

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED-FPSC
AUG 21 AM 11:16
COMMISSION
CLERK

DATE: AUGUST 21, 2003

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYO)

FROM: DIVISION OF ECONOMIC REGULATION (CLAPP, REDEMANN, KAPROTH)
OFFICE OF THE GENERAL COUNSEL (K. FLEMING, M. BROWN)

RPR
PPD JS
KK
MB
MAY
JDT

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.
COUNTY: HIGHLANDS

AGENDA: 09/02/03 - REGULAR AGENDA - ISSUE 1, PROPOSED AGENCY
ACTION FOR APPLICANT, PURSUANT TO SECTION 367.045(3),
FLORIDA STATUTES - ISSUE 2, PROCEDURAL DECISION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: THIS RECOMMENDATION SHOULD BE SCHEDULED FOR
CONSIDERATION IMMEDIATELY AFTER THE
RECOMMENDATION IN DOCKET NO. 020010-WS

FILE NAME AND LOCATION: S:\PSC\GCL\WP\030102WS.RCM

CASE BACKGROUND

The Woodlands of Lake Placid, L.P. (Woodlands or utility) is a Class C water and wastewater utility providing service in Highlands County. The utility has been providing water and wastewater service to 151 residential customers located within the Lake Placid Camp Florida Resort RV park (Camp Florida or RV park) and water service to 33 residential customers located outside the RV park in Hickory Hills and Lake Ridge Estates. It has also been providing water service to four general service customers outside the RV park, and water and wastewater service to two general service customers located within the RV park. The Camp Florida

DOCUMENT NUMBER-DATE
07759 AUG 21 8

COMMISSION CLERK

Resort Homeowners Association, one of the general service customers in the RV Park, has nine connections. The other general service customer is the RV park with 164 connections, consisting of 162 rental lots, the Community Center, and the Guard House. The utility is in both the Highlands Ridge and Southern Water Use Caution Areas of the Southwest Florida Water Management District.

In December, 1996, the utility informed its customers of a rate increase for water and wastewater from \$25 to \$35 per month. Prior to that time, the Commission had considered the utility exempt pursuant to Section 367.022(4), Florida Statutes, by Order No. 20905, issued March 16, 1989. In response to customer complaints about the rate increase, staff contacted the utility and determined that it was no longer exempt because it was charging the homeowners' association for water and wastewater service, and it was serving customers outside of the RV park.

The utility filed an application for certification on March 24, 1999, and was granted Certificate Nos. 620-W and 533-S pursuant to Order No. PSC-02-0250-PAA-WS, issued February 26, 2002, in Docket No. 990374-WS. The order also required the utility to hold the amount of the unauthorized rate increase from \$25 to \$35 per month subject to refund from the date of implementation to February 5, 2002, with interest pursuant to Rule 25-30.360, Florida Administrative Code. Order No. PSC-02-0250-PAA-WS also mentioned the utility's January 2, 2002, application for a staff-assisted rate case (SARC) in Docket No. 020010-WS. The SARC, Docket No. 020010-WS, and the certificate case, Docket No. 990374-WS, were consolidated in PAA Order No. PSC-02-1739-PAA-WS, issued on December 10, 2002. The SARC portion of that order was protested and a public hearing was held in Sebring, Florida, on May 28, 2003.

On January 29, 2003, L. P. Utilities Corporation (LPUC) filed an application for authority to transfer Water Certificate No. 620-W and Wastewater Certificate No. 533-S from Woodlands to LPUC.¹ According to the application, Highvest Corporation (Highvest), lender of funds to Woodlands, foreclosed on a lien on the utility assets and purchased the assets at the foreclosure sale. The Woodlands did not defend against the foreclosure. Highvest then

¹ Staff had learned of the transfers when the SARC protest was filed by Highvest and LPUC, and had informed them that they should file an application for transfer.

immediately sold the assets to LPUC, lent LPUC the funds to purchase them, and executed a new lien on the assets it had just sold to the new utility.

On February 12, 2003, after receiving notice of the application for authority to transfer the Woodlands certificate and assets, one customer filed an objection, suggesting that the foreclosure, sale of assets, and transfer was a "shell game" designed to avoid the Woodlands' refund obligations to its customers.² On March 24, 2003, the Office of Public Counsel (OPC) intervened in the docket, and on June 27, 2003, having learned of new plans by LPUC's owners to sell the utility assets to the Camp Florida Property Owners' Association (POA), OPC filed a Motion to Order LPUC to Cease Activities to Sell Utilities until the Commission rules on this transfer docket and the pending protest from the SARC. OPC did not ask for expedited treatment of its motion. LPUC filed a response in opposition to OPC's motion on July 7, 2003.

Staff's first recommendation in this docket was deferred from the June 3, 2003, Agenda. This recommendation has been substantially revised, and it recommends that the Commission deny the application for transfer, order LPUC to file a new application accepting responsibility for the utility-related obligations of the Woodlands, and deny OPC's motion. Staff notes that this recommendation is scheduled to be filed for consideration at the same Agenda as the staff post-hearing recommendation in the SARC docket. The Commission has jurisdiction to consider these matters pursuant to Sections 367.071 and 367.011, Florida Statutes.

² See, Letter of Sara S. Keller, dated February 12, 2003, Document No. 03-01556, which may be found in the correspondence side of the docket file.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the transfer of Water Certificate No. 620-W and Wastewater Certificate No. 533-S from Woodlands to LPUC?

RECOMMENDATION: No. The transfer of Certificate Nos. 620-W and 533-S from Woodlands to LPUC should be denied. Within 30 days from the date this decision is final, the Applicant should file another application for transfer of the certificates in which LPUC agrees to accept all regulatory obligations of the Woodlands, as Section 367.071(1), Florida Statutes, and Rule 25-30.037(2), Florida Administrative Code, require. Highvest, the current owner of the utility's assets, is responsible for providing service to the utility's customers, submitting the utility's present and past due regulatory assessment fees, plus penalties and interest, for the period January 1, 2002, through September 30, 2002, and honoring any refunds to the utility customers ordered by the Commission, until an appropriate transfer to LPUC is approved by the Commission. (K. FLEMING, M. BROWN, CLAPP, KAPROTH, REDEMANN)

STAFF ANALYSIS: As stated in the case background, LPUC applied for a transfer of Water Certificate No. 620-W and Wastewater Certificate No. 533-S in Polk County from Woodlands to LPUC on January 29, 2003. The application was incomplete and a deficiency letter was sent on March 3, 2003. The deficiency response was received on March 31, 2003. According to the application and the deficiency response, LPUC was created in 2001 for the purpose of acquiring the Woodlands utility assets and operating the utility. It appears that this was accomplished by transferring the Woodlands assets into the name of LPUC on October 1, 2002, shortly after the foreclosure by Highvest, but no contract for sale was executed or made contingent upon Commission approval of the transfer. The application for approval of the transfer was only filed after staff learned of the transfer and informed Highvest and LPUC that an application was required.

