AM 8:53

BK 1629 PG 1539

** OFFICIAL RECORDS **
BK 1629 PG 1540

seconds east parallel to the West line of the East ½ of the East ½ of said southwest 1/4 for a distance of 300.00 feet to a point; Thence run N 89 degrees 46 minutes 50 seconds W parallel to the South line of said Southwest 1/4 for a distance of 410.00 feet to the Point of Beginning.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND, the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East ½ of the East ½ of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

The West Half (W1/2) of the Northwest Quarter (NW1/4) East of State Road 19 (U.S. Highway No. 27) right-of-way and the West Half (W 1/2) of the East Half (E 1/2) of the Northwest Quarter (NW 1/4) East of State Road 19 (U.S. Highway No. 27) right-of-way LESS the South 413.15 feet thereof;
**AND**
The fractional Northeast Quarter (NE 1/4) and the East Half (E 1/2) of the Northwest Quarter (NW 1/4) LESS the South 413.15 feet thereof, and LESS road right-of-way;
all of the above real property located in Section 17, Township 31 South, Range 30 East, Highlands County, Florida;
**AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:**
A portion of the Northwest Quarter (NW 1/4) of Section 1, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: COMMENCE where the East line of the Northwest Quarter (NW 1/4) intersects the South right-of-way line of State Road No. 29; thence North 89 degrees 46 minutes 50 seconds West along the South right-of-way lin of said State Road No. 29 for a distance of 1083.72 feet to the POINT OF BEGINNING; thence continue North 89 degrees 46 minutes 50 seconds West along said South right-of-way line for a distance of 753.32 feet to a point on the Easterly right-of-way line of U.S. Highway No. 27; thence South 24 degrees 51 minutes 38 seconds East along the Easterly right-of-way line for a distance of 450.0 feet to a point; thence North 80 degrees 20 minutes 00 seconds East for a distance of 107.91 feet to a point; thence North 87 degrees 00 minutes 00 seconds East for a distance of 218.15 feet to a point; thence North 50 degrees 00 minutes 00 seconds East for a distance of 166.49 feet to a point; thence North 75 degrees 29 minutes 10 seconds East for a distance of 115.12 feet to a point; thence North 0 degrees 13 minutes 10 seconds East for a


Dec 11 02 09:08a McCollum & Rinaldo, P.L. 8634711111 p.3

Grassy; thence S 25 degrees 16 minutes 19 seconds, W along the shoreline of Lake Grassy, 280.26 feet; thence N. 72 degrees 26 minutes 45 seconds W, 79.04 feet; thence N 01 degrees 56 minutes 40 seconds E, 55.30 feet; thence N 78 degrees 58 minutes 16 seconds W, 117.55 feet to a point on the East line of said Lake Placid Camp Florida Resort; thence along the arc of a non-tangent curve to the left, with a radius of 75.00 feet, a central angle of 24 degrees 02 minutes 22 seconds; whose chord bears N 20 degrees 11 minutes 05 seconds E, a chord distance if 31.24 feet, an arc distance of 31.47 feet; thence N 08 degrees 10 minutes 00 seconds E, along said East line, 163.58 feet to the POINT OF BEGINNING, containing 1.2561 acres, more or less.

was sold to : HIGHVEST CORPORATION 1525 US 27 SOUTH LAKE PLACID, FLORIDA 33852

Witness my hand and the seal of the Court on this 27th day of ~~August~~ September, 2002

L.E. "Luke" Brooker
As Clerk of the Court

By _____
As Deputy Clerk

THIS INSTRUMENT PREPARED BY:
James F. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
(863) 385-5188

** OFFICIAL RECORDS **
BK 1629 PG 1542

FILE # 1161488 RCD: Oct 01 2002 @ 08:36AM
L. E. "Luke" Brooker, Clerk, Highlands County



Dec 11 02 09:08a McCollum & Rinaldo, P.L. 8634711111 P.4

Records
Esler

CK # 29610
CK $ 1500.00

RT
10/22/03

# ORIGINAL

LAW OFFICES

## ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

DEPOSIT DATE

OCT 28 2003

(850) 877-6555
FAX (850) 656-4029
www.rsbattorneys.com

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

030102

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DARIEN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, *OF COUNSEL*
WAYNE L. SCHIEFELBEIN, *OF COUNSEL*

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, *OF COUNSEL*
*(LICENSED IN TEXAS ONLY)*

October 21, 2003

**HAND DELIVERY**

RECEIVED-FPSC
03 OCT 20 PM 2:25
COMMISSION CLERK

**Ms. Blanca Bayo**
**Commission Clerk and Administrative Services Director**
**Florida Public Service Commission**
**2540 Shumard Oak Boulevard**
**Tallahassee, FL 32399**

**RE: Docket No.: _____; Application for Authority to Sell, Assign or Transfer Utility Facilities of The Woodlands of Lake Placid, L.P., in Highland County, Florida to Camp Florida Property Owners Association, Inc., and Application to Transfer Majority Organizational Control of L.P. Utilities, Inc., to Camp Florida Property Owners Association, Inc.**
**Our File No. 37074.03**

**Dear Ms. Bayo:**

**Enclosed for filing are the original and fifteen (15) copies of the above-referenced Application Also enclosed is our check in the amount of $1,500 representing the appropriate filing fee.**

**Should you have any questions regarding this filing, please do not hesitate to give me a call.**

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

**Very truly yours,**

**MARTIN S. FRIEDMAN**
**For the Firm**

AUS ___
CAF ___
CMP ___
COM ___
CTR ___
ECR ___
GCL ___
OPC ___
MS ___
EC 1
OTH ___

**MSF:dmp**
**Enclosures**

**cc: Mr. John Lovelette (w/enclosure)**

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.
Initials of person who forwarded check:

DOCUMENT NUMBER-DATE
10575 OCT 27 03
FPSC-COMMISSION CLERK

ASO\LP Utilities\(03) Sale to POA\PSC Clerk 01.ltr

ORIGINAL

STATE OF FLORIDA

COMMISSIONERS:
BRAULIO L. BAEZ, CHAIRMAN
J. TERRY DEASON
LILA A. JABER
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC
REGULATION
(850) 413-6900

# Public Service Commission

January 14, 2004

RECEIVED-FPSC
04 JAN 15 AM 10:10
COMMISSION
CLERK

Mr. Martin S. Friedman
Attorney at Law
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Blvd, Ste. 160
Altamonte Springs, FL 32701

Re: Docket No. 030102-WS: Application for authority to transfer Certificate Nos. 620-W and 533-S in Highlands County from The Woodlands of Lake Placid, L.P. to L. P. Utilities Corporation.

Dear Mr. Friedman:

The supplement to the above referenced application has been received and reviewed by Commission staff. This letter addresses the deficiencies found by staff in the transfer application filed on October 20, 2003, and also notes additional clarifications needed. All items must be addressed in order to process the application.

Deficiencies - Wastewater

1. Contract for Sale and Related Items. Pursuant to Rule 25-30.037(2)(g), (h), (i), and (k), Florida Administrative Code (F.A.C.), the application is to provide a copy of the contract for sale and all auxiliary or supplemental agreements, which include purchase price and terms of payment; a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed; and a description of all consideration between the parties. Please provide any supplemental or auxiliary agreements, including the list and dollar amount of assets purchased and liabilities assumed or not assumed; a statement regarding the disposition of debt of the utility; a statement giving more detail as to the financing of the purchase; and a list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility.

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DOCUMENT NUMBER-DATE
00615 JAN 15 04
FPSC-COMMISSION CLERK

2. Public Interest. Pursuant to Rule 25-30.037(2)(j), F.A.C., the applicant is to provide a statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. Please provide separate statements relating to the water and wastewater facility purchases.

3. Outstanding Refunds Owed. Pursuant to Rule 25-30.037(2)(r), F.A.C., the applicant is to provide a statement regarding the disposition of any outstanding refunds owed. Please provide the required statement.

Deficiencies – Water

1. Financing. Pursuant to Rule 25-30.037(3)(e) and (g), F.A.C., the applicant is to provide a statement describing the financing of the purchase; and to provide a list of all entities, including affiliates, that have provided, or will provide, funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. Please explain in detail the amount of the assessments of the property owners and the uses for which the funds will be used. Please provide detailed information regarding entities relied upon for the financing .

2. Public Interest and Buyer's Financial Ability. Pursuant to Rule 25-30.037(3)(f), F.A.C., the applicant is to provide a statement describing how the transfer is in the public interest, and a showing of the buyer's financial ability to provide service. Please provide a more detailed statement as to why the transfer would be in the public interest. Also, please provide the balance sheet and income statement for the Property Owner Association's most recent 12 month period.

Other Clarification

Exhibit D of the application is an affidavit that actual notice of the application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code. The Public Service Commission appears on the list to receive a copy of the mailing, however, no copy has been received. Please verify that the mailing was made to all parties on the list previously provided and remail a notice to the Commission. Should you find that the mailing was not made to all parties on the list, I would be glad to provide an updated list for renoticing.

The original and four copies of the response to this letter should be filed with the Commission on or before **February 20, 2004**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at 850-413-6997.

Sincerely,

Patti Daniel

Patti Daniel,
Supervisor of Certification

PD:SAC

cc: Division of Economic Regulation (Clapp, Redemann, Kaproth)
Office of the General Counsel (Fleming, Brown)

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
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F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DARRN L. STIPPY
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DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
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(850) 877-6555
FAX (850) 656-4029
www.rsbattorneys.com

REPLY TO ALTAMONTE SPRINGS

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

February 18, 2004

**HAND DELIVERY**

Ms. Blanca Bayo
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No.: 030102-WS; Application for Authority to Sell, Assign or Transfer Utility Facilities of The Woodlands of Lake Placid, L.P., in Highland County, Florida to Camp Florida Property Owners Association, Inc., and Application to Transfer Majority Organizational Control of L.P. Utilities, Inc., to Camp Florida Property Owners Association, Inc.
Our File No.: 37074.03

Dear Ms. Bayo:

This letter is in response to the Staff's January 14, 2004, correspondence in the above-referenced docket setting forth its perceived deficiencies in the above-referenced Application.

Deficiencies - Wastewater

1. All information required by the referenced Rule is included in the Agreement for Purchase and Sale and the Application itself. Specifically, there are no supplemental or auxiliary agreements among the parties. As set forth in paragraph 11 of the Application, Camp Florida will acquire all of the wastewater system assets as described in the most recent SARC Order for this system. As set forth in paragraph 1.3 of the Agreement, the wastewater system will be conveyed free and clear of all liens and encumbrances, which means that no liabilities will be assumed by the Buyer. Obviously, any debt existing on the Utility will be satisfied at closing. As set forth in paragraph 1.2 of the Agreement 100% of the purchase price is being financed at 6.99% per annum over a period of ten (10) years, with quarterly principal and interest payments

DOCUMENT NUMBER-DATE
02344 FEB 18 04
FPSC-COMMISSION CLERK

The Buyer is not relying on any entities to provide the funding for this purchase. Enclosed are Financial Statements of the Buyer as of December 31, 2003.

2. The transfer of the wastewater system to the Property Owners' Association is in the public interest in that the users of the utility service have direct control over the entity providing wastewater service. Further, it is believed that the wastewater system will be able to be operated more efficiently in that its rates will no longer be subject to regulatory assessment fees nor the other expenses of regulation. In ten years, the system will be debt-free. It is believed that the elimination of regulation will allow the rates to remain steady and possibly decrease. The Buyer will retain the current experienced and knowledgeable staff to operate the wastewater systems in accordance with industry standards. Thus, there is no difference in experience of the Buyer than that which currently exists. The Buyer will fulfill the commitments, obligations and representations of the Seller with regard to utility matters.

3. There are no outstanding refunds owed in connection with the wastewater system.

**Deficiencies - Water**

1. The $100,000.00 purchase price for the water system is to be funded through special assessments of $261.78 on each of the 382 lots. No entities are relied upon for the funding. The special assessments will fund 100% of the purchase price.

2. This transfer is in the public interest in that it will give ownership of the water utility to the Property Owners' Association which is by in large the primary customer of the Utility. The POA will also benefit from the net income which it will retain instead of paying it to an investor owned utility. Due to the Seller's regulatory issues, it is no longer interested in owning and operating the water utility. This transfer will also allow the Utility to make the refunds required by Commission Order No. PSC-03-1051-FOF-WS. Enclosed is a copy of the Buyer's Financial Statements as of December 31, 2003.

**Other Clarification**

All notices were given in accordance with Public Service Commission Rules, however, as requested by the Staff notice has been re-mailed to the Commission.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosures

cc: Mr. John Lovelette (w/o enclosures)
Katherine E. Fleming, Esquire (w/enclosures)
Stephen C. Burgess, Esquire (w/enclosures)

M:\1 ALTAMONTE\LP UTILITIES\(03) Sale to POA\PSC Clerk 04 (deficiency reponse).ltr.wpd

Camp Florida Resort POA Inc.
1525 US 27 South
Lake Placid, FL 33852

I have prepared the accompanying statement of assets and liabilities of Camp Florida Resort POA Inc. as of December 31, 2003 and the related statement of income for the month and the year to date on the basis of tax accounting.

The financial statement is the representation of management. Management has elected to omit substantially all of the information ordinarily included in financial statements. If the omitted disclosures were included in this financial statement, they might influence the user's conclusions about the company's financial status. Therefore, this financial statement is not designed for those who are not informed about such matters.