In the application, LPUC asserts that it will not assume any obligations of the utility prior to the foreclosure by Highvest. It claims that after the foreclosure all of Woodlands' debts and obligations including, presumably, refunds of overcharges due the

customers, "would have been discharged during the bankruptcy."³ It does not appear, however, that there ever was any bankruptcy. In its deficiency response, LPUC asserts that it is unaware of any current bankruptcy proceedings, and it has not provided any court documents related to a bankruptcy proceeding, or any order discharging any debts of the utility. Therefore, despite the assertions to the contrary made in LPUC's application, all regulatory obligations of the Woodlands utility remain extant.

LPUC's application fails to comply with section 367.071(1), Florida Statutes, and Rule 25-30.037(2)(g), (h), (j) and (r), Florida Administrative Code. Section 367.071(1), Florida Statutes, provides:

(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. However, a sale, assignment, or transfer of its certificate of authorization, facilities or any portion thereof, or majority organizational control may occur prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval.

Rule 25-30.037(2)(g), (h), (j) and (r) provides:

³ See Application of L. P. Utilities Corporation, at page 2, where LPUC states: "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." See also page 3, where LPUC states: "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."

(2) Each application for transfer of certificate of authorization, facilities or any portion thereof, to a non-governmental entity shall include the following information:

* * *

(g) a copy of the contract for sale and all auxiliary or supplemental agreements . . . ;

(h) the contract for sale shall also provide for the disposition, where applicable, of the following:

1. customer deposits and interest thereon;
2. any guaranteed revenue contracts;
3. developer agreements;
4. customer advances;
5. debt of the utility;
6. leases;

* * *

(j) 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, 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;

* * *

(r) a statement regarding the disposition of any outstanding regulatory assessment fees, fines, or refunds owed

The Woodlands assets were transferred without prior Commission approval or pursuant to a contract for sale contingent upon Commission approval. More significantly, LPUC has not provided any meaningful assertion that the transfer is in the public interest, and LPUC has not demonstrated that it will fulfill the commitments, obligations, and representations of the utility. Instead, it has specifically asserted that it will not fulfill the commitments, obligations, and representations of the utility. Therefore, staff recommends that the transfer application is not in the public interest and should be denied.

The facts of this case also indicate that no real transfer between separate entities has occurred, and the application should be denied as contrary to the public interest for that reason as well. Woodlands is a limited partnership with Camper Corral, Inc. as a general partner and R. Anthony Cozier as a limited partner. The 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 R. Anthony Cozier, limited partner	R. Anthony Cozier
Camper Coral, Inc.	R. Anthony Cozier, sole shareholder	R. Anthony Cozier

Entity	Shareholders, Members, Partners	Officers, Directors
Highvest Corporation	Nancy Ayres, sole shareholder	R. Anthony Cozier - President John H. Lovelette - Vice President Teresa A. Lovelette - Secretary
Anbeth Corporation	Trust formed by R. Anthony Cozier and Elizabeth Cozier	R. Anthony Cozier - Director Elizabeth Cozier - Director
L. P. Utilities Corporation (LPUC)	Anbeth Corporation, sole shareholder	R. Anthony Cozier - Director John H. Lovelette - Director Teresa A. Lovelette - Director

The entities listed above are interrelated. The office, management, and all 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.⁴ It is clear that the transactions which ostensibly transferred the utility from the Woodlands to Highvest and from Highvest to LPUC were not arms length transactions and no real transfer of

⁴ See May 28, 2003 Technical Hearing transcript, Vol. 2, TR-169-173 (Attachment A to this recommendation)

facilities or operational control has taken place.⁵ As OPC's witness in Docket No 020010-WS testified, from an accounting standpoint the companies and the transactions in question here fit the definition of related parties under generally accepted accounting standards. See the Testimony of Donne DeRonne, Technical Hearing transcript Vol. 2 TR-98-99. (Attachment C to this recommendation.) See also, Financial Accounting Standard Number 57. (Attachment D to this recommendation.)

At best, the transactions chronicled here might demonstrate a reorganization and name change from Woodlands to LPUC.⁶ LPUC, however, has not requested a name change and has indicated that it does not intend to honor the existing obligations of the utility to the Commission or to its ratepayers. Under these circumstances, staff recommends that the transfer application should also be denied because no real or legitimate transfer has occurred.

Rule 25-30.110(3), Florida Administrative Code, requires that an annual report be filed for any year a utility is jurisdictional as of December 31st. Staff has verified that the utility is current with respect to annual reports through 2002. Staff has

⁵ Staff also has questions about the foreclosure itself and whether or not the Woodlands did in fact default under the terms of the mortgage to Highvest. If further proceedings ensue in this case, more evidence on this question would be relevant. See the Mortgage documents attached to the Applicant's deficiency response dated March 28, 2003. Attachment B to this recommendation.

⁶ At worst the transactions represent a fraudulent transfer of the utility property to avoid the utility's liabilities and regulatory obligations to its customers and to the Commission. Black's Law Dictionary generally defines a fraudulent conveyance as a "[c]onveyance made with intent to avoid some duty or debt due by or incumbent upon the person making the transfer." As an example of a fraudulent transfer, see Nelson v. Spiegel, 529 So. 2d 311 (4th DCA 1988). In that case the Court found that the transfer of a sublease by a corporation was fraudulent where the corporation was insolvent, two creditors were engaged in litigation with the corporation, and the shareholders participated in the transfer by filing suit against the corporation and then, as officers and owners of the corporation, electing not to defend against the suit.

also verified that the utility has paid regulatory assessment fees (RAF) through 2001. On March 28, 2003, LPUC submitted RAFs for the period October 1, 2002, through December 31, 2002.

Regulatory assessment fees, plus penalties and interest, remain outstanding for January 1, 2002, through September 30, 2002. The application states that the Utility (Woodlands) will be responsible for payment of all regulatory assessment fees through September 26, 2002. While in usual foreclosure cases the Commission has not required the successor to pay the predecessor utility's past due regulatory assessment fees, in this case no legitimate transfer has occurred and the entities involved are all the alter egos of Anthony Cozier. Therefore, until a legitimate transfer is approved by the Commission, staff recommends that Highvest should be held responsible for all the Woodlands' regulatory responsibilities under Section 367.071(6), Florida Statutes, which provides that:

Any person, company, or organization that obtains ownership or control over any system, or part thereof, through foreclosure of a mortgage or other encumbrance, shall continue service without interruption and may not remove or dismantle any portion of the system previously dedicated to public use which would impair the ability to provide service, without the express approval of the commission. . . .

Since Highvest acquired the utility assets at foreclosure, it is responsible to provide the utility services under this statute until an appropriate transfer in the public interest is made. The proper provision of utility service requires the collection of rates, the payment of fees and refunds, and the fulfillment of other utility-related obligations.

For all of the reasons explained above, staff recommends that the transfer of Certificate Nos. 620-W and 533-S from Woodlands to LPUC should be denied. Staff also recommends that the Commission order LPUC to file another application for transfer of the certificates within 30 days from the date this decision is final, in which LPUC agrees to accept all regulatory obligations of the Woodlands, as Section 367.071(1), Florida Statutes, and Rule 25-30.037(2), Florida Administrative Code, require. The Department of State, Division of Corporations website and the Commission's Master Commission Directory indicate that the Woodlands of Lake Placid

DOCKET NO. 030102-WS
DATE: AUGUST 21, 2003

L.P. is still active, and therefore the certificates should remain with the Woodlands until the new transfer is approved. Further, the Commission should determine that Highvest, as the company that has current ownership of the Woodlands utility through foreclosure, is responsible for the proper provision of utility service, including the fulfillment of the utility's obligations to the Commission and to its ratepayers, until a transfer is approved.

ISSUE 2: Should the Commission deny OPC's Motion to Order L.P. Utilities to Cease Activities to Sell Utilities?

RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, OPC's motion will be moot. If the Commission denies staff's recommendation in Issue 1, it should specifically order LPUC to either seek Commission approval of any new transfer prior to its consummation, or demonstrate that there is a sale contract that contains a provision sufficient to make the transfer contingent on the Commission's determination that it is in the public interest. (K. FLEMING, M. BROWN, CLAPP, KAPROTH, REDEMANN)

STAFF ANALYSIS: OPC filed a Motion to Order L.P. Utilities to Cease Activities to Sell Utilities in Docket No. 020010-WS on June 26, 2003, and an amended Motion on June 27, 2003. The amended motion corrected some minor scrivener's errors and filed the motion in this docket. OPC has since withdrawn the motion from the other dockets involving the Woodlands, as it is more appropriate to consider OPC's request in this case.

OPC's Motion

OPC alleges that Mr. Lovelette, the manager of LPUC, former manager of the Woodlands utility, and president of the Camp Florida Property Owners' Association (POA), sent a letter and ballot to members of the POA, asking them to vote to purchase LPUC's utility assets. OPC also alleges that Highvest Corporation controls the majority of the votes in the POA, and other members of the POA are the customers of the Woodlands and LPUC who are owed a refund of overcharges in the amount of \$69,065.⁷

OPC asserts that LPUC does not have the authority to transfer any certificates or utility assets in a sale to the POA, because the transfer of Woodlands to LPUC has not even been approved by the Commission yet, and LPUC has no certificates or assets to transfer.

⁷ The letter was dated June 6, 2003, and the ballots were due no later than June 30, 2003. Apparently, the proposed purchase of the utility was approved by the majority of the voters, but as of this writing no sale has been consummated, and LPUC's attorney advises that he has suggested the sale should not go forward while this docket and the SARC docket are pending before the Commission.

OPC contends that this new proposal to sell the utility is designed "simply to add another smokescreen for avoiding a refund" of utility overcharges that the Commission has ordered in Docket No. 020010-WS. OPC states that until the refund issues and transfer issues are fully resolved, the utility should be "prohibited from complicating the matter further." Motion, p. 2. OPC asserts that the Commission has a regulatory obligation to the customers to ensure that the refund and transfer issues before it are adequately addressed. OPC asks the Commission to order LPUC and its officers and employees to cease all activities directed toward the sale of LPUC or the transfer of Certificate Nos. 620-W and 533-S pending the Commission's decision in this docket and in the SARC docket.

LPUC's Response

LPUC argues that the Commission does not have the authority to prohibit in advance the transfer of the utility assets in question here, so long as the transfer is made "subject to the Commission's jurisdiction over such transfer." (see LPUC Response to Public Counsel's Motion, p. 1) LPUC argues that the Commission cannot "enjoin" LPUC's exercise of its right to transfer utility assets contingent upon Commission approval under Section 367.071(1), Florida Statutes. LPUC compares the facts of this case to those of Florida Public Service Commission v. Florida Water Services Corporation, Case No. 03-CA-358, Second Judicial Circuit of Florida, where the Commission sued in circuit court for an injunction against the sale of a utility. LPUC refers to Order No. PSC-03-0193-FOF-WS⁸ as authority to deny OPC's motion here.

LPUC asserts that Mr. Lovelette's letter to the POA did not misrepresent the value placed on the utility system, and nothing in the information attached to OPC's motion indicates that the customers would not receive a refund from LPUC if the Commission orders one and that order is upheld on appeal. LPUC also argues that the Commission is without the authority to control the activities of the POA in its negotiations with LPUC to purchase the utility. According to LPUC, the fact that Highvest Corporation

⁸ Order No. PSC-03-0193-FOF-WS, issued February 7, 2003, in Docket No. 021066-WS, In re: Investigation into proposed sale of Florida Water Services Corporation.

controls the property owners association is of no concern to the Commission. LPUC argues:

This Commission has been admonished in the past by the Florida Supreme Court that the Commission is not empowered to right any wrong which it perceives regardless of its relationship to water and wastewater service. Deltona Corp. v. Mayo, 342 So.2d 510 (Fla. 1977), in which the Florida Supreme Court reminded the Commission that it has only those powers granted by statute expressly or by implication, and even if the company had engaged in an unfair business practice or committed fraud, it was not a matter with which the Commission may be concerned. This Commission had no authority to vindicate breaches in the land sales law in that case, nor does it have that authority with regard to the laws regulating homeowner's associations in the instant case.

Response, p.4-5.

Analysis

As stated above, if the Commission approves staff's recommendation in Issue 1 to deny the transfer of the Woodlands utility assets to LPUC, OPC's motion to order LPUC to cease activities to sell utilities would be moot because LPUC would have no utilities to lawfully sell to the property owners' association. OPC's motion is also moot because the Commission will take action on the SARC docket and the transfer docket at this Agenda. OPC only asked that further sale activities be prohibited pending a Commission decision in those dockets. While OPC suggests that the owners and operators of the utility might attempt to sell the utility anyway, that allegation is speculative and unlikely in light of LPUC's counsel's representation that he has suggested the sale be delayed until the Commission decides the pending transfer and SARC cases. In its response to OPC's motion, LPUC acknowledges that any transfer would be subject to the provisions of section 367.071(1), Florida Statutes. That subsection provides that no utility transfer may take place without prior approval by the Commission, based upon a determination that the transfer is in the public interest, except that a sale may be executed if the sale contract contains a provision that the sale is contingent upon Commission approval.

It should be noted that the Commission could order the relief OPC requests upon a sufficient showing that the utility customers and the public interest would be harmed otherwise. Order PSC-03-0193-FOF-WS provides the appropriate rationale for such an action. In that order the Commission found that the contract for the proposed sale of Florida Water Services Corporation's utility assets was not adequate to protect the interests of the utility's customers and the Commission prohibited the sale prior to receipt of Commission approval of the transfer. The Commission ultimately filed for an injunction in circuit court to prevent the sale, but not before it had itself directed the utility to refrain from further action to sell. The Commission declared:

This directive is predicated on this Commission's inherent authority to protect the customers of FWSC; a power that is enumerated in Sections 367.011 and 367.121, Florida Statutes.