Frances A Colley

Colley Financial Services, Inc
209 US 27 South
Lake Placid 33852

January 12, 2004

Camp Florida Resort POA Inc.
Balance Sheet
December 31, 2003

## Assets

| | |
|---|---|
| Current assets | |
| Checking | |
| Bank of America checking | 116,888.96 |
| Road Reserve account | 9,925.00 |
| Utility deposit | 2,910.00 |
| Loan receivable | 4,000.00 |
| Total Current assets | $ 133,723.96 |
| Property plant and equipment | |
| Automobiles & trucks | 3,922.00 |
| Equipment | 1,557.55 |
| Recreation facilities | 16,619.32 |
| Total Property plant and equipment | 22,098.87 |
| Total Assets | $ 155,822.83 |

## Liabilities and Net Assets

| | |
|---|---|
| Net Assets | |
| Net Assets | 155,822.83 |
| Total Liabilities and Net Assets | $ 155,822.83 |

Camp Florida Resort POA Inc.
Statement of Income (Loss) and Retained Earnings
For the period ending December 31, 2003

| | Current | YTD |
|---|---|---|
| Operating revenue | | |
| Assessment income | 43,890.38 | 151,840.55 |
| Commission income | 449.25 | 5,238.99 |
| Recreation income | (8,365.62) | (34,370.96) |
| Total Operating revenue | $ 35,974.01 | $ 122,708.58 |
| Operating expenses | | |
| Other taxes | .00 | 4,306.00 |
| Repairs and maintenance | 9,350.00 | 12,353.87 |
| Supplies | 685.12 | 2,588.09 |
| Garbage | 1,153.26 | 7,245.89 |
| Electric expense | 2,508.07 | 10,283.84 |
| Lawn expense | 8,331.00 | 33,536.00 |
| Water & sewer expense | 1,372.15 | 5,432.22 |
| Total Operating expenses | 23,399.60 | 75,745.91 |
| General and administrative | | |
| Insurance | .00 | 1,426.26 |
| Office expenses | 48.42 | 340.15 |
| Licenses and permits | 110.00 | 727.76 |
| Corporate fees | .00 | 107.95 |
| Accounting fees | 980.00 | 3,545.00 |
| Legal fees | .00 | 500.00 |
| Clubhouse, docks, storage rent | 7,500.00 | 30,000.00 |
| Insurance-vehicle | .00 | 1,049.35 |
| Total General and administrative | 8,638.42 | 37,696.47 |
| Income/(loss) from operations | 3,935.99 | 9,266.20 |
| Other income | | |
| Interest income | .00 | 169.82 |
| Water assessment | 13,089.00 | 13,089.00 |
| Total Other income | 13,089.00 | 13,258.82 |
| Other expenses | | |
| Recreation division expense | 10,085.00 | 10,085.00 |
| Income/(loss) before Provision for income taxes | 6,939.99 | 12,440.02 |
| Provision for income taxes | | |
| Provision for federal income tax | .00 | 16,570.00 |
| Net income/(loss) | $ 6,939.99 | (4,129.98) |

Camp Florida Resort POA Inc.
Statement of Income (Loss) and Retained Earnings
For the period ending December 31, 2003

| | Current | YTD |
|---|---|---|
| Net Assets, beginning | | 159,952.81 |
| Net Assets, ending | | $ 155,822.83 |

# Camp Florida Resort POA Inc.

## Detail General Ledger

For the period 10/01/2003 to 12/31/2003

Run: Jan 12 2004 @ 09:25 AM

| Date | Source | Ref # | Description | Balance Forward | Current Period | Ending Balance |
|---|---|---|---|---|---|---|
| 01000.105 | Bank of America checking | | | | | |
| | | | **Balance Forward** | 130,607.09 | | |
| 12/31/2003 | CD1 | Total | | | (68,665.51) | |
| 12/31/2003 | GJE | 35 | To record deposits | | 57,428.63 | |
| 12/31/2003 | GJE | 36 | To record road reserve | | (2,481.25) | |
| | | | **Net Change** | | (13,718.13) | |
| | | | **Ending Balance** | | | 116,888.96 |
| 01000.110 | Road Reserve account | | | | | |
| | | | **Balance Forward** | 7,443.75 | | |
| 12/31/2003 | GJE | 36 | To record road reserve | | 2,481.25 | |
| | | | **Net Change** | | 2,481.25 | |
| | | | **Ending Balance** | | | 9,925.00 |
| 01000.114 | Loan receivable | | | | | |
| | | | **Balance Forward** | 4,000.00 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 4,000.00 |
| 01000.120 | Utility deposit | | | | | |
| | | | **Balance Forward** | 2,910.00 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 2,910.00 |
| 02000.256 | Vehicle | | | | | |
| | | | **Balance Forward** | 3,922.00 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 3,922.00 |
| 02000.258 | Equipment | | | | | |
| | | | **Balance Forward** | 0.00 | | |
| 11/12/2003 | CD1 | 2586 | Mid State Fire Equipment | | 1,198.37 | |
| 12/23/2003 | CD1 | 2604 | Joanne Shilling - freezer | | 359.18 | |
| | | | **Net Change** | | 1,557.55 | |
| | | | **Ending Balance** | | | 1,557.55 |
| 02000.260 | Recreation facilities | | | | | |
| | | | **Balance Forward** | 0.00 | | |
| 12/30/2003 | CD1 | 2607 | The NIDY Co. | | 9,347.45 | |
| 12/30/2003 | CD1 | 2607 | The NIDY Co. | | 7,271.87 | |
| | | | **Net Change** | | 16,619.32 | |
| | | | **Ending Balance** | | | 16,619.32 |

# Camp Florida Resort POA Inc.

## Detail General Ledger

For the period 10/01/2003 to 12/31/2003

Run: Jan 12 2004 @ 09:25 AM

| Date | Source | Ref # | Description | Balance Forward | Current Period | Ending Balance |
|---|---|---|---|---|---|---|
| 05996.000 | Fund Balance | | | | | |
| | | | Balance Forward | (159,952.81) | | |
| | | | Net Change | | 0.00 | |
| | | | Ending Balance | | | (159,952.81) |
| 06000.601 | Assessment income | | | | | |
| | | | Balance Forward | (107,950.17) | | |
| 12/31/2003 | GJE | 35 | To record deposits | | (43,890.38) | |
| | | | Net Change | | (43,890.38) | |
| | | | Ending Balance | | | (151,840.55) |
| 06000.602 | Commission income | | | | | |
| | | | Balance Forward | (4,789.74) | | |
| 12/31/2003 | GJE | 35 | To record deposits | | (449.25) | |
| | | | Net Change | | (449.25) | |
| | | | Ending Balance | | | (5,238.99) |
| 06000.603 | Recreation income | | | | | |
| | | | Balance Forward | 26,005.34 | | |
| 10/7/2003 | CD1 | 2567 | CFR Common Recreation Associat | | 1,636.60 | |
| 10/13/2003 | CD1 | 2571 | CFR Common Recreation Associat | | 1,610.43 | |
| 10/16/2003 | CD1 | 2573 | CFR Common Recreation Associat | | 891.09 | |
| 10/20/2003 | CD1 | 2574 | CFR Common Recreation Associat | | 386.43 | |
| 10/28/2003 | CD1 | 2580 | CFR Common Recreation Associat | | 210.93 | |
| 11/4/2003 | CD1 | 2582 | CFR Common Recreation Associat | | 296.12 | |
| 11/12/2003 | CD1 | 2589 | CFR Common Recreation Associat | | 264.12 | |
| 11/25/2003 | CD1 | 2593 | CFR Common Recreation Associat | | 85.19 | |
| 12/15/2003 | CD1 | 2597 | CFR Common Recreation Associat | | 1,711.47 | |
| 12/23/2003 | CD1 | 2603 | CFR Common Recreation Associat | | 1,293.24 | |
| | | | Net Change | | 8,365.62 | |
| | | | Ending Balance | | | 34,370.96 |
| 06000.605 | Water assessment | | | | | |
| | | | Balance Forward | 0.00 | | |
| 12/31/2003 | GJE | 35 | To record deposits | | (13,089.00) | |
| | | | Net Change | | (13,089.00) | |
| | | | Ending Balance | | | (13,089.00) |
| 06000.883 | Electric expense | | | | | |
| | | | Balance Forward | 7,775.77 | | |
| 10/22/2003 | CD1 | 2578 | Progress Energy | | 251.93 | |
| 10/22/2003 | CD1 | 2579 | Progress Energy | | 508.55 | |
| 11/21/2003 | CD1 | 2592 | Progress Energy | | 785.16 | |
| 12/16/2003 | CD1 | 2602 | Progress Energy | | 962.43 | |
| | | | Net Change | | 2,508.07 | |
| | | | Ending Balance | | | 10,283.84 |

# Camp Florida Resort POA Inc.

Detail General Ledger

For the period 10/01/2003 to 12/31/2003

Run: Jan 12 2004 @ 09:25 AM

| Date | Source | Ref # | Description | Balance Forward | Current Period | Ending Balance |
|---|---|---|---|---|---|---|
| 08000.888 | Sanitation expense | | | | | |
| | | | **Balance Forward** | 6,092.63 | | |
| 11/12/2003 | CD1 | 2587 | Florida Recycling Svcs. | | 1,153.26 | |
| | | | **Net Change** | | 1,153.26 | |
| | | | **Ending Balance** | | | 7,245.89 |
| 08000.904 | Insurance | | | | | |
| | | | **Balance Forward** | 1,426.26 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 1,426.26 |
| 08000.905 | Insurance-vehicle | | | | | |
| | | | **Balance Forward** | 1,049.35 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 1,049.35 |
| 08000.908 | Lawn expense | | | | | |
| | | | **Balance Forward** | 25,205.00 | | |
| 10/22/2003 | CD1 | 2577 | Hoffner's Lawn Care | | 2,777.00 | |
| 11/6/2003 | CD1 | 2585 | Hoffner's Lawn Care | | 2,777.00 | |
| 12/16/2003 | CD1 | 2598 | Hoffner's Lawn Care | | 2,777.00 | |
| | | | **Net Change** | | 8,331.00 | |
| | | | **Ending Balance** | | | 33,536.00 |
| 08000.910 | Corporate fees | | | | | |
| | | | **Balance Forward** | 107.95 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 107.95 |
| 08000.913 | Legal | | | | | |
| | | | **Balance Forward** | 500.00 | | |
| | | | **Net Change** | | 0.00 | |
| | | | **Ending Balance** | | | 500.00 |
| 08000.915 | Licenses & permits | | | | | |
| | | | **Balance Forward** | 617.76 | | |
| 11/12/2003 | CD1 | 2586 | Mid State Fire Equipment | | 110.00 | |
| | | | **Net Change** | | 110.00 | |
| | | | **Ending Balance** | | | 727.76 |

| Date | Source | Ref # | Description | Balance Forward | Current Period | Ending Balance |
|---|---|---|---|---|---|---|
| 08000.918 | Office supplies & postage | | | | | |
| | | | Balance Forward | 291.73 | | |
| | | | Net Change | | 0.00 | |
| | | | Ending Balance | | | 291.73 |
| 08000.926 | Professional fees | | | | | |
| | | | Balance Forward | 2,565.00 | | |
| 10/1/2003 | CD1 | 2566 | Colley Financial Services Inc. | | 260.00 | |
| 11/3/2003 | CD1 | 2581 | Colley Financial Services Inc. | | 360.00 | |
| 12/1/2003 | CD1 | 2595 | Colley Financial Services Inc. | | 360.00 | |
| 12/2/2003 | CD1 | 2596 | Colley Financial Services Inc. | | 48.42 | |
| | | | Net Change | | 1,028.42 | |
| | | | Ending Balance | | | 3,593.42 |
| 08000.928 | Clubhouse, docks, storage rent | | | | | |
| | | | Balance Forward | 22,500.00 | | |
| 11/12/2003 | CD1 | 2586 | Highvest Corporation | | 7,500.00 | |
| | | | Net Change | | 7,500.00 | |
| | | | Ending Balance | | | 30,000.00 |
| 08000.929 | Recreation expense | | | | | |
| | | | Balance Forward | 0.00 | | |
| 12/1/2003 | CD1 | 2594 | CFR Common Recreation Associat | | 4,500.00 | |
| 12/16/2003 | CD1 | 2600 | CFR Common Recreation Associat | | 5,585.00 | |
| | | | Net Change | | 10,085.00 | |
| | | | Ending Balance | | | 10,085.00 |
| 08000.930 | Repairs & maintenance | | | | | |
| | | | Balance Forward | 3,003.87 | | |
| 10/8/2003 | CD1 | 2568 | Highvest Corporation | | 7,068.60 | |
| 10/8/2003 | CD1 | 2569 | Home Depot | | 91.55 | |
| 10/22/2003 | CD1 | 2575 | Highvest Corporation | | 2,012.50 | |
| 11/5/2003 | CD1 | 2583 | Scotty's | | 24.74 | |
| 11/6/2003 | CD1 | 2584 | Interlake True Value | | 47.44 | |
| 11/21/2003 | CD1 | 2591 | Scotty's | | 45.58 | |
| 12/30/2003 | CD1 | 2606 | Scotty's | | 59.59 | |
| | | | Net Change | | 9,350.00 | |
| | | | Ending Balance | | | 12,353.87 |
| 08000.938 | Supplies | | | | | |
| | | | Balance Forward | 1,902.97 | | |
| 10/13/2003 | CD1 | 2572 | Andrew Luedde | | 219.76 | |
| 12/16/2003 | CD1 | 2599 | Andrew Luedde | | 308.31 | |
| 12/16/2003 | CD1 | 2601 | Interlake True Value | | 111.23 | |
| 12/30/2003 | CD1 | 2608 | Andrew Luedde | | 47.82 | |
| | | | Net Change | | 685.12 | |
| | | | Ending Balance | | | 2,588.09 |