Order No. PSC-03-0193-FOF-WS, p. 5.

In this case, however, staff recommends that if the Commission approves the transfer to LPUC in Issue 1, a directive to LPUC to fully comply with the requirements of section 367.071(1), Florida Statutes, and Rule 25-30.037(2), Florida Administrative Code, if it pursues a sale to the POA should protect the utility customers and the public interest here. If the Commission denies the transfer OPC's motion will be moot. For these reasons, therefore, staff recommends that OPC's motion should be denied.

DOCKET NO. 030102-WS
DATE: AUGUST 21, 2003

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open to address the new transfer application or a protest, if one is filed. If the Commission approves this application for transfer, the docket should be closed upon the issuance of the Commission's final order.
(K. FLEMING, M. BROWN)

STAFF ANALYSIS: If the Commission approves staff's recommendation in Issue 1, the docket should remain open either to address the new transfer application or to address a protest of the Commission's proposed agency action filed by the applicant within 21 days of the issuance of the Commission's Order. If the Commission denies staff's recommendation in Issue 1 and approves this transfer, the docket should be closed upon the issuance of the Commission's final order.

ATTACHMENT A

169

1 Q A salary. And that is in your role as an officer of
2 Highvest, is that correct?

3 A Yes.

4 Q Does your spouse receive any income of any type,
5 either salary, or bonuses, or profit distributions from any of
6 those five corporations?

7 A I believe she gets something from Anbeth. She used
8 to get from Camper Corral, but doesn't any more.

9 Q With regard to Highvest Corporation, do you receive
10 any type of fees as a consultant, or an independent contractor,
11 or anything?

12 A No.

13 Q Do you consider yourself or are you legally a
14 creditor of any of those five corporations?

15 A Yes. They owe me money, yes.

16 Q No. Do you receive interest from those corporations,
17 then, as a creditor?

18 A No.

19 Q Do you receive any type of property or monetary
20 distributions in your role as a creditor of those corporations?

21 A Not to my knowledge, no.

22 Q There was a substantial amount of testimony earlier
23 today from Mr. Lovelette about the different corporations, and
24 I don't intend to revisit that at any length, but would it be a
25 fair characterization to say that with respect to Highvest, and

170

1 L.P. Utilities, and the Woodlands of Lake Placid, you are
2 basically the ultimate decision-maker?

3 A I am the ultimate what, sir?

4 Q The ultimate decision-maker.

5 A Yes.

6 Q And there was some discussion about a decision that
7 Highvest Corporation would foreclose its interest in the
8 Woodlands of Lake Placid. Do you recall that discussion?

9 A Yes.

10 Q Would it be fair to say that it was your decision for
11 Highvest Corporation to foreclose on the Woodlands of Lake
12 Placid?

13 A Well, finally it was my decision, but it was in
14 consultation with the other board members and our attorney.

15 Q Can you explain to me why you or the board that made
16 the decision to foreclose Highvest's interest in the Woodlands
17 of Lake Placid, when it was made last year, about the time it
18 was made?

19 A Yes. I can explain that. Highvest Corporation had
20 taken over the mortgage from a trust corporation out of
21 Indianapolis when Woodlands was unable to meet the
22 requirements, financial requirements of that mortgage.
23 Woodlands made periodic payments on their mortgage, but it was
24 very much in arrears.

25 Now, through that period it was not in the interest

171

1 of Highvest Corporation to foreclose on the mortgage. However,
2 when our security was threatened by a judgment, and I know in
3 my banking career of many years, one of the first things that
4 we would do as a banker is to foreclose a mortgage if either
5 that mortgage was threatened by judgments or by unpaid taxes.
6 And so that prompted our decision when there was a judgment to
7 call the mortgage in and foreclose on it.

8 Q And why was it not in Highvest's corporate interest
9 to foreclose on the Woodlands -- you mentioned it wasn't in
10 their interest to foreclose, why is that?

11 A Well, mostly the mortgage covered land, acreage to be
12 developed, and we were hoping that at some period Woodlands
13 would get the permission to develop. And, secondly, Highvest
14 had no desire to run a utilities company.

15 Q You mentioned there were periodic payments made from
16 Woodlands to Highvest. Could you give me an idea of what you
17 mean by periodic?

18 A Well, I couldn't tell you offhand what dates and when
19 they were. All I know is that they were in arrears in their
20 mortgage and they had not met the requirements of the mortgage
21 as per the mortgage agreement.

22 Q So you don't have any precise information on how many
23 payments or with what frequency the Woodlands made payments to
24 Highvest?

25 A No, I couldn't tell you that offhand. I deal with a

172

1 number of different corporations and different mortgages. I
2 can't tell you exactly which one is in arrears at what time.

3 Q Would it be a fair characterization to say that --
4 let me withdraw that question for the moment.

5 Mr. Cozier, I would like to ask you to explain to me
6 what difference you see, if any, in the corporate structure of
7 the Woodlands of Lake Placid and L.P. Utility Corporation
8 today?

9 A What difference?

10 Q What difference.

11 A Well, I don't know, I have heard a lot of things
12 about corporations, and because one owner has different
13 corporations, it sounds to me like it is some kind of criminal
14 activity. And I believe that this is the essence of corporate
15 structures in the United States, that many companies have
16 different entities for different purposes.

17 Now Woodlands was in arrears, their security was
18 threatened, and we exercised our right to foreclose. And we
19 did this according to law. We had legal opinion. We went
20 through the proper channels. There was nothing underhanded or
21 disguised, it was public knowledge. Now, Highvest has no
22 interest in running a utility company. And, therefore, to
23 continue it, a corporation was formed in order to ensure the
24 continuance of that utility company.

25 Q Is it true that you will be the ultimate

173

1 decision-maker for L.P. Utilities Corporation?

2 A Well, ultimately all decisions have to come back in
3 my lap. I mean, it is like running the country. You know, you
4 have got Senates and Houses and everything else, but ultimately
5 when you are going to go to war it is the president that has to
6 press the button, and he has got to take the responsibility.
7 And that happens in corporations. And I am quite prepared to
8 take that responsibility when it is necessary to do so.

9 Q Would it be a fair characterization of your testimony
10 today that you believe the fact that the Woodlands of Lake
11 Placid L.P. was a different corporate entity than the L.P.
12 Utilities, Incorporated, means that L.P. has no liability for
13 any refunds to the customers?

14 A Well, I don't even think Woodlands has any
15 responsibility. And when we foreclosed on it, Woodlands had no
16 responsibility. We were not made aware of any responsibility
17 to refund money to anybody.

18 Q You don't believe the Woodlands of Lake Placid owed
19 any refunds to anybody?

20 A No, I don't, sir. I think they got a -- they were
21 charged a reasonable fee. They got good service throughout all
22 the years. Now, we were not aware that there was anything like
23 a public utility commission that was responsible for what we
24 were doing. We thought we were just running -- we took it
25 over, we were running a little utility there for the benefit of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020010-WS

In the Matter of

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN HIGHLANDS COUNTY
BY THE WOODLANDS OF LAKE
PLACID, L.P.

_____/

ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING.
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

VOLUME 2
Pages 86 through 207

PROCEEDINGS: TECHNICAL HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH BRADLEY
COMMISSIONER CHARLES DAVIDSON

DATE: Wednesday, May 28, 2003

TIME: Commenced at 11:00 a.m.
Concluded at 5:00 p.m.

PLACE: Sebring Civic Center
355 W. Center Avenue
Sebring, Florida

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

APPEARANCES: (As heretofore noted.)

ATTACHMENT B

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.

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 of 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 hereby 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, nor any omission or delay in the exercise of, any right, power, or 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

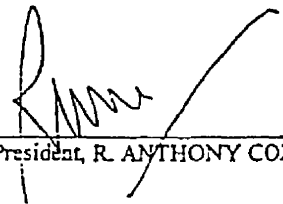
Highvest or Highvest's affiliates. Borrower irrevocably makes Highvest Borrower's agent to sign on Borrower's behalf all documents and items in connection with this Note including, without limitation, applications, proofs of loss, receipts, settlements, releases, certificates, other evidences of title 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.

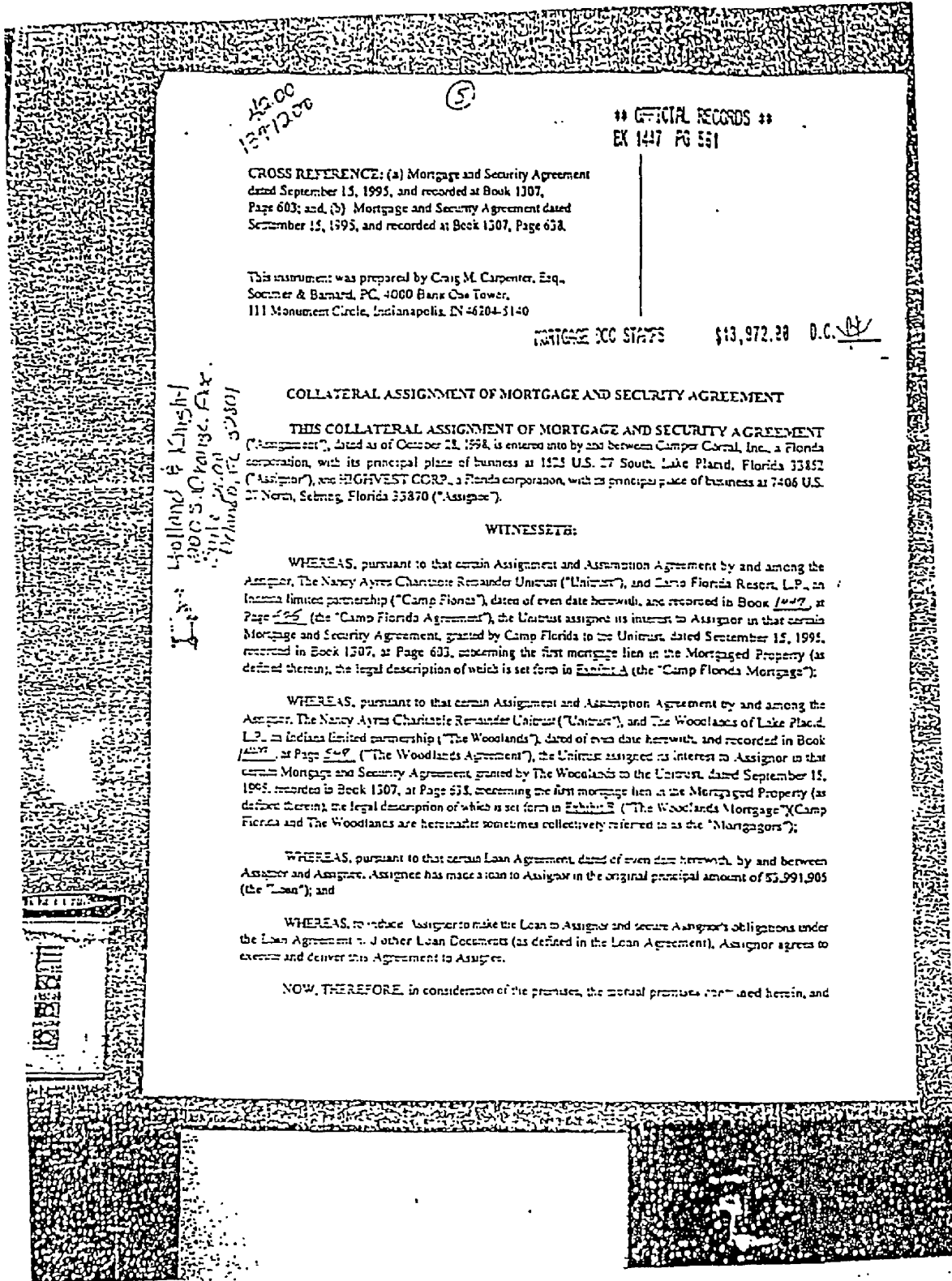
CAMPER CORRAL, INC.

Borrower:

X



By its President, R. ANTHONY COZIER



12.00
13712.00

(5)

OFFICIAL RECORDS
EX 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 638.

This instrument was prepared by Craig M. Carpenter, Esq.,
Sommer & Barnard, P.C. 4060 Bank One Tower,
111 Monument Circle, Indianapolis, IN 46204-5140

MORTGAGE DOC STAFFS \$13,972.20 D.C. AY

Wolland & Knight/
200 S. Orange, Fax
Indianapolis, IN 46201

COLLATERAL ASSIGNMENT OF MORTGAGE AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT OF MORTGAGE AND SECURITY AGREEMENT (Assignment), dated as of October 21, 1998, is entered into by and between Camp Florida, 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 7406 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 Charlotte Remainder Unitrust ("Unitrust"), and Camp Florida Resort, L.P., an Indiana limited partnership ("Camp Florida"), dated of even date herewith, and recorded in Book 1407, at Page 496 (the "Camp Florida Agreement"), the Unitrust assigned its interest 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 Charlotte 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 1407, at Page 497 (the "Woodlands Agreement"), the Unitrust assigned its interest in that certain Mortgage and Security Agreement, granted by The Woodlands to the Unitrust, dated September 15, 1995, recorded in Book 1307, at Page 638, 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 Assignor 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 "B"
28B

**** OFFICIAL RECORDS ****
BK 1447 PG 562

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 meaning 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 Assignor's 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 attorney's 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 acknowledgment thereon 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

OFFICIAL RECORDS
EX 1447 PG 563

for 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 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: HIGHEST CORP. With copy to: Edward W. Harris, Esq.
R. Anthony Cozier, President Sommer & Burnard, PC
7406 U.S. 27 North 4000 Bank One Tower
Sebring, Florida 33870 111 Monument Circle
Indianapolis, Indiana 46204

To Assignee: Camcor Control, Inc.
R. Anthony Cozier, President
1525 U.S. 27 South
Lake Placid, Florida 33632

All non-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 deposit 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

OFFICIAL RECORDS ##
EX 1447 PG 564

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"

Camper Capital, Inc.