# Camp Florida Resort POA Inc.

## Detail General Ledger

For the period 10/01/2003 to 12/31/2003

Run: Jan 12 2004 @ 09:25 AM

| Date | Source | Ref # | Description | | Balance Forward | Current Period | Ending Balance |
|---|---|---|---|---|---|---|---|
| 08000.940 | Taxes | | | | | | |
| | | | | Balance Forward | 4,306.00 | | |
| | | | | Net Change | | 0.00 | |
| | | | | Ending Balance | | | 4,306.00 |
| 08000.946 | Water & sewer expense | | | | | | |
| | | | | Balance Forward | 4,060.07 | | |
| 10/22/2003 | CD1 | 2576 | LP Utilities | | | 371.22 | |
| 11/21/2003 | CD1 | 2590 | LP Utilities | | | 507.98 | |
| 12/30/2003 | CD1 | 2605 | LP Utilities | | | 492.95 | |
| | | | | Net Change | | 1,372.15 | |
| | | | | Ending Balance | | | 5,432.22 |
| 09000.957 | Interest income | | | | | | |
| | | | | Balance Forward | (169.82) | | |
| | | | | Net Change | | 0.00 | |
| | | | | Ending Balance | | | (169.82) |
| 09000.960 | Federal income tax | | | | | | |
| | | | | Balance Forward | 16,570.00 | | |
| | | | | Net Change | | 0.00 | |
| | | | | Ending Balance | | | 16,570.00 |



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# BANK RECONCILIATION

CRICKET CP-186

Name of Client Came Fiduciary Reserve POA Month of Oct – December 2003

Bank of America Account No. 1000-105 Prepared by Jen

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| GENERAL LEDGER ACCOUNT BALANCE | | | $ 138050 | 84 | BALANCE PER BANK STATEMENT AS OF 12-31 2003 | | $ 144392 | 82 |
| ADD DEBITS: | | | | | ADD DEPOSITS IN TRANSIT: | | | |
| Deposits | $ 57428 | 63 | | | | $ | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total Dr. | $ | | | | Total in Transit | $ | | |
| Total | | | $ 195479 | 47 | Total | | $ | |
| LESS CREDITS: | | | | | | | | |
| Checks | $ 68665 | 51 | | | LESS CHECKS OUTSTANDING: (See list below) | $ 17578 | 86 | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total Cr. | $ | | | | Total | | | |
| BANK BALANCE - Per General Ledger | | | $ 126813 | 96 | BANK BALANCE - Per Reconciliation | | $ 126813 | 96 |

## CHECKS OUTSTANDING

| NUMBER | AMOUNT | | NUMBER | AMOUNT | NUMBER | AMOUNT | NUMBER | AMOUNT |
|---|---|---|---|---|---|---|---|---|
| 2604 | 359 | 18 | | | | | | |
| 2605 | 492 | 95 | | | | | | |
| 2606 | 59 | 59 | | | | | | |
| 2607 | 16619 | 32 | | | | | | |
| 2608 | 47 | 82 | | | | | | |
| | 17578 | 86 | | | | | | |
| | | | | | | | TOTAL | $ |

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**EXHIBIT NO. _____**

**DESCRIPTION:**

# STAFF COMPOSITE EXHIBIT OF STIPULATED DOCUMENTS STIP-4

**Florida Department of State, Division of Corporations - status of The Woodlands of Lake Placid, L.P.**

**PROFFERING PARTY: STAFF**

**DOCKET NO. 030102-WS**
**WOODLANDS OF LAKE PLACID, L.P. AND**
**L.P. UTILITIES CORPORATION**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 4
COMPANY/ FPSC Staff
WITNESS: Stip-4
DATE: 08-11-04

Florida Department of State, Division of Corporations

Corporations Online

www.sunbiz.org

# Public Inquiry

## Corporate Name List

| Corporate Name | Document Number | Status |
|---|---|---|
| THE WOODLANDS OF LAKE PLACID, LIMITED PARTNERSHIP | B95000000329 | INACT/UA |
| THE WOODLANDS OF LAKE PLACID, L.P. | B95000000329 | CROSS RF |
| THE WOODLANDS OF LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC. | N23016 | ACT |
| WOODLANDS LANDSCAPE CO., INC. | 552806 | INACT |
| WOODLANDS LEASING, INC. | P04000096189 | ACT |
| WOODLANDS LUTHERAN CAMP OF LAKE CO, INC. | 729115 | INACT |
| WOODLANDS LUTHERAN CHURCH OF LAKE COUNTY, INC. | N29557 | ACT |
| WOODLANDS LUTHERAN MINISTRIES, INC. | N44352 | ACT |
| WOODLANDS MANAGEMENT SERVICES, INC. | P96000087674 | INACT |
| THE WOODLANDS OF MIAMI, INC. | 414833 | INACT |
| THE WOODLANDS OF MIAMI HOMEOWNERS ASSOCIATION, INC. | N04000003497 | ACT |
| THE WOODLANDS OF MILTON HOMEOWNERS ASSOCIATION, INC. | 765804 | INACT |
| THE WOODLANDS OF NAPLES, INC. | M84561 | INACT |
| WOODLANDS NEW LIFE CENTER, INC. | N00000000203 | ACT |
| WOODLANDS NURSERY, INC. | 575560 | INACT |
| WOODLANDS NURSERY WEST, INC. | 575559 | INACT |
| WOODLANDS NURSING HOME, INC. | M11208 | INACT |
| WOODLANDS OF OCALA, INC. | J89331 | INACT |
| THE WOODLANDS OWNERS ASSOCIATION, INC. | 752190 | ACT |
| WOODLANDS OF PALM SPRINGS HOMEOWNERS ASSOCIATION, INC. | 743348 | ACT |
| WOODLANDS PARK, INC. | P01000046954 | ACT |
| WOODLANDS PARK BAPTIST CHURCH, INC. | 731730 | NAME HS |
| WOODLANDS PARK DEVELOPMENT, LTD. | A31852 | INACT |
| WOODLANDS PARK ON PALMA SOLA BAY HOMEOWNERS ASSOCIATION, INC. | N02000004953 | ACT |

Previous List Next List

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**

**Corporations Inquiry** **Corporations Help**

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Florida Department of State, Division of Corporations

Corporations Online

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Public Inquiry

# Foreign Limited Partnership

**THE WOODLANDS OF LAKE PLACID, LIMITED PARTNERSHIP**

## Cross Reference Name

**THE WOODLANDS OF LAKE PLACID, L.P.**

PRINCIPAL ADDRESS
1525 U.S. 27 SOUTH
LAKE PLACID FL 33852
Changed 06/07/1996

MAILING ADDRESS
1525 U.S. 27 SOUTH
LAKE PLACID FL 33852
Changed 06/07/1996

**Document Number**
B95000000329

**FEI Number**
650657571

**Date Filed**
09/14/1995

**State**
IN

**Status**
INACTIVE

**Effective Date**
NONE

**Last Event**
REVOKED FOR ANNUAL REPORT

**Event Date Filed**
09/26/2003

**Event Effective Date**
NONE

**Actual Contribution**
1,000.00

## Registered Agent

| Name & Address |
| --- |
| C T CORPORATION SYSTEM<br>1200 SOUTH PINE ISLAND ROAD<br>PLANTATION FL 33324 |

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# General Partner Detail

| Name & Address | Document Number |
|---|---|
| CAMPER CORRAL, INC.<br>7406 U.S. 27 NORTH<br><br>SEBRING FL 33870 | H39937 |

# Annual Reports

| Report Year | Filed Date |
|---|---|
| 2000 | 04/10/2000 |
| 2001 | 03/15/2001 |
| 2002 | 04/30/2002 |

Previous Filing | Return to List | Next Filing

View Events

No Name History Information

# Document Images

Listed below are the images available for this filing.

04/30/2002 -- COR - ANN REP/UNIFORM BUS REP
03/15/2001 -- ANN REP/UNIFORM BUS REP
04/10/2000 -- ANN REP/UNIFORM BUS REP
02/16/1999 -- ANNUAL REPORT
10/31/1997 -- ANNUAL REPORT
11/12/1996 -- ANNUAL REPORT

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**Corporations Inquiry** **Corporations Help**

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Florida Department of State, Division of Corporations

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Public Inquiry

# THE WOODLANDS OF LAKE PLACID, LIMITED PARTNERSHIP

| Document Number | Date Filed | Effective Date | Status |
|---|---|---|---|
| B95000000329 | 09/14/1995 | None | Inactive |

| EVENT TYPE | FILED DATE | EFFECTIVE DATE | DESCRIPTION |
|---|---|---|---|
| REVOKED FOR ANNUAL REPORT | 09/26/2003 | | |
| REINSTATEMENT | 06/07/1996 | | |
| REVOKED FOR ANNUAL REPORT | 04/12/1996 | | |

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**

Corporations Inquiry

Corporations Help

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**EXHIBIT NO.** 5

**DESCRIPTION:**

# STAFF COMPOSITE EXHIBIT OF STIPULATED DOCUMENTS STIP-5

**The Woodlands of Lake Placid, L.P. Annual Report Schedule F-4 for the year ending December 31, 2002; L.P. Utilities Corporation Annual Report Schedule F-4 for the years ending December 31, 2002, and December 31, 2003**

**PROFFERING PARTY: STAFF**

**DOCKET NO. 030102-WS**
**WOODLANDS OF LAKE PLACID, L.P. AND**
**L.P. UTILITIES CORPORATION**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 5
COMPANY/ FPSC STAFF
WITNESS: Stip-5
DATE: 08-11-04

UTILITY NAME: Woodlands of Lake Placid, LP

YEAR OF REPORT
DECEMBER 31, 2002

## COMPARATIVE BALANCE SHEET

| ACCOUNT NAME | Reference Page | Current Year | Previous Year |
|---|---|---|---|
| Assets: | | | |
| Utility Plant in Service (101-105) | F-5,W-1,S-1 | $ | $ 894,227 |
| Accumulated Depreciation and Amortization (108) | F-5,W-2,S-2 | | 273,024 |
| Net Utility Plant | | $ | $ 621,203 |
| Cash | | | 14,104 |
| Customer Accounts Receivable (141) | | | 4,869 |
| Other Assets (Specify): | | | |
| Land | | | |
| Special Deposits | | | 1,672 |
| Misc'l deferred debt | | | 25,408 |
| Non-Utility property net | | | 719,121 |
| Total Assets | | $ | $ 1,386,377 |
| Liabilities and Capital: | | | |
| Common Stock Issued (201) | F-6 | | |
| Preferred Stock Issued (204) | F-6 | | |
| Other Paid in Capital (211) | | | |
| Retained Earnings (215) | F-6 | | |
| Propietary Capital (Proprietary and partnership only) (218) | F-6 | | (348,835) |
| Total Capital | | $ | $ (348,835) |
| Long Term Debt (224) | F-6 | $ | $ 321,599 |
| Accounts Payable (231) | | | |
| Notes Payable (232) | | | 1,189,307 |
| Customer Deposits (235) | | | |
| Accrued Taxes (236) | | | 3,385 |
| Other Liabilities (Specify) | | | |
| | | | |
| | | | |
| Advances for Construction | | | |
| Contributions in Aid of Construction - Net (271-272) | F-8 | | 220,921 |
| Total Liabilities and Capital | | $ | $ 1,386,377 |

REVISED

UTILITY NAME: L.P UTILITIES CORPORATION

YEAR OF REPORT
DECEMBER 31, 2002

## COMPARATIVE BALANCE SHEET

| ACCOUNT NAME | Reference Page | Current Year | Previous Year |
|---|---|---|---|
| **Assets:** | | | |
| Utility Plant in Service (101-105) | F-5,W-1,S-1 | $ 900,667 | $ 0 |
| Accumulated Depreciation and Amortization (108) | F-5,W-2,S-2 | 299,984 | |
| Net Utility Plant | | $ 600,683 | $ |
| Cash | | | |
| Customer Accounts Receivable (141) | | | |
| Other Assets (Specify): | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Assets | | $ 600,683 | $ 0 |
| **Liabilities and Capital:** | | | |
| Common Stock Issued (201) | F-6 | 10,000 | |
| Preferred Stock Issued (204) | F-6 | | |
| Other Paid in Capital (211) | | | |
| Retained Earnings (215) | F-6 | ( 1,370 ) | |
| Proprietary Capital (Proprietary and partnership only) (218) | F-6 | | |
| Total Capital | | $ 8,630 | $ |
| Long Term Debt (224) | F-6 | $ | $ |
| Accounts Payable (231) | | 378,569 | |
| Notes Payable (232) | | | |
| Customer Deposits (235) | | 1,065 | |
| Accrued Taxes (236) | | | |
| Other Liabilities (Specify) | | | |
| | | | |
| | | | |
| Advances for Construction | | | |
| Contributions in Aid of Construction - Net (271-272) | F-8 | 212,425 | |
| Total Liabilities and Capital | | $ 600,683 | $ 0 |