By: [Signature]
R. Anthony Camper, President

Witness: [Signature]
Printed Name: [Name]

Witness: [Signature]
Printed Name: [Name]

"ASSIGNEE"

HIGHEST CORP.

By: [Signature]
R. Anthony Camper, President

Witness: [Signature]
Printed Name: [Name]

Witness: [Signature]
Printed Name: [Name]

OFFICIAL RECORDS ##
EX 1447 PG 566

ACKNOWLEDGMENT

Each of the undersigned Mortgages 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

THE WOODLANDS OF LAKE PLACED, L.P., an Indiana limited partnership

By: Camper Corral, Inc., its general partner

By: Camper Corral, Inc., its general partner

By: [Signature]
R. Anthony Casper, President

By: [Signature]
R. Anthony Casper, President

Witness: [Signature]
Printed Name: CLIFFORD R. FOGLEDES

Witness: [Signature]
Printed Name: CLIFFORD R. FOGLEDES

Witness: [Signature]
Printed Name: CLIFFORD R. FOGLEDES

Witness: [Signature]
Printed Name: CLIFFORD R. FOGLEDES

STATE OF FLORIDA)
) SS:
COUNTY OF HIGHLANDS)

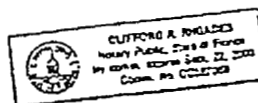
Before me, a Notary Public in and for said County and State, personally appeared R. Anthony Casper, President of Camper Corral, Inc., a Florida corporation, general partner of Camp Florida Resort, L.P., an Indiana limited partnership, who after having been duly sworn, acknowledged the execution of the 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 August, 2003.

[Signature]
CLIFFORD R. FOGLEDES, Notary Public

My Commission Expires: 1/1/05

My County of Residence: Highland



OFFICIAL RECORDS ##
BK 1447 PG 569

EXHIBIT "A"

All lands within the Plat of LAKE PLACID CAMP FLORIDA RESORT, according to the plat thereof, as recorded in Plat Book 15, at Page 91, of the Public Records of Highlands County, Florida, said Plat being a recital 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, 39, 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 34;
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 1, 7, and 10;
Block H: Lot 12;
Block I: Lots 2, 3, 4, 5, 6, 7, 8, 14, 19, 23, 24, and 27;
Block J: Lots 19, 4, 5, 8, 12, and 14;
Block K: Lots 1, 6, 10, 11, 14, 16, 18, 20, 21, 22, 25, 24, 25, 26, and 27;
Block L: Lots 1, 5, 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 91, of the Public Records of Highlands County, Florida.

EXHIBIT B

OFFICIAL RECORDS
EX 1447 PG 559

The West Half (W 1/2) of the Northwest Quarter (NW 1/4) 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 413.13 feet thereof,

AND

The fractional Northeast Quarter (NE 1/4) and the East Half (E 1/2) of the East Half (E 1/2) of the Northwest Quarter (NW 1/4) 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 10 East, Highlands County, Florida;

AND ALSO LESS THE FOLLOWING DESCRIBED REAL PROPERTY:

A portion of the Northwest Quarter (NW 1/4) of Section 17, Township 37 South, Range 10 East, Highlands County, Florida, being more particularly described as follows: COMMENCE where the East line of the Northwest Quarter (NW 1/4) crosses 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 course North 89°45'10" West along the South right-of-way line for a distance of 753.21 feet to a point on the Eastern right-of-way line of U.S. Highway No. 27; thence South 14°11'23" East along the Eastern right-of-way line for a distance of 430.0 feet to a point; thence North 30°00'00" East for a distance of 167.91 feet to a point; thence North 87°00'00" East for a distance of 212.15 feet to a point; thence North 10°00'00" East for a distance of 155.49 feet to a point; thence North 75°29'12" 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 lanes 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, and Plat being a record of a person 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 # 1016750 RCD: Mar 29 1999 @ 11:21AM
L. E. "Luna" Brooker, 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 Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N 89°45'10" 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 N 10°00'00" W along the West line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 430.03 feet to the POINT OF BEGINNING of the Tract of Land hereinafter to be described; thence continue N 10°00'00" W along the West described course for a distance of 200.00 feet to a point; thence run S 89°45'10" 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 E 10°00'00" 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 200.00 feet to a point; thence run N 89°45'10" W parallel to the South line of said Southwest 1/4 for a distance of 430.00 feet to the POINT OF BEGINNING.

SUBJECT is that certain Florida Power Corporation easement recorded in D.R. Book 2a1, Page 200, Public Records of Highlands County, Florida; and, the right of way and service over the same that certain easement described as the East 20.01 feet of the West 740.01 feet of the South 430.03 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.

7150

STATE OF FLORIDA
UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1 REV. 1988

DEBTOR (See Instructions for a Person)
NAME **Camper Corral, Inc.**

1A MAILING ADDRESS **1525 U.S. 27 South**

CITY **Lake Placid** STATE **FL** ZIP CODE **33852**

1B MAILING ADDRESS

CITY STATE

1C MAILING ADDRESS

CITY STATE

SECURED PARTY (See Instructions for a Person)
NAME **ECGVEST CORP.**

2A MAILING ADDRESS **7406 U.S. 27 North**

CITY **Sebring** STATE **FL** ZIP CODE **33870**

2B MAILING ADDRESS

CITY STATE

3 MAILING ADDRESS

CITY STATE

4. THE FINANCING STATEMENT covers the following property or interest in property (unless otherwise specified, the property of the debtor):
See Exhibit A attached hereto and incorporated herein by reference.

5. PURPOSE OF FINANCING AND INTEREST AS PROVIDED BY SECTION 409.003 AND 409.004, F.S.
See Exhibit A attached hereto and incorporated herein by reference.

6. FILED IN **DeSoto County Clerk of Court**

7. No of additional copies prepared

8. Check if all documents were filed and recorded or if recorded and not recorded in Section 409.003, F.S. after 1988.
 if recorded and not recorded in Section 409.003, F.S. after 1988.

9. The instrument is being recorded by the debtor's signature or signature of authorized officer of the debtor.
 Debtor's signature is a signature of authorized officer of the debtor.
 Debtor's signature is a signature of authorized officer of the debtor.
 Debtor's signature is a signature of authorized officer of the debtor.

10. Check if no.
 Debtor is a corporation or partnership.
 Debtor is a partnership.

11. SIGNATURE OF DEBTOR
Camper Corral, Inc.
By: **Anthony Corral, President**

12. SIGNATURE OF SECURED PARTY (if of record)

13. FILING OFFICER COPY

STANDARD FORM — FORM UCC-1

APPROVED BY SECRETARY OF STATE, STATE OF FLORIDA

NAME AND ADDRESS OF PREPAYER

NAME **A. Guy Neff, Esq.**
ADDRESS **200 South Grace Avenue**
Suite 2600
CITY **Orlando**
STATE **Florida** ZIP CODE **32801**

EXHIBIT B

== OFFICIAL RECORDS ==
BK 1447 PG 573

The West Half (W 1/2) of the Northwest Quarter (NW 1/4) 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 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 37 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 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 1/4) intersects the South right-of-way line of State Road No. 29, thence North 89°46'10" West along the South right-of-way line of said State Road No. 29 for a distance of 1043.72 feet to the POINT OF BEGINNING; thence continue North 89°45'30" West along said South right-of-way line for a distance of 753.12 feet to a point on the Eastern right-of-way line of U.S. Highway No. 27, thence South 2°45'13" East along the Eastern right-of-way line for a distance of 490.0 feet to a point; thence North 80°20'00" East for a distance of 107.91 feet to a point; thence North 87°00'00" East for a distance of 213.15 feet to a point; thence North 50°00'00" East for a distance of 166.49 feet to a point; thence North 75°25'10" East for a distance of 113.12 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, 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 # 1816633 RCD: Mar 29 1999 @ 11:21AM
L. E. "Lute" Brooker, 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 27 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°45'30" W along the South line of said Southwest 1/4 of Section 8 for a distance of 444.03 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 N 1°09'18" E along the west line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 490.01 feet to the Point of Beginning of the tract of land hereinafter to be described; thence continue N 1°09'18" E along the last described course for a distance of 300.00 feet to a point; thence run S 89°45'30" 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 1°09'18" 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°45'30" 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 281, Page 300, Public Records of Highlands County, Florida; AND, the Plat of Inheritance and conveyance and lease that certain easements described as the East 50.01 feet of the West 200.03 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 27 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 17th day
AUGUST
of July, 2002.

/S/ ROGER A. ALCOTT

ROGER A. ALCOTT, Circuit Judge

cc: James F. McCollum
Woodlands, L.P.
Camper Corral, Inc.

094
.70

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR HIGHLANDS COUNTY, FLORIDA

HIGHVEST, CORP.,
Plaintiff,



RECORDED
TO BE A TRUE COPY
L.C. "LIVE" BROOKER, CLERK

CASE NO: GC02-351

vs.

WOODLANDS, L.P., and
CAMPER CORRAL, INC., General Partner
Defendants.

FILED
BK 1629 PG 1539

FILED

2002 SEP 27 AM 8:53

CERTIFICATE OF TITLE

The undersigned Clerk of the Court certifies that he executed and filed a Certificate of Title 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 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 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 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 1/2 of the East 1/2 of said Southwest 1/4; Thence run N 1 degree 09 minutes' 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 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
U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
GAINESVILLE, FLORIDA

seconds east 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 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 1/2 of the East 1/2 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

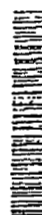
The fractional Northeast Quarter (NE 1/4) and the East Half (E 1/2) of the Northwest Quarter (NW 1/4) LESS the South 413.15 feet thereof, and LESS road right-of-way;

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 line 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 1540



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 of 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 September, 2002



L.E. "Luke" Brooker
As Clerk of the Court

By [Signature]
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 H 1161488 RCD: Oct 01 2002 @ 08:36AM
L. E. "Luke" Brooker, Clerk, Highlands County

ATTACHMENT C

86

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020010-WS

In the Matter of

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN HIGHLANDS COUNTY
BY THE WOODLANDS OF LAKE
PLACID, L.P.

ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

VOLUME 2
Pages 86 through 207

PROCEEDINGS: TECHNICAL HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH BRADLEY
COMMISSIONER CHARLES DAVIDSON

DATE: Wednesday, May 28, 2003

TIME: Commenced at 11:00 a.m.
Concluded at 5:00 p.m.

PLACE: Sebring Civic Center
355 W. Center Avenue
Sebring, Florida

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

APPEARANCES: (As heretofore noted.)

1 Had this been an independent arm's-length transaction
2 that was nonrelated, you wouldn't have a company closing on a
3 mortgage and then four days later turning around and entering
4 another mortgage with essentially the same owner. This clearly
5 is not -- they are not independent parties, and they are not
6 arm's-length transactions, and the utility should not be
7 allowed through these foreclosures and setting up different
8 companies to get out of refunding to these customers these
9 amounts that they paid illegally and they are lawfully due.

10 COMMISSIONER DAVIDSON: I have a question here. Upon
11 what do you base your conclusion, is this based upon your
12 experience in similar cases, generally accepted accounting
13 principles and transactions such as this? I'm trying to get at
14 sort of what is your -- basing your conclusion, your ownership
15 conclusions on?

16 THE WITNESS: That they are related parties. Well,
17 the first sentence is the Woodlands of Lake Placid L.P. is
18 owned by Camper Corral and Mr. Cozier jointly, and Mr. Cozier
19 owns Camper Corral. For Highvest, Mr. Cozier is the president.
20 And in his April 29th of this year deposition, it was indicated
21 that he makes ultimate decision as to whether or not the
22 foreclosure proceeds.

23 And, finally, L.P. Utilities is owned by Anbeth
24 Corporation, which is also owned by Mr. Cozier. Under
25 generally accepted accounting principles, specifically under

99

1 Statement of Financial Accounting Standard Number 57, it gives
2 definitions of related parties. And these clearly -- joint
3 management, joint decision control, all fall under the
4 definition of related parties.

5 And I don't see how even just from a common sense
6 standpoint beyond the regular accounting rules and principles
7 one can consider these independent parties. They are under the
8 same control, the same person makes the decisions in all three
9 of these entities. So I guess my position is based on the
10 management structure of the corporations in question, and the
11 definition of related parties under generally accepted
12 accounting principles.

13 To continue, the next issue I get into is the issue
14 of whether or not the refund -- actually it is my understanding
15 that has been stipulated to, so the next issue I wish to
16 address is contributions in aid of construction, and Mr.
17 Burgess did address this quite a bit in his opening statement.

18 Back in the time period of late 2000, early 2001 the
19 individual privately owned lots were required to put meters.
20 And it is my understanding that under the company's consumptive
21 use permit they are required to install meters on all the lots.
22 This wasn't a requirement come up with by a utility, it is
23 required under their consumptive use permit. And at that time
24 they charged the individual private lot owners \$189 per meter
25 to recover the cost of those lots. And the proposed agency

ATTACHMENT D

FAS 57: Related Party Disclosures

FAS 57 STATUS

Issued: March 1982

Effective Date: For fiscal years ending after June 15, 1982

Affects: No other pronouncements

Affected by: Paragraph 2 amended by FAS 96 and FAS 109
Footnote 2 amended by FAS 95

Other Interpretive Pronouncement: FIN 45

FAS 57 Summary

This Statement establishes requirements for related party disclosures. The requirements of this Statement are generally consistent with those in Statement on Auditing Standards No. 6, *Related Party Transactions*, issued by the Auditing Standards Executive Committee of the American Institute of Certified Public Accountants.