UTILITY NAME: L.P. Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2003

COMPARATIVE BALANCE SHEET

| ACCOUNT NAME | Reference Page | Current Year | Previous Year |
|---|---|---|---|
| Assets: | | | |
| Utility Plant in Service (101-105) | F-5,W-1,S-1 | $ 900,667 | $ 900,667 |
| Accumulated Depreciation and Amortization (108) | F-5,W-2,S-2 | 328,540 | 299,984 |
| Net Utility Plant | | $ 572,127 | $ 600,683 |
| Cash | | 18,339 | |
| Customer Accounts Receivable (141) | | | |
| Other Assets (Specify): | | | |
| Total Assets | | $ 590,466 | $ 600,683 |
| Liabilities and Capital: | | | |
| Common Stock Issued (201) | F-6 | 10,000 | 10,000 |
| Preferred Stock Issued (204) | F-6 | | |
| Other Paid in Capital (211) | | | |
| Retained Earnings (215) | F-6 | (48,384) | ( 1,370) |
| Propietary Capital (Proprietary and partnership only) (218) | F-6 | | |
| Total Capital | | $ (38,384) | $ 8,630 |
| Long Term Debt (224) | F-6 | $ | $ |
| Accounts Payable (231) | | 42,546 | |
| Notes Payable (232) | | 378,563 | 378,563 |
| Customer Deposits (235) | | 3,812 | 1,065 |
| Accrued Taxes (236) | | | |
| Other Liabilities (Specify) | | | |
| Advances for Construction | | | |
| Contributions in Aid of Construction - Net (271-272) | F-8 | 203,929 | 212,425 |
| Total Liabilities and Capital | | $ 590,466 | $ 600,683 |

**EXHIBIT NO. _____**

**DESCRIPTION:**

# STAFF COMPOSITE EXHIBIT OF STIPULATED DOCUMENTS STIP-6

**Schedules 3-A and 3-B, Order No. PSC-03-1051-FOF-WS, issued September 22, 2003, in Docket No. 030102-WS**

**PROFFERING PARTY: STAFF**

**DOCKET NO. 030102-WS**
**WOODLANDS OF LAKE PLACID, L.P. AND**
**L.P. UTILITIES CORPORATION**

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 030102-WS EXHIBIT NO. 6
COMPANY/ FPSC Staff
WITNESS. Stip-6
DATE: 08-11-04

**WOODLANDS OF LAKE PLACID**
**TEST YEAR ENDING 12/31/01**
**SCHEDULE OF WATER OPERATING INCOME - POST HEARING**

**SCHEDULE NO. 3-A**
**DOCKET NO. 020010-WS**

| | TEST YEAR PER UTILITY | ADJ PER PAA ORDER | TOTAL PER PAA ORDER | COMMISSION ADJUSTMENTS | COMMISSION ADJUSTED TEST YEAR | ADJUST FOR (DECREASE) FROM PAA | TOTAL PER COMMISSION |
|---|---|---|---|---|---|---|---|
| 1. OPERATING REVENUES | $0 | $65,004 | $65,004 | $0 | $65,004 | ($2,778)<br>-4.27% | $62,226 |
| OPERATING EXPENSES: | | | | | | | |
| 2. OPERATION & MAINTENANCE | 89,848 | ($55,486) | 34,362 | 1,269 | 35,631 | 0 | 35,631 |
| 3. DEPRECIATION (NET) | 0 | $10,175 | 10,175 | (1,800) | 8,375 | 0 | 8,375 |
| 4. AMORTIZATION | 0 | $0 | 0 | 0 | 0 | 0 | 0 |
| 5. TAXES OTHER THAN INCOME | 0 | $4,769 | 4,769 | 0 | 4,769 | (125) | 4,644 |
| 6. INCOME TAXES | 0 | $0 | 0 | 0 | 0 | 0 | 0 |
| 7. TOTAL OPERATING EXPENSES | $89,848 | ($40,542) | $49,306 | ($531) | $48,775 | ($125) | $48,650 |
| 8. OPERATING INCOME/(LOSS) | ($89,848) | | $15,698 | | $16,229 | | $13,575 |
| 9. WATER RATE BASE | $138,711 | | $218,635 | | $189,086 | | $189,086 |
| 10. RATE OF RETURN | -64.77% | | 7.18% | | 8.58% | | 7.18% |

000186

WOODLANDS OF LAKE PLACID
TEST YEAR ENDING 12/31/01
SCHEDULE OF WASTEWATER OPERATING INCOME - POST HEARING

SCHEDULE NO. 3-B
DOCKET NO. 020010-WS

| | TEST YEAR PER UTILITY | ADJUSTMENTS PER PAA ORDER | TOTAL PER PAA ORDER | COMMISSION ADJUSTMENTS | COMMISSION ADJUSTED TEST YEAR | ADJUST FOR INCREASE FROM PAA | TOTAL PER COMMISSION |
|---|---|---|---|---|---|---|---|
| 1. OPERATING REVENUES | $0 | $0 | $56,215 | $0 | $56,215 | $1,119<br>1.99% | $57,334 |
| OPERATING EXPENSES: | | | | | | | |
| 2. OPERATION & MAINTENANCE | 211 | 27,421 | 27,632 | 1,059 | $28,691 | 0 | 28,691 |
| 3. DEPRECIATION (NET) | 24,859 | (16,614) | 8,245 | 0 | $8,245 | 0 | 8,245 |
| 4. AMORTIZATION | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. TAXES OTHER THAN INCOME | 0 | 6,596 | 6,596 | 0 | $6,596 | 50 | 6,646 |
| 6. INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. TOTAL OPERATING EXPENSES | $25,070 | 17,403 | $42,473 | $1,059 | $43,532 | $50 | $43,582 |
| 8. OPERATING INCOME/(LOSS) | ($25,070) | | $13,742 | | $12,683 | | $13,751 |
| 9. WASTEWATER RATE BASE | $1,071,977 | | $191,391 | | $191,523 | | $191,523 |
| 10. RATE OF RETURN | -2.34% | | 7.18% | | 6.62% | | 7.18% |

0001587

**EXHIBITS TO**

**DIRECT TESTIMONY OF**

**JOHN H. LOVELETTE**

BEFORE THE PUBLIC SERVICE COMMISSION

Regarding the Application for authority to sell, assign or transfer utility facilities

of The Woodlands of Lake Placid, L.P. in Highlands County, Florida to Camp Florida Property Owners Association, Inc. and application to transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association, Inc.

Docket No. 030102-WS

| | |
|---|---|
| **Exhibit ____ (JHL-1)** | Copy of Application |
| Exhibit ____ (JHL-2) | Copy of Contract for installation of meters |

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 7
COMPANY/ L.P. Utilities Corp.
WITNESS: JHL-1
DATE: 08-11-04

Exhibit ___ (JHL-1)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Utility Facilities of **THE WOODLANDS OF LAKE PLACID, L.P.** in Highlands County, Florida to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**, and Application to Transfer Majority Organizational Control of L.P. Utilities Corporation to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**
_____/

Docket No. _____

**APPLICATION FOR AUTHORITY TO SELL, ASSIGN OR TRANSFER UTILITY FACILITIES OF THE WOODLANDS OF LAKE PLACID, L.P. IN HIGHLANDS COUNTY, FLORIDA TO CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC. AND APPLICATION TO TRANSFER MAJORITY ORGANIZATIONAL CONTROL OF L.P. UTILITIES, INC. TO CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**

L.P. UTILITIES CORPORATION ("LPUC"), by and through its undersigned attorneys, and pursuant to Section 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code, files this Application for authority to sell, assign or transfer utility facilities in Highlands County of THE WOODLANDS OF LAKE PLACID, L.P. ("Utility") under Certificate No. 533-S, to CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC. ("Camp Florida") and the Application for authority to transfer majority organizational control of L.P. Utilities, Inc., as the holder of Certificate No. 620-W to CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC. In support of this Application, LPUC provides the following information:

1. The exact name of LPUC and the address of its principal

business office is:

L.P Utilities Corporation
P.O. Box 478
Lake Placid, FL 33862

2. The exact name of the Utility and the address of its principal business office is:

The Woodlands of Lake Placid, L.P.
1525 U.S. 27 South
Lake Placid, FL 33852

3. The exact name of Camp Florida and the address of its principal business office is:

Camp Florida Property Owners Association, Inc.
100 Shoreline Drive
Lake Placid, FL 33862

4. The exact name of Anbeth Corporation ("Anbeth") and the address of its principal business office is:

Anbeth Corporation
100 Shoreline Drive
Lake Placid, FL 33852

5. The name and address of the person authorized to receive notices and communications in respect to this application is:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701
(407)830-6331
(407)830-8522 fax
mfriedman@rsbattorneys.com

6. LPUC does not have either original water Certificate No. 620-W or wastewater Certificate No. 533-S, and believes that they have not been issued to LPUC by the Commission. Copies of Certificate Nos. 620-W 533-S are attached to this Application as

Exhibit "A". LPUC respectfully requests the Commission to issue a new water Certificate to LPUC and to cancel the wastewater certificate.

7. The purpose of this Application is to reflect the terms of the Agreement for Purchase and Sale by and among LPUC, Anbeth and Camp Florida dated October, 2003 pursuant to which, among other matters, Camp Florida will purchase (a) first, the wastewater assets held in the name of The Woodlands of Lake Placid, L.P., and (b) thereafter, all of the outstanding shares of LPUC, as holder of water Certificate No. 620-W ("Agreement"). A copy of the Agreement is attached hereto as Exhibit "B".

8. Camp Florida is a Florida non-profit corporation incorporated on July 10, 1990. Wastewater service provided by Camp Florida will be exempt from regulation by the Commission under Section 367.022(7), Florida Statutes, since all of the wastewater service customers are members of Camp Florida.

9. The names and addresses of Camp Florida's corporate officers and directors are:

John H. Lovelette, Director and President
38 Hidden Harbor Lane
Lake Placid, FL 33852

Pat Da Salva, Vice President
241 Shoreline Drive
Lake Placid, FL 33852

Teresa Lovelette, Shareholder and Director
38 Hidden Harbor Lane
Lake Placid, FL 33852

Mino Sarmi, Director
22 Freedom Way
Lake Placid, FL 33852

10. Camp Florida does not own any other water or wastewater utilities in Florida.

11. Pursuant to the Agreement, Camp Florida will acquire all of the wastewater system assets from LPUC as described in Order No. PSC-03-1051-FOF-WS, and assume LPUC's obligations to provide wastewater service to LPUC's customers as authorized by Certificate No. 533-S.

12. Camp Florida will pay the purchase price for the wastewater system assets of $191,523.00, by the execution and delivery at the closing of a note payable to Anbeth over a period of 10 years, the payment of which will be secured by a mortgage in favor of Anbeth on the real property and improvements comprising the wastewater system. The purchase price is equal to the rate base established in Order No. PSC-03-1051-FOF-WS.

13. The net book value of the wastewater system was established in Order No. PSC-03-1051-FOF-WS.

14. Pursuant to the Agreement, after the transfer of the wastewater assets from LPUC, Camp Florida has agreed to purchase all of the issued and outstanding shares of LPUC.

15. The name and address of LPUC's sole shareholder is Anbeth Corporation, 100 Shoreline Drive, Lake Placid, FL 33852.

16. Camp Florida will pay the purchase price of $100,000.00

for all of the issued and outstanding shares of LPUC, in cash at the closing. The purchase price was reduced from the rate base established in Order No. PSC-03-1051-FOF-WS by $89,086.00 to reflect LPUC's assumption of the obligation to pay a refund to customers pursuant to Order No. PSC-03-1051-FOF-WS.

17. LPUC has no guaranteed revenue contracts, developer agreements, customer advances, customer deposits or other liabilities, other than the lease for office space which will be assumed by Camp Florida, and the obligation Camp Florida will assume the obligation to make certain refunds pursuant to Order No. PSC-03-1051-FOF-WS. LPUC will continue to lease its office space.

18. No acquisition adjustment is requested at this time.

19. Camp Florida has obtained copies of all of the federal income tax returns of LPUC since rate base was last established.

20. Camp Florida has made a reasonable inspection of the water and wastewater system assets and found them to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection.

21. A copy of the deed to LPUC's water and wastewater plant sites are attached hereto as Exhibit "C".

22. LPUC will be responsible for the payment of all outstanding regulatory assessment fees regarding the wastewater system through the date of closing, at which time the wastewater system will become exempt from Commission jurisdiction pursuant to

Section 367.022(7), Florida Statutes. LPUC will continue to operate the water system under Certificate No. 620-W and be responsible for the payment of regulatory assessment fees applicable to the provision of water service under Certificate No. 620-W.

23. Revised tariff sheets in respect of Certificate No. 533-S reflecting the change in ownership of the wastewater system are not provided because Camp Florida is exempt from Commission jurisdiction. There are no changes to the tariff for the provision of water service under Certificate No. 620-W.

24. The approval of this Application is in the public interest because it will enable LPUC to pay the refunds pursuant to Order No. PSC-03-1051-FOF-WS, and continue in operation. Camp Florida will retain the experienced and knowledgeable staff to operate the wastewater system assets in accordance with industry standards. LPUC is an established utility and has both the financial and technical ability to render reasonably sufficient, adequate and efficient service. It will continue to operate the water system assets with its current staff. There will be no interruption or curtailment of service.

25. Attached as Exhibit "D" is an affidavit that actual notice of the application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida

Administrative Code.

23. Late Filed Exhibit "E" will be an affidavit that actual notice of the application was given to each customer of the water and wastewater systems in accordance with Rule 25-30.030, Florida Administrative Code.

24. Late Filed Exhibit "F" will be an affidavit that notice of the application was published once a week 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 will accompany the affidavit.

25. The water system serves less than 500 ERCs and the wastewater system serves less than 500 ERCs. Pursuant to Rule 25-30-020, Florida Administrative Code, the appropriate filing fee is $1,500.00 ($750.00 for the water system, and $750.00 for the wastewater system).

Respectfully submitted on this 31 day of October, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard
Suite 160
Altamonte Springs, Florida 32701
Telephone: (407) 830-6331
Facsimile: (407) 830-8522
Email: mfriedman@rsbattorneys.com

By: _____
MARTIN S. FRIEDMAN

EXHIBIT "A"

Copies of Certificate Nos. 620-W and 533-S

# FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

533 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

THE WOODLANDS OF LAKE PLACID, L.P.

Whose principal address is:

1525 U.S. Highway 27 South
Lake Placid, FL 33852 (Highlands County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER PSC-02-0250-PAA-WS DOCKET 990374-WS

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Commission Clerk and Administrative Services Director

# FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

620 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

THE WOODLANDS OF LAKE PLACID, L.P.

Whose principal address is:

1525 U.S. Highway 27 South
Lake Placid, FL 33852 (Highlands County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER PSC-02-0250-PAA-WS DOCKET 990374-WS

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Commission Clerk and Administrative Services Director

**EXHIBIT "B"**

**Agreement**

# AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE is made and entered into this ____ day of October, 2003, by and among L.P. Utilities Corporation ("L.P."), ANBETH CORPORATION ("Anbeth"), and CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC. ("Association").

WHEREAS, L.P. owns a water and wastewater system in Highlands County, Florida; and

WHEREAS, Anbeth is the sole shareholder of L.P.; and

WHEREAS, Association desires to purchase the wastewater system from L.P. and immediately thereafter the stock of L.P.

NOW THEREFORE, for and in consideration of the mutual covenants set forth herein and other good and valuable consideration, the parties agree as follows:

## 1.0 COVENANT TO PURCHASE AND SELL WASTEWATER SYSTEM

1.1 Association shall purchase from L.P. all of the wastewater system assets of L.P. as included in the Florida Public Service Commission's ("Commission") Order No. PSC-03-1051-FOF-WS.

1.2 The Purchase Price for the wastewater system shall be One Hundred Ninety-One Thousand Five Hundred Twenty-Three Dollars and No Cents ($191,523.00). Anbeth or its assigns agrees to finance 100% of the purchase price, amortized by quarterly payments over a ten (10) year period at an interest rate of 6.99% per annum. The loan will be secured by a first mortgage and a promissory note on the land and attachments of the subject property. Principal and interest payments shall be paid quarterly to coincide with the receipt by the Association of maintenance fees from its members.

1.3 The wastewater system shall be conveyed free and clear of all liens and encumbrances. Current real estate taxes shall be prorated based on the date of closing. The wastewater system shall be conveyed "As Is" without any representations or warranties regarding its condition.

1.4 L.P. holds no customer deposits, or customer advances, and there are no guaranteed revenue contracts or developer agreements. L.P. leases office space, which lease shall be assumed by Association.

1.5 L.P. shall be responsible for the payment of all regulatory assessment fees through the date of closing, at which time, the wastewater system will be exempt from Commission jurisdiction by virtue of Section 367.022 (7), Florida Statutes.

2.0 COVENANT TO PURCHASE THE STOCK OF L.P.

2.1 Association shall purchase from Anbeth all of the issued and outstanding shares of L.P.

2.2 The Purchase Price for the stock of L.P. shall be One Hundred Thousand Dollars and No Cents ($100,000.00), payable in cash at closing.

2.3 At closing, L.P. shall be debt free, except for the obligation of L.P. to make refunds pursuant to Commission Order No. PSC-03-1051-FOF-WS. The Purchase Price was reduced by Eighty-Nine Thousand Eighty-Six Dollars and No Cents ($89,086.00) in consideration of L.P. assuming the refund obligation.

2.4 L.P. holds no customer deposits or customer advances and there are no guaranteed revenue contracts or developer agreements. L.P. will continue to lease its current office space.

2.5 Real estate taxes for the current year shall be prorated between L.P. and Association based on the date of closing.

3.0 REGULATORY APPROVALS

3.1 This Agreement is contingent upon Commission approval pursuant to Section 367.071 (1), Florida Statutes.

3.2 L.P. shall file an Application with the Commission within fifteen (15) days of the date of this Agreement. All parties shall cooperate in that proceeding.

4.0 CLOSING

4.1 These conveyances shall be closed at a time and place to be agreed upon by the parties within ten (10) days after the Commission Agenda Conference at which these transfers are approved.

4.2 The parties may close this transaction prior to Commission approval at such time and on such date as agreed among the parties.

4.3 The two conveyances provided herein are contingent upon closing of each other.

5.0 REPRESENTATION

5.1 Each party represents to the other parties that all requisite actions have been taken for approval of this Agreement and that the person executing this Agreement has been authorized to do so on behalf of such party, and there is a binding agreement as to such party.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

BY: John H. Lovelette
Its: President

L.P. UTILITIES CORPORATION

BY: R. Anthony Cozier
Its: President

ANBETH CORPORATION

BY: R. Anthony Cozier
Its: President

EXHIBIT "C"

Copy of Deed

Prepared by and return to:
James F. McCollum
McCollum & Rinaldo, P.L.
129 South Commerce Avenue
Sebring, FL 33870
863-385-5188
File Number: 384-02MM
Will Call No.:

[Space Above This Line For Recording Data]

# Warranty Deed

This Warranty Deed made this 1 day of October, 2002 between Highvest Corp., a Florida corporation whose post office address is 200 Shoreline Drive, Lake Placid, FL 33852, grantor, and L.P. Utilities Corporation, a Florida corporation whose post office address is 129 South Commerce Avenue, Sebring, FL 33870, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Highlands County, Florida to-wit:

WATER PLANT No. 1

A parcel of land located in the Northeast 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence S70° 46'35"E along the North line of said Lot 3, extended, a distance of 36.23 feet; thence N68° 40'00"E, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence S08° 10'00"W, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence S68° 40'00"W along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence N71° 09'55"W, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence S19° 45'00"W, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence N71° 09'55"W, along the North line of Shoreline Drive a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence N19° 45'00"E, along the East line of Lots 1 through 3, Block K, a distance of 121.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

WATER PLANT No. 2

A parcel of land located in the Northwest 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commencing at the Southerly most point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, at Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence N65° 07'11"E along the Southerly line of said Replat extended a distance of 320.00 feet; thence N24° 52'49"W, a distance of 282.81 feet to the POINT OF BEGINNING; thence continuing N24° 52'49"W, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat, (the following four (4) calls are along the boundary of said Replat); (1) thence N65° 07'11"E, a distance of 138.06 feet; (2) thence S69° 05'48"E, a distance of 8.86 feet; (3) thence N88° 19'15"E, a distance of 135.89 feet; (4) thence S35° 18'13"E, a distance of 256.10 feet; thence S65° 07'11"W, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

WASTEWATER TREATMENT PLANT

A Portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N89° 46'50"W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N1° 09'49"W along the West line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue N1° 09'49"W along the last described course for a distance of 300.00 feet to a point; thence run S89° 46'50"E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S1° 09'49"E, parallel to the West line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N89° 46'50"W parallel to the South line of said Southwest 1/4 of a distance of 410.00 feet to the POINT OF BEGINNING.
SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

DoubleTime®

Parcel Identification Number: This instrument was prepared from information furnished by the parties. No examination of title was made and no responsibility is assumed for title or description problems.

SUBJECT TO a Purchase Money First Mortgage, given by Grantee to Grantor, securing the original principal sum of $409,959.00.

This property does not constitute the homestead property of the Grantor.

**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 the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to .

**In Witness Whereof,** grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Witness Name: Teresa A. Lovelette

Witness Name: TERESA A. LOVELETTE

Highvest Corp.
a Florida corporation

By: _____
R. Anthony Cozier
President

(Corporate Seal)

State of Florida
County of Highlands

The foregoing instrument was acknowledged before me this 1 day of October, 2002 by R. Anthony Cozier, President of Highvest Corp., a Florida corporation, on behalf of the corporation. He [X] is personally known to me or [ ] has produced a driver's license as identification.

[Notary Seal]

TERESA A. LOVELETTE
MY COMMISSION # CC 868018
EXPIRES: Aug 31, 2003
1-800-3-NOTARY Fla. Notary Service & Bonding Co.

Notary Public, State of Florida

Printed Name: TERESA A. LOVELETTE

My Commission Expires: _____

**AFFIDAVIT OF MAILING**

STATE OF FLORIDA

COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared MICHELE PARKS, who, after being duly sworn on oath, did depose on oath and say that she is the legal assistant of Martin S. Friedman, attorney for L.P. UTILITIES CORPORATION, and that on October 17, 2003, she did send by regular U.S. mail, a copy of the notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

MICHELE PARKS

Sworn to and subscribed before me this 17 day of October, 2003, by Michele Parks, who is personally known to me.

Martin S. Friedman
MY COMMISSION # CC928326 EXPIRES
August 16, 2004
BONDED THRU TROY FAIN INSURANCE, INC

Print Name
NOTARY PUBLIC
My Commission Expires:

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER CERTIFICATE NO. 533-S AND WASTEWATER ASSETS AND TRANSFER MAJORITY ORGANIZATIONAL CONTROL OF L.P. UTILITIES CORPORATION LEGAL NOTICE**

Notice is hereby given on the 17th of October, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of wastewater facilities of The Woodlands of Lake Placid, L.P. to Camp Florida Property Owners Association, and transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association. THIS APPLICATION IS NOT A REQUEST TO CHANGE THE RATES OF L.P. UTILITIES CORPORATION. The transfer will affect the provision of water and wastewater service to the following described territory in Highlands County, Florida:

Certificate No. 620-W (Water):

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

Certificate No. 533-S (Sewer):

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast ¼ and the Northwest ¼ of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast ¼ and 413.15 feet North of the South line of said Northwest ¼ to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles ; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30

East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81°58'06" West, 29.61 feet; (2) thence North 35°18'13" West, 256.10 feet; (3) thence South 88°19'15" West, 135.89 feet; (4) thence North 69°05'48" West, 8.86 feet; (5) thence South 65°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 65°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65°08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87°00'00" East, 218.15 feet; (13) thence North 50°00'00" East, 166.49 feet; (14) thence North 75°29'10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of North 79°41'18" East, and a chord distance of 55.33 feet , an arc distance of 55.38 feet to the Point of Beginning.

Any objections to the Application must be made in writing and filed with the Florida Public Service Commission, Director, Division of Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a copy to Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 600 South North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, within 30 days from the date of this Notice. The objection must state the grounds for the objection with particularity.

L.P. UTILITIES CORPORATION

# LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY
## (VALID FOR 60 DAYS)
## 10/17/2003 - 12/15/2003

| UTILITY NAME | MANAGER |
|---|---|
| **HIGHLANDS COUNTY** | |
| AQUASOURCE UTILITY, INC. (WU827)<br>% AQUASOURCE, INC.<br>6960 PROFESSIONAL PARKWAY EAST, #400<br>SARASOTA, FL 34240-8432 | NANCE GUTH<br>(941) 907-7411 |
| C & H UTILITIES, INC. (SU526)<br>P. O. BOX 1088<br>SEBRING, FL 33871-1088 | WENDELL L. FAIRCLOTH<br>(363) 471-1400 |
| C & H UTILITIES, INC. (WU649)<br>P. O. BOX 1088<br>SEBRING, FL 33871-1088 | WENDELL L. FAIRCLOTH<br>(863) 471-1400 |
| COUNTRY CLUB OF SEBRING (WS654)<br>3035 WYNSTONE DRIVE<br>SEBRING, FL 33875-4745 | R. GREG HARRIS<br>(863) 385-6330 |
| CREOLA, INC. (SU658)<br>P. O. BOX 1257<br>SAFETY HARBOR, FL 34695-1257 | DAVID L. HICKMAN<br>(727) 793-9302 |
| CWS COMMUNITIES LP D/B/A CRYSTAL LAKE CLUB (WS831)<br>533 EAST CRYSTAL LAKE DRIVE<br>AVON PARK, FL 33825-9739 | BILL GALIDA<br>(863) 385-7727 |
| DAMON UTILITIES, INC. (WS551)<br>47 LAKE DAMON DRIVE<br>AVON PARK, FL 33825-8902 | LISA DAVIS<br>(863) 453-0773 |
| FAIRMOUNT UTILITIES, THE 2ND, INC. (SU648)<br>P. O. BOX 488<br>AVON PARK, FL 33826-0488 | ROGER E. MILLER<br>(941) 385-8542 |
| FLORIDA WATER SERVICES CORPORATION (WS618)<br>P. O. BOX 609520<br>ORLANDO, FL 32860-9520 | CARLYN KOWALSKY<br>(407) 598-4297 |
| HARDER HALL - HOWARD, INC. (SU644)<br>122 EAST LAKE DRIVE BLVD.<br>SEBRING, FL 33872-5018 | PAUL E. HOWARD<br>(863) 382-8725 |
| HIGHLANDS RIDGE UTILITIES, LLC (WS844)<br>1275 LAKE HEATHROW LANE<br>HEATHROW, FL 32746-4398 | JOE DOBOSH<br>(407) 333-1000 |

# LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY
# (VALID FOR 60 DAYS)
# 10/17/2003 - 12/15/2003

| UTILITY NAME | MANAGER |
|---|---|
| **HIGHLANDS COUNTY** | |
| HIGHLANDS UTILITIES CORPORATION (SU299)<br>720 U.S. HIGHWAY 27 SOUTH<br>LAKE PLACID, FL 33852-9515 | DIXON PUGH<br>(863) 465-1296 |
| HOLMES UTILITIES, INC. (WU760)<br>760 HENSCRATCH ROAD<br>LAKE PLACID, FL 33852-8397 | DANIEL HOLMES<br>(863) 465-6044 OR -6911 |
| LAKE PLACID UTILITIES, INC. (WS709)<br>% UTILITIES, INC.<br>200 WEATHERSFIELD AVENUE<br>ALTAMONTE SPRINGS, FL 32714-4027 | PATRICK C. FLYNN<br>(407) 869-1919 |
| LANDMARK ENTERPRISES, INC. (SU686)<br>62 LAKE HENRY DRIVE<br>LAKE PLACID, FL 33852-6000 | DAVID S. PLANK.<br>(863) 441-3004 |
| PLACID LAKES UTILITIES, INC. (WU193)<br>2002 JEFFERSON AVENUE, NORTH<br>LAKE PLACID, FL 33852-6621 | ROLAND TOBLER<br>(863) 465-0345 |
| SEBRING RIDGE UTILITIES, INC. (WS345)<br>3625 VALERIE BLVD.<br>SEBRING, FL 33870-7814 | CHRISTOPHER F. MILLER<br>(863) 385-8542 |
| SUN COMMUNITIES ACQUISITIONS, LLC D/B/A BUTTONWOOD BAY UTI (WS857)<br>THE AMERICAN CENTER<br>27777 FRANKLIN ROAD, SUITE 200<br>SOUTHFIELD, MI 48034-8205 | JON COLMAN<br>(248) 208-2500 |
| THE WOODLANDS OF LAKE PLACID, L.P. (WU824)<br>100 SHORELINE DRIVE<br>LAKE PLACID, FL 33852-5022 | R. ANTHONY COZIER<br>(863) 699-1936 |
| THE WOODLANDS OF LAKE PLACID, L.P. (SU840)<br>100 SHORELINE DRIVE<br>LAKE PLACID, FL 33852-5022 | R. ANTHONY COZIER<br>(863) 699-1936 |

# LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY
# (VALID FOR 60 DAYS)
# 10/17/2003 - 12/15/2003

UTILITY NAME MANAGER

## GOVERNMENTAL AGENCIES

CENTRAL FL. REGIONAL PLANNING COUNCIL
P.O. BOX 2089
BARTOW, FL 33831

CLERK, BOARD OF COUNTY COMMISSIONERS, HIGHLANDS COUNTY
590 SOUTH COMMERCE AVENUE
SEBRING, FL 33870-3867

DEP SOUTH DISTRICT
2295 VICTORIA AVE., SUITE 364
FORT MYERS, FL 33901

MAYOR, CITY OF AVON PARK
110 EAST MAIN STREET
AVON PARK, FL 33825-3945

MAYOR, CITY OF SEBRING
368 SOUTH COMMERCE AVENUE
SEBRING, FL 33870-3606

MAYOR, TOWN OF LAKE PLACID
50 PARK DRIVE
LAKE PLACID, FL 33852-9693

S.W. FLORIDA WATER MANAGEMENT DISTRICT
2379 BROAD STREET
BROOKSVILLE, FL 34609-6899

SO. FLORIDA WATER MANAGEMENT DISTRICT
P.O. BOX 24680
WEST PALM BEACH, FL 33416-4680

# LIST OF WATER AND WASTEWATER UTILITIES IN HIGHLANDS COUNTY
# (VALID FOR 60 DAYS)
# 10/17/2003 - 12/15/2003

UTILITY NAME MANAGER

## STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

EXHIBIT "E"

To be late filed

Affidavit of Notice to Customers

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Utility Facilities of **THE WOODLANDS OF LAKE PLACID, L.P.** in Highlands County, Florida to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**, and Application to Transfer Majority Organizational Control of L.P. Utilities Corporation to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**

Docket No. 030102-WS

_____/

**NOTICE OF FILING**

L.P. UTILITIES CORPORATION, by and through its undersigned attorneys, hereby gives notice of filing in the above-referenced docket Late Filed Exhibit "E" to its Application which is the Affidavit of Mailing.

Respectfully submitted on this 12th day of November, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
Telephone: (407) 830-6331
Facsimile: (407) 830-8522
Email: mfriedman@rsbattorneys.com

MARTIN S. FRIEDMAN

M:\1 ALTAMONTE\LP UTILITIES\(03) Sale to POA\NOF Aff of Publication.wpd

**AFFIDAVIT OF MAILING**

STATE OF FLORIDA

COUNTY OF HIGHLANDS

Before me, the undersigned authority authorized to administer oaths and take acknowledgments, personally appeared John H. Lovelette, as Director of L.P. UTILITIES CORPORATION, who, after being duly sworn on oath, did depose on oath and say that on Oct. 27th, 2003, he/she did send by regular U.S. mail, a copy of the Notice attached hereto to each of the customers in the affected territory.

FURTHER AFFIANT SAYETH NAUGHT.

Sworn to and subscribed before me this 27th day of October, 2003, by John L. Lovelette, as Director of L.P. UTILITIES CORPORATION, who is personally known to me or has produced _____ as identification.

Patricia A da Silva
My Commission DD060265
Expires August 15, 2005

NOTARY PUBLIC - STATE OF FLORIDA
Printed Name: Patricia A. da Silva
My Commission Expires:

**EXHIBIT "E"**

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER CERTIFICATE NO. 533-S AND WASTEWATER ASSETS AND TRANSFER MAJORITY ORGANIZATIONAL CONTROL OF L.P. UTILITIES CORPORATION LEGAL NOTICE**

Notice is hereby given on the 27th of October, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of wastewater facilities of The Woodlands of Lake Placid, L.P. to Camp Florida Property Owners Association, and transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association. THIS APPLICATION IS NOT A REQUEST TO CHANGE THE RATES OF L.P. UTILITIES CORPORATION. The transfer will affect the provision of water and wastewater service to the following described territory in Highlands County, Florida:

Certificate No. 620-W (Water):

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

Certificate No. 533-S (Sewer):

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast ¼ and the Northwest ¼ of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast ¼ and 413.15 feet North of the South line of said Northwest ¼ to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles ; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30

East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81°58'06" West, 29.61 feet; (2) thence North 35°18'13" West, 256.10 feet; (3) thence South 88°19'15" West, 135.89 feet; (4) thence North 69°05'48" West, 8.86 feet; (5) thence South 65°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 65°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65°08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87°00'00" East, 218.15 feet; (13) thence North 50°00'00" East, 166.49 feet; (14) thence North 75°29'10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of North 79°41'18" East, and a chord distance of 55.33 feet , an arc distance of 55.38 feet to the Point of Beginning.

Any objections to the Application must be made in writing and filed with the Florida Public Service Commission, Director, Division of Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a copy to Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 600 South North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, within 30 days from the date of this Notice. The objection must state the grounds for the objection with particularity.

L.P. UTILITIES CORPORATION

EXHIBIT "F"

To be late filed

Affidavit of Publication

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Utility Facilities of **THE WOODLANDS OF LAKE PLACID, L.P.** in Highlands County, Florida to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**, and Application to Transfer Majority Organizational Control of L.P. Utilities Corporation to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**

Docket No. 030102-WS

/

**NOTICE OF FILING**

L.P. UTILITIES CORPORATION, by and through its undersigned attorneys, hereby gives notice of filing in the above-referenced docket Late Filed Exhibit "F" to its Application which is the Affidavit of Publication.

Respectfully submitted on this 28th day of October, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard
Suite 160
Altamonte Springs, Florida 32701
Telephone: (407) 830-6331
Facsimile: (407) 830-8522
Email: mfriedman@rsbattorneys.com

By: _____
MARTIN S. FRIEDMAN

1 Alt..\LP Utilities\(03)Sale to POA\NOF Aff of Publication

# THE NEWS-SUN

2227 U.S. 27 SOUTH
Published three (3) times weekly
SEBRING, HIGHLANDS COUNTY, FLORIDA

**STATE OF FLORIDA,**
**COUNTY OF HIGHLANDS:**

Before the undersigned authority personally appeared Bob Neiman, who on oath says that he is Advertising Director of the News-Sun, a tri-weekly newspaper published at Sebring, in Highlands County, Florida; that the attached copy of advertisement, being a Proof of Publication in the matter of:

**Notice of Application for Authority to Transfer Certificate No. 533-S and Wastewater Assets and Transfer Majority Organizational Control of L.P. Utilities Corporation**

Was published in said newspaper in the issue(s) of

**October 22, 2003**

Affiant further says the News-Sun is a newspaper published at Sebring, in Highlands County, Florida, and that the said newspaper has heretofore been continuously published in said County, Florida, Wednesday, Friday and/or Sunday and has been entered as a second class mail matter at the post office Sebring, in said county, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund of the purchase of securing this advertisement of publication in the said newspaper.

Robert D Neiman

**Bob Neiman, Advertising Director**

**Swore to and subscribed before me**

**On this 22nd day of October A.D. 2003**

**Notary Public, State of Florida**

Denise W Knudtson
My Commission CC970772
Expires November 24, 2004

NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER CERTIFICATE NO. 533-S AND WASTEWAATER ASSETS AND TRANSFER MAJORITY ORGANIZATIONAL CONTROL OF L.P. UTILITIES CORPORATION
LEGAL NOTICE

Notice is hereby given on the 22nd day of October, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of wastewater facilities of The Woodlands of Lake Placid, L.P. to Camp Florida Property Owners Association, and transfer majority organizational control of L.P. Utilities Corporation to Camp Florida Property Owners Association. THIS APPLICATION IS NOT A REQUEST TO CHANGE THE RATES OF L.P. UTILITIES CORPORATION. The transfer will affect the provision of water and wastewater service to the following described territory in Highlands County, Florida;

Certificate No. 620-W (Water):

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

Certificate No. S (Sewer):

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast 1/4 and the Northwest 1/4 of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast 1/4 and 413.15 feet North of the South line of said Northwest 1/4 to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and *the Point of Beginning; thence continuing* Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81° 58' 06" West, 29.61 feet; (2) thence North 35° 18' 13" West, 256.10 feet; (3) thence South 88° 19' 15" West, 135.89 feet; (4) thence North 69° 05' 48" West, 8.86 feet; (5) thence South 65° 07' 11" West, 291.84 feet; (6) thence North 24° 52' 49" West, 174.00 feet; (7) thence South 65° 07' 11". West, 165.76 feet; (8) thence North 24° 49' 46" West, 157.95 feet; (9) thence North 65° 08' 22" East, 25.57 feet; (10) thence North 24° 51' 38" West, 219.42 feet; (11) thence North 80° 20' 00" East, 107.91 feet; (12) thence North 87° 00' 00" East, 218.15 feet; (13) thence North 50° 00' 00" East, 166.49 feet; (14) thence North 75° 29' 10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08° 24' 16", whose radius is 377.51 feet, with a chord bearing of North 79° 41' 18" East, and a chord distance of 55.33 feet, an arc distance of 55.38 feet to the Point of Beginning.

Any objections to the Application must be made in writing and filed with the Florida Public Service Commission, Director, Division of Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a copy to Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 600 South North Lake Boulevard, Suite 160, Altamonte Springs, Florida 32701, within 30 days from he date of this Notice. The objection must state the grounds for the objection with particularity.

L.P. UTILITIES CORPORATION

October 22, 2003

Page 7 of 7. Transfer, Certificate # 533-S

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for Authority to Sell, Assign or Transfer Utility Facilities of **THE WOODLANDS OF LAKE PLACID, L.P.** in Highlands County, Florida to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**, and Application to Transfer Majority Organizational Control of L.P. Utilities Corporation to **CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.**
_____/

Docket No. 030102-WS

**CLARIFICATION TO THE APPLICATION FOR AUTHORITY TO SELL, ASSIGN, OR TRANSFER UTILITY FACILITIES**

L.P. UTILITIES CORPORATION (hereinafter "LPUC"), by and through its undersigned attorneys, files this Clarification to the Application for Authority to Sell, Assign, or Transfer Utility Facilities in response to questions raised by the State of Florida Public Service Commission (hereinafter "Commission")staff.

1. The transfer application complies with the terms of Commission Order No. PSC-03-1053-PAA-WS, in that LPUC has filed an application for transfer within 30 days of the date that Order was final, agreeing to accept regulatory obligations of the prior owner.

2. The application complies with the terms of Commission Order No. PSC-03-1051-FOF-WS, which requires that refunds with interest be made within 12 months of the date that Order becomes final. Paragraph 2.3 of the Agreement for Purchase and Sale acknowledges the obligation of LPUC to make the refunds pursuant to

that Order. Those refunds will be made utilizing the funds currently held in escrow, as well as credits such that the alleged overcharges will be refunded in accordance with that Order.

3. LPUC is the seller with regard to the transfer of the wastewater system to CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC. (hereinafter "PROPERTY OWNERS ASSOCIATION"), and Anbeth Corporation is the seller of the stock of LPUC (which will own the water system) to the PROPERTY OWNERS ASSOCIATION.

4. Teresa Lovelette is the secretary of the PROPERTY OWNERS ASSOCIATION and was incorrectly listed in the application as a shareholder.

5. The stock of Anbeth Corporation will be paid for by the PROPERTY OWNERS ASSOCIATION in cash at closing and there will be no financing for that purchase. In accordance with the covenants and restrictions of the PROPERTY OWNERS ASSOCIATION, those funds are being raised by special assessment to the members (over which the Commission has no jurisdiction).