INTRODUCTION

1. The FASB has been asked to provide guidance on disclosures of transactions between **related parties**.¹⁽¹⁾ Examples of related party transactions include transactions between (a) a parent company and its subsidiaries; (b) subsidiaries of a common parent; (c) an enterprise and trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the enterprise's **management**; (d) an enterprise and its **principal owners**, management, or members of their **immediate families**; and (e) **affiliates**. Transactions between related parties commonly occur in the normal course of business. Some examples of common types of transactions with related parties are: sales, purchases, and transfers of realty and personal property; services received or furnished, for example, accounting, management, engineering, and legal services; use of property and equipment by lease or otherwise; borrowings and lendings; guarantees; maintenance of bank balances as

compensating balances for the benefit of another; intercompany billings based on allocations of common costs; and filings of consolidated tax returns. Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. For example, an enterprise may receive services from a related party without charge and not record receipt of the services.

STANDARDS OF FINANCIAL ACCOUNTING AND REPORTING

Disclosures

◆2. Financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements.2(2) The disclosures shall include:3(3)

- a. The nature of the relationship(s) involved
- b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements
- c. The dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period
- d. Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement

3. Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

4. If the reporting enterprise and one or more other enterprises are under common ownership or management ◆control and the existence of that control could result in operating results or financial position of the reporting enterprise significantly different from those that would have been obtained if the enterprises were autonomous, the nature of the control relationship shall be disclosed even though there are no transactions between the enterprises.

Effective Date and Transition

5. This statement shall be effective for financial statements for fiscal years ending after June 15, 1982. Earlier application is encouraged but is not required.

**The provisions of this Statement need
not be applied to immaterial items.**

This Statement was adopted by the unanimous vote of the seven members of the Financial Accounting Standards Board:

Donald J. Kirk, *Chairman*
Frank E. Block
John W. March
Robert A. Morgan
David Mosso
Robert T. Sprouse
Ralph E. Walters

Appendix A: BACKGROUND INFORMATION AND BASIS FOR CONCLUSIONS

6. This appendix discusses the factors that the Board considered significant in reaching the conclusions in this Statement. Individual Board members gave greater weight to some factors than to others.
7. AICPA Statement on Auditing Standards No. 6, *Related Party Transactions* (SAS 6), and interpretations of SAS 6 provide guidance on related party financial statement disclosures. However, authoritative auditing pronouncements are intended to direct the activities of auditors, not of reporting enterprises.
8. As part of Accounting Series Release No. 280, *General Revisions of Regulation S-X*, the Securities and Exchange Commission integrated the disclosure requirements of SAS 6 pertaining to related party transactions into Regulation S-X. Regulation S-X, however, applies only to enterprises subject to the filing requirements of the SEC.
9. Because guidance for related party disclosures was not included in the authoritative literature on generally accepted accounting principles, the Accounting Standards Division of the AICPA asked the FASB to consider providing such guidance in a Statement of Financial Accounting Standards.

10. As discussed in paragraphs 12-18, the Board believes that it is appropriate to establish standards that apply to all enterprises for disclosure of information about related party transactions and certain control relationships. The Board has not undertaken a comprehensive reconsideration of the accounting and reporting issues discussed in SAS 6 and related interpretations thereof. The related party disclosure requirements contained in those documents have been extracted without significant change, except that this Statement does not address the issues pertaining to economic dependency. Other FASB projects may address issues related to those in this Statement, and the Board may reconsider the standards in this Statement when those projects are completed.

11. An Exposure Draft of a proposed Statement, *Related Party Disclosures*, was issued on November 6, 1981. The Board received 66 comment letters in response to that Exposure Draft. Certain of the comments received and the Board's consideration of them are discussed in paragraphs 19-22 of this appendix.

Usefulness of Related Party Disclosures

12. FASB Concepts Statement No. 2, *Qualitative Characteristics of Accounting Information*, examines the characteristics of accounting information that make it useful. That Statement concludes that for accounting information to be useful, it should be relevant (meaning that it has predictive or feedback value) and reliable (meaning that it has representational faithfulness, verifiability, and neutrality). That Statement further concludes that information about an enterprise increases in usefulness if it can be compared with similar information about other enterprises and with similar information about the same enterprise for some other period or point in time.

13. Accounting information is relevant if it is "capable of making a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct expectations."⁴⁽⁴⁾ Relationships between parties may enable one of the parties to exercise a degree of influence over the other such that the influenced party may be favored or caused to subordinate its independent interests. Related party transactions may be controlled entirely by one of the parties so that those transactions may be affected significantly by considerations other than those in arm's-length transactions with unrelated parties. Some related party transactions may be the result of the related party relationship and without the relationship may not have occurred or may have occurred on different terms. For example, the terms under which a subsidiary leases equipment to another subsidiary of a common parent may be imposed by the common parent and might vary significantly from one lease to another because of circumstances entirely unrelated to market prices for similar leases.

14. Sometimes two or more enterprises are under common ownership or management control but do not transact business with each other. The common control, however, may result in operating results or financial position significantly different from that which would have been

obtained if the enterprises were autonomous. For example, two or more enterprises in the same line of business may be controlled by a party that has the ability to increase or decrease the volume of business done by each. Disclosure of information about certain control relationships and transactions with related parties helps users of financial statements form predictions and analyze the extent to which those statements may have been affected by that relationship.

15. Reliability of financial information involves "assurance that accounting measures represent what they purport to represent." 5(5) Without disclosure to the contrary, there is a general presumption that transactions reflected in financial statements have been consummated on an arm's-length basis between independent parties. However, that presumption is not justified when related party transactions exist because the requisite conditions of competitive, free-market dealings may not exist. Because it is possible for related party transactions to be arranged to obtain certain results desired by the related parties, the resulting accounting measures may not represent what they usually would be expected to represent. Reduced representational faithfulness and verifiability of amounts used to measure transactions with related parties weaken the reliability of those amounts. That weakness cannot always be cured by reference to market measures because in many cases there may be no arm's-length market in the goods or services that are the subject of the related party transactions.

16. The Board believes that an enterprise's financial statements may not be complete without additional explanations of and information about related party transactions and thus may not be reliable. Completeness implies that "... nothing material is left out of the information that may be necessary to insure that it validly represents the underlying events and conditions." 6(6)

17. The Board also believes that relevant information is omitted if disclosures about significant related party transactions required by this Statement are not made. "Completeness of information also affects its relevance. Relevance of information is adversely affected if a relevant piece of information is omitted, even if the omission does not falsify what is shown." 7(7)

18. Information about transactions with related parties is useful to users of financial statements in attempting to compare an enterprise's results of operations and financial position with those of prior periods and with those of other enterprises. It helps them to detect and explain possible differences. Therefore, information about transactions with related parties that would make a difference in decision making should be disclosed so that users of the financial statements