6. The current mortgage is held by Highvest Corporation and will be satisfied at closing, and both the assets of the wastewater system and the stock of LPUC are being transferred without any existing debt.

7. The statement that the PROPERTY OWNERS ASSOCIATION is assuming the obligations of LPUC was made since it is a requirement of the Commission's rule. The only obligations of which LPUC is

aware is the obligation to continue to provide wastewater service in accordance with all statutory and regulatory requirements.

8. LPUC will be making the refunds required by the Commission's SARC Order. The statement that the PROPERTY OWNERS ASSOCIATION will be making refunds was intended to refer to the PROPERTY OWNERS ASSOCIATION as the owner of the stock of LPUC.

9. LPUC will late file the tariffs.

10. To the extent that the Commission staff believes that THE WOODLANDS OF LAKE PLACID, L.P., must join in the application, it will do so.

11. The purchase price for the stock of LPUC was reduced by $89,086, which is greater than the amount of refunds that LPUC will be required to make pursuant to the SARC Order.

12. To the extent it is applicable, both the PROPERTY OWNERS ASSOCIATION and LPUC agree to fulfill the commitments, obligations, and representations of the prior owner with regard to utility matters.

13. The refund will be made in coordination with the Commission staff and will include payments and/or credits to those customers that paid the purported overcharges.

14. The PROPERTY OWNERS ASSOCIATION derives its authority from statutory law, the covenants and restrictions governing the property, as well as its corporate articles and bylaws. As is standard with Property Owners Associations, nonpayment of

assessments can result in a lien being placed on the property owner's property. In the instant case, the special assessment is for the specific purpose of acquiring the stock of LPUC, and if the sale never takes place, then the PROPERTY OWNERS ASSOCIATION will either refund or credit each members' account for that assessment. Frankly, the manner in which a Property Owners Association raises funds is not within this Commission's jurisdiction, even under the umbrella of "public interest".

Respectfully submitted on this 12th day of November, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
Telephone: (407) 830-6331
Facsimile: (407) 830-8522
Email: mfriedman@rsbattorneys.com

MARTIN S. FRIEDMAN

M:\1 ALTAMONTE\LP UTILITIES\(03) Sale to POA\Clarification of Application.wpd

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Clarification to the Application for Authority to Sell, Assign, or Transfer Utility Facilities has been furnished by United States mail to the following parties on this 12th day of November, 2003:

Stephen C. Burgess, Esq.
State of Florida - Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

Katherine E. Fleming, Esq.
Office of the General Counsel
State of Florida - Public Service Commission
2450 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

MARTIN S. FRIEDMAN

**EXHIBITS TO**

**DIRECT TESTIMONY OF**

**JOHN H. LOVELETTE**

BEFORE THE PUBLIC SERVICE COMMISSION

Regarding the Application for authority to sell, assign or transfer utility facilities

of The Woodlands of Lake Placid, L.P. in Highlands County,

Florida to Camp Florida Property Owners Association, Inc. and

application to transfer majority organizational control of

L.P. Utilities Corporation to

Camp Florida Property Owners Association, Inc.

Docket No. 030102-WS

| | |
|---|---|
| Exhibit ____ (JHL-1) | Copy of Application |
| **Exhibit** ____ (JHL-2) | Copy of Contract for installation of meters |

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 8
COMPANY/ L.P. Utilities Corp.
WITNESS: JHL-2
DATE: 08-11-04

Exhibit ___ (JHL-2)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. _____ EXHIBIT NO. 8
COMPANY/
WITNESS: _____
DATE: _____

LaGrow Systems, Inc.

P.O. Box 1024
Lake Placid, Florida 33862
Voice: (863)465-5610 Fax: (863)465-6142
General Contractor #CG-C059027 Certified Underground Utility #CU-C057245

December 4, 2003

**CONTRACT FOR WORK**

Woodlands of Lake Placid, LP
C/o Camp Florida
1525 US 27 South
Lake Placid, Florida 33852

Attn: John Lovette

Dear Mr. Lovette:

LaGrow Systems, Inc. will furnish and install 230 meters at Camp Florida.

Price Per Meter Materials $113.96 .....
Per Per Each Labor .....$ 65.00
Total Per Meter Installation.....$178.96

Total Price to Install 230 units....$41,160.80
To Include: ¾" Meter w/ 2- 1" 90 Deg. Ells,
Angle Curb Stop, 2- 1 x ¾" Reducing Male Adapters, 1- meter coupling, meter box, reusing owners hydrant.

Note: Any extra excavations beyond easy access will be billed on time and material basis.

Payment will be made upon receipt of invoice for each section completed.

Accepted by: _____

Date: 1 + Dec 03

LaGrow Systems Inc.

Analysis of Ability of Camp Florida Property Owners Association, Inc. to Pay Mortgage on Wastewater Property Under Current Rates

Docket No. 030102-WS
Exhibit__(DD-1)
Schedule 1

| | | Amount | |
|---|---|---|---|
| | O&M Expenses, as Adjusted by Commission: | | |
| 1 | Salaries & Wages - Employees | 8,865 | (1) |
| 2 | Sludge Removal Expense | 1,683 | (1) |
| 3 | Purchased Power | 2,854 | (1) |
| 4 | Chemicals | 2,780 | (1) |
| 5 | Contractual Services - Professional | 1,697 | (1) |
| 6 | Contractual Services - Testing | 2,627 | (1) |
| 7 | Contractual Services - Other | 3,427 | (1) |
| 8 | Rents | 479 | (1) |
| 9 | Transportation Expense | 829 | (1) |
| 10 | Insurance Expense | 616 | (1) |
| 11 | Regulatory Commission Expenses | 724 | (1) |
| 12 | Miscellaneous Expenses | 2,110 | (1) |
| 13 | Total O&M Expenses, as adjusted by Commission | 28,691 | |
| | Less: Expenses that would discontinue | | |
| 14 | Regulatory Commission Expenses | (724) | Line 11 |
| 15 | Annual Level of O&M Expenses - Assumes no inflation, non-recurring items or wage increases to employees | 27,967 | |
| | Taxes Other Than Income, as Adjusted by Commission (2) | | |
| 16 | Property Taxes | 3,608 | |
| 17 | Payroll Taxes | 918 | |
| 18 | Annual Mortgage Payment Based on Proposed Agreement for Purchase and Sale ($191,523 mortgage for 10 years @ 6.99%, paid quarterly) | 26,780 | |
| 19 | Minimum Amount that Must be Collected to Recover Expenditures and Pay Mortgage Payments | 59,273 | |
| 20 | Revenue Requirement Approved by Commission and Used to Calculate Current Rates | 57,334 | (1), (3) |
| 21 | Annual Cash Shortfall w/ 10-year mortgage at 6.99% | (1,939) | |
| 22 | Additional Shortfall if Bills are Not Paid on 162 Rental Lots | (21,591) | See Schedule 2 |
| 23 | Total Shortfall if Bills are Not Paid on Rental Lots | (23,530) | |

Notes/Source:

(1) From PSC Order No. PSC-03-1051-FOF-WS

(2) Excludes Regulatory Assessment Fees

(3) This amount assumes 100% of the revenues approved by the Commission are collected. In other words, 100% of the projected revenues assumed by the Commission in calculating rates for rental lots owned by Highvest would have to be billed for and collected.

The above analysis excludes depreciation, which is a non-cash item. It also does not consider possible additions that may be needed to the plant, such as replacement items, with the exception of amounts that may be included in the O&M expenses above.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET 030102-WS
NO. _____ EXHIBIT NO. 9
COMPANY/ Office of Public Counsel
WITNESS: DD-1
DATE: 08-11-04

Estimate of Revenue Requirement Allocated to Rental Lots

Docket No. 030102-WS
Exhibit__(DD-1)
**Schedule 2**

| | Description | Amount | Amount | |
|---|---|---|---|---|
| 1 | Number of Rental Lots at Time of SARC | 162 | | |
| 2 | Base Facility Charge (BFC), per Order | $ 6.53 | | |
| 3 | Monthly BFC from Rental Lots | 1,058 | | Line 1 x Line 2 |
| 4 | Annual BFC from Rental Lots | 12,694 | 12,694 | Line 3 x 12 |
| 5 | Estimated Annual Usage on Rental Lots (000s of gallons) | 4,177 | | Line A.7 / 1,000 |
| 6 | Gallonage Charge per 1,000 gallons, per Order | $ 2.13 | | |
| 7 | Estimated Annual Gallonage Charge | 8,896 | 8,896 | |
| 8 | Estimate of Wastewater Revenues from Rental Lots Factored into Rate Design | | 21,591 | |
| | Estimate of Annual W/W Consumption on Rental Lots: | | | |
| A.1 | Total Estimated Test Year GS Water Consumption, per Staff | 5,671,977 | (1) | |
| A.2 | Wastewater Factor | 80% | | |
| A.3 | Staff Estimated Test Year GS W/W Consumption | 4,537,582 | | |
| A.4 | Total GS Customers, per Staff | 176 | (1) | |
| A.5 | Average W/W Consumption per GS Customer | 25,782 | | |
| A.6 | Number of Rental Lots | 162 | | |
| A.7 | Estimate of Annual W/W Consumption on Rental Lots | 4,176,638 | | |

(1) Provided in response to Petitioner's First Request for Production to Staff, Request 3, in SARC Docket No. 020010-WS.

sole officer and shareholder of Camper Corral, Inc., is R. Anthony Cozier. The transfer application contains an explanation that Woodlands borrowed funds from the Nancy Ayres Charitable Remainder Unit Trust to purchase the utility facilities. The note for this loan was later assigned to Highvest, whose sole shareholder is Nancy Ayres and whose president is R. Anthony Cozier. The assertion is made in the application that the utility failed to meet its obligations under the loan, and therefore Highvest filed for judicial foreclosure of its security. The Woodlands did not defend against that lawsuit. The final judgment of foreclosure was entered by default on August 7, 2002, and Highvest purchased the utility facilities and associated real property at a foreclosure sale. The Clerk of the Court issued Highvest a Certificate of Title on September 27, 2002. Four days later, on October 1, 2002, Highvest transferred its interest in the utility facilities and associated real property to LPUC, whose sole shareholder is Anbeth Corporation. Anbeth Corporation is solely owned by a trust formed by R. Anthony Cozier and his wife, Elizabeth Cozier. The following matrix charts the relationships among these entities.

| Entity | Shareholders, Members, Partners | Officers, Directors |
|---|---|---|
| Woodlands of Lake Placid, L.P. | Camper Corral, Inc., general partner<br>R. Anthony Cozier, limited partner | R. Anthony Cozier |
| Camper Coral, Inc. | R. Anthony Cozier, sole shareholder | R. Anthony Cozier |

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 10
COMPANY/ OFFICE of Public Counsel
WITNESS: DD-2
DATE: 08-11-04

| | | |
|---|---|---|
| Highvest Corporation | Nancy Ayres, sole shareholder | R. Anthony Cozier - President<br>John H. Lovelette - Vice President<br>Teresa A. Lovelette - Secretary |
| Anbeth Corporation | Trust formed by R. Anthony Cozier and Elizabeth Cozier | R. Anthony Cozier - Director<br>Elizabeth Cozier - Director |
| L. P. Utilities Corporation (LPUC) | Anbeth Corporation, sole shareholder | R. Anthony Cozier - Director<br>John H. Lovelette - Director<br>Teresa A. Lovelette - Director |

The entities listed above are interrelated. The office, management, and personnel of the utility will remain essentially unchanged. There will be no change in the operations or level of service. The entities involved in this case functioned as the alter egos of Anthony Cozier in the decision by Highvest to foreclose on the Woodland's mortgage and purchase the Woodlands' utility assets at the foreclosure sale; in the decision by the Woodlands not to defend against the foreclosure; and in the decision by Highvest to sell, and LPUC to purchase, the Woodlands utility. Mr. Cozier admitted under oath in the SARC hearing in Docket No. 020010-WS that he made the ultimate decisions for The Woodlands, for Highvest, and for LPUC. Mr. Cozier also admitted that he made the decision that Highvest would foreclose on the Woodlands because of the Woodlands' liabilities and obligations.[6]

[6] See May 28, 2003 SARC Technical Hearing transcript, Vol. 2, TR-169-173, in Docket No. 020110-WS (Attachment A to this Order)

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR HIGHLANDS COUNTY, FLORIDA

RICHARD PERANTONI, SARA KELLER, et al,

Plaintiffs,

vs.

CAMPER CORRAL, INC., a Florida not for profit corporation, et al.

Defendant.
_____/

CASE NO. GC 97-240
GC 98-158
( CONSOLIDATED)

FINAL JUDGMENT

THIS MATTER came before the Court for Trial February 23 thru February 26, 2000. Plaintiffs, in the cases consolidated for Trial, sought the following relief:

1. A Declaration defining the common area of the Camp Florida Resort.
2. A Declaration as to the validity of the Use Agreement authorizing use of the recreational facilities by the Plaintiffs.
3. A Declaration of the Parties rights under the Declaration of Covenants and Restrictions concerning conveyance of the recreational facilities to the Property Owners Association, and injunctive relief directing that the recreational facilities be sold to the Property Owners Association.
4. Money damages against Defendants Cozier and Lovelette for breach of fiduciary duty.
5. A Declaration as to determining the obligation of the Developer, Camp Florida Resort L.P., to pay its share of assessments to the Property Owners Association; Whether the 1998 Budget for Camp Florida Property Owners Association, Inc. was valid and accurate.
6. Whether the Defendant Camp Florida Property Owners Association, Inc. had the authority to place liens against Plaintiffs' lots, determine that an amendment to the bylaws of the Defendant Property Owners Association was illegal, invalid and void, and determine disposition of the funds deposited into the Registry of the Court by Plaintiffs.



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7. An award of reasonable Attorney's Fees and reimbursement of costs.

Based upon the evidence presented at Trial, a review of the court file, the written arguments, closing statements and memoranda of the parties, the Court makes the following findings of fact:

1. COMMON AREA: The Court finds that the Common Area for Camp Florida Resort is as defined in the Plat and replat of that subdivision. Specifically, the Court finds that all property not designated as lots on the Plat and Replat are to be owned by the Home Owners Association as common elements. The language contained in the Plat and Replat is not in conflict with the language contained in the Declaration of Covenants and Restrictions for the subdivision. The language is clear, unequivocal, and unambiguous and requires no construction.

2. USE AGREEMENT: The Use Agreement is not void nor invalid. The Use Agreement would terminate upon the conveyance of the subject described property, specifically the recreational facilities. The Use Agreement did not terminate. The Use Agreement grants the Common Recreation Association a non exclusive right to use the recreational facilities as defined in the Use Agreement for the duration of the life of the Declaration of Covenants and Restrictions upon the payment of a pro rata share of actual costs and expenses incurred by the use of the facility.

3. SALE OF RECREATIONAL FACILITIES: The Declaration of Covenants and Restrictions authorized the purchase of recreational facilities by the Common Recreation Association. The representatives of the association negotiated a sale in good faith. The Parties had created an enforceable contract for the sale of the property but the Defendant Cozier and the Defendant Woodlands added additional requirements and conditions to its final offer. The Defendant Cozier negotiated in bad faith and throughout the negotiation process used ★ suspect, underhanded, unethical, and bad faith tactics to mislead the Plaintiffs to a timetable that exceeded the Statute of Limitations. As a result, the Defendants Cozier and Woodlands are equitably estopped from their reliance on the Statute of Limitations.

4. BREACH OF FIDUCIARY DUTY: Defendants Cozier and Lovelette breached their fiduciary duties to the Plaintiffs as members of the Property Owners Association thru a variety of acts including without limitation:

a. Charging back rent on the recreational facilities paid to the Defendant Woodlands

b. Charging back office management payments and paying the Developer.

c. Accepting the common area as described in the Covenants and Restrictions without conveyance of the recreational facilities.

d. Continuously paying assessments beyond the due date.

e. Intentionally misrepresenting the Developer's obligation for maintenance payments to the association, advising the members that the Developer had no legal obligation to pay any assessments.

f. Amending the bylaws, skirting the Covenants and Restrictions, to reduce the Developer's obligation for maintenance payments.

g. Diverting funds that should have been reimbursed to the members to the road reserve without requiring the Developer to make any proportionate contributions to that reserve

h. Entering into a Lease Agreement for the recreational facility without any authorization under the governing documents, paying the Woodlands $63,000.00 per year.

I. Continuously meeting and discussing Property Owners Association business and issues including the budget without notice to the members as required by Statute.

j. Double charging for maintenance during the year 1998 by paying his own corporation Camper Corral by paying Cozier's own corporation Camper Corral, Inc. for maintenance that was not performed on behalf of the Property Owners Association.

5. DEVELOPER'S OBLIGATION TO PAY ASSESSMENTS: The Declarations of Covenants and Restrictions direct that each lot owner should pay a proportionate or pro rata share of the

maintenance assessments required to maintain the common area. The Developer agreed to use the 1/396th rule ( proportionate share) in the Budget for 1997 and thereafter. The language contained in the Declaration is clear and unambiguous. The 1998 Budget, limiting the assessment payments due by the Developer is void and invalid. Plaintiffs are entitled to distribution of the funds placed into the Registry of the Court herein by them.

6. VALIDITY OF THE AMENDMENT TO THE BYLAWS: The bylaws of the Camp Florida Common Recreation is a Common Recreational Association and the Property Owners Association provide a procedure for amending the bylaws. There was evidence, and a lack of evidence, clearly showing that the amendment in dispute, which lowered an ultimately eliminated the Developer's obligation to pay any assessments, was not enacted according to the stated procedure. Additionally, the evidence is clear that Defendant Cozier was self dealing and not acting in the best interest of the Property Owners Association, In the enactment of the amendment to the bylaws.

7. LIENS: Any and all Liens placed against the property of any and all Plaintiffs by the Home Owners Association were based upon improper assessments and are therefore, void.

8. ATTORNEY'S FEES AND COSTS: The Declaration and Florida Statutes each contain provisions for an award of Attorney's Fees and reimbursement of costs to the prevailing party in this litigation. The Court finds the Plaintiffs to be the prevailing parties.

9. INJUNCTIVE RELIEF: As to Plaintiffs claims for injunctive relief, the Court finds that the Plaintiffs suffered irreparable harm and had no adequate remedy at law.

It is therefore ORDERED AND ADJUDGED that:

1. The common area of the subdivision known as Camp Florida Resort is declared to be that as described in the Plat of said subdivision recorded in Plat Book 15 page 52 in the Public Records of Highlands County, Florida , specifically note 5 stating that all property not shown as lots is to be considered as common elements to be owned by the Home Owners Association. This includes the property not contained in the description of common area

in the Declaration of Covenants and Restrictions, which is contiguous to US Highway 27, and all improvements thereon.

2. The Court declares that the Use Agreement between the owner of the recreational facilities , the Woodlands, and the Common Recreation Association is not void nor invalid. The Use Agreement did not terminate. The Use Agreement grants the Common Recreation Association a non exclusive right to use the recreational facilities as defined in the Use Agreement, for the duration of the life of the Declaration of Covenants and Restrictions, upon the payment of each lot owners pro rata share of actual costs and expenses incurred by the use of the facility. The Use Agreement can also be terminated by a purchase of the recreational facility as defined in the Use Agreement, by the Common Recreation Association.

3. The Court declares that the owner of the recreational facilities, Defendant Woodlands, and the Common Recreation Association created an enforceable contract for the sale of the recreational facilities as defined in the Use Agreement. The conveyance failed as a result of bad faith conduct by the Woodlands and its representative Cozier. The Common Recreation Association has the right to purchase the recreational facilities pursuant to the 1996 appraisal entered into evidence herein. Specific performance in favor of Plaintiffs and the Common Recreation Association is hereby granted.

4. PRO RATA SHARE OF EXPENSES / BYLAW AMENDMENT: The declaration of Covenants and Restrictions require each lot owner, including Camp Florida Resort, L.P. the Developer, to pay its Pro rata Share of expenses of maintenance of the common area, defined as 1/397th of the total expenses, per lot. The 1998 amendment to the bylaws reducing and eventually eliminating the Developer's obligation is invalid and void. The 1998 Budget is void.

5. BREACH OF FIDUCIARY DUTY: Both Defendants Cozier and Lovelette breached their respective fiduciary duty to the members of each association and the Plaintiffs. The Plaintiffs have suffered monetary damages as a result. Therefore, the Plaintiffs shall have and recover from Defendants Cozier and Lovelette the sum of $289,934.23, which shall accrue interest

at the legal rate, together with $96,274.06 in prejudgment interest, for all of which let execution issue.

6. LIENS AND DEPOSITS IN REGISTRY OF COURT: Any and all Liens placed against any lots in Camp Florida Resort owned by the Plaintiffs, by the Property Owners Association, or the Common Recreation Association, are void and unenforceable. Plaintiffs are entitled to disbursement of all funds deposited into the Registry of the Court, pursuant to any Court Orders entered in these proceedings.

7 ATTORNEY'S FEES AND COSTS: The Court reserves jurisdiction to enter an award of Attorney's fees and reimbursement of costs to Plaintiffs as the prevailing parties herein.

DONE AND ORDERED in Chambers at Bartow Florida this 10 day of August, 2000..

J. DALE DURRANCE
J. DALE DURRANCE
Circuit Court Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by regular U.S. Mail to the parties listed below this 10 day of August, 2000.

*James V. Lobozzo, Jr., Esq.*
*329 South Commerce Avenue*
*Sebring, Florida 33870*

*Clifford R. Rhoades, Esq*
*227 North Ridgewood Drive*
*Sebring, Florida 33870*

*Joseph T. Patsko, Esq.*
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*Tampa, Florida 33601*

*Thomas L. Nunnallee, Esq..*
*335 S. Commerce Avenue*
*Sebring, Florida 33870*

Mary Connie
Judicial Assistant

NOT FINAL UNTIL TIME EXPIRES TO FILE REHEARING
MOTION AND, IF FILED, DETERMINED.

IN THE DISTRICT COURT OF APPEAL

OF FLORIDA

SECOND DISTRICT

CAMPER CORRAL, INC., CAMP FLORIDA RESORT, L.P., THE WOODLANDS AT LAKE PLACID, L.P., R. ANTHONY COZIER, and TERRI LOVELETTE,

Appellants,

v.

RICHARD PERANTONI, SARA KELLER, and ELIZABETH TAYLOR,

Appellees.

CASE NO. 2D00-5230

Opinion filed December 12, 2001.

Appeal from the Circuit Court for Highlands County; J. Dale Durrance, Judge.

Clifford R. Rhoades of Clifford R. Rhoades, P.A., Sebring, and Raymond T. Elligett, Jr., of Schropp, Buell & Elligett, P.A., Tampa, for Appellants.

James V. Lobozzo, Jr., of James V. Lobozzo, Jr. P.A., Sebring, for Appellees.

WHATLEY, Acting Chief Judge.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 12
COMPANY/ Office of Public Counsel
WITNESS. DD-4
DATE 08-11-04

Camper Corral, Inc., Camp Florida Resort, L.P., The Woodlands at Lake Placid, L.P., R. Anthony Cozier, and Terri Lovelette (the appellants) challenge a final judgment entered against them in the action filed by Richard Perantoni, Sara Keller, and Elizabeth Taylor (the appellees) for an injunction and for damages for breach of fiduciary duty related to the operation of Lake Placid Camp Florida Resort, a recreational vehicle community.[1] The only issue raised in this appeal is the propriety of the damage award against Cozier and Lovelette. We reverse.

Cozier is the president of Camper Corral, which is the successor developer of Lake Placid Camp Florida Resort. Cozier is the vice-president and Lovelette is the secretary of the Board of Directors of Camp Florida Property Owners Association, Inc. and Camp Florida Commons Recreation Association, Inc. The final judgment declared that the appellees should recover approximately $386,000 from Cozier and Lovelette based on a finding that Cozier and Lovelette breached their fiduciary duties to the members of the resort's recreation and property owners' associations and to the appellees, who are members of the associations.

"It is . . . elementary that damages will be awarded only to the extent supported by the well-pleaded allegations of the complaint." Hooters of Am., Inc. v. Carolina Wings, Inc., 655 So. 2d 1231, 1233 (Fla. 1st DCA 1995). "[T]here must be some reasonable basis in the evidence to support the amount [of damages] awarded. Furthermore, it is incumbent upon the party seeking damages to present evidence to

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[1] The final judgment was also entered in a declaratory action that was consolidated with this case. The appellees did not name Cozier and Lovelette as defendants in the declaratory action, and no damages were sought in that action.

justify an award of damages in a definite amount." Smith v. Austin Dev. Co., 538 So. 2d 128, 129 (Fla. 2d DCA 1989) (citations omitted).

The appellees did not bring this action as a derivative action on behalf of the associations. The appellees neither alleged nor proved that they suffered any individual losses as a result of the breaches by Cozier and Lovelette of their fiduciary duties. Rather, all of the allegations against these two appellants were of harm suffered by the associations. The appellees are not entitled to the damages the associations suffered as a result of Cozier's and Lovelette's breaches of their fiduciary duties.

Accordingly, we reverse that part of the final judgment awarding the appellees damages against Cozier and Lovelette.

NORTHCUTT and GREEN, JJ., Concur.

August 2, 2004

We request that the following information be made known to the PSC —

On July this year, we sold our property in Camp Florida Resort. At the closing our attorney was advised that the POA would not permit the title to clear until we had paid a $261.00 outstanding debit against our account. This charge was for the purchase of stock in L.P. Utilities owned by Cozier.

We explained to our attorney that the charge was not for maintenance fees, that the POA did not own the Utility nor the stock for which we were being billed. We promptly removed this cost and cleared the title.

I have spoken with other sellers and find that they have been forced to pay for stock in a company which the POA does not own. This is still another example of the self-serving and unauthorized actions taken by John Lovelette as a Director of L.P. Utilities owned by his employer, Cozier, to force this sale upon the residents of Camp Florida Resort.

Jeffrey & Eileen Cleveland

8/2/04

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 13
COMPANY/ Public Counsel
WITNESS. Jeffery + Eileen Cleveland consumer
DATE: 08-11-04

EXHIBIT 13

Ex. No. 14 7/30/04

To Whom It May Concern

Calley works for the P.O.A. (John Lovelette directing her in her billing) during their bookkeeping. I was made to buy stock for L.P. Utilities owned by Cozier, not owned by P.O.A. Calley refused to agree to the release of my property until I had paid $261.78. I was no longer eligible, nor was I a member of the P.O.A. after the sale of my property. No paperwork did I receive to indicate ownership of stock.

Phyllis Lee

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030102-WS EXHIBIT NO. 14
COMPANY/ Public Counsel
WITNESS. Phyllis Lee - consumer
DATE: 08-11-04

EXHIBIT 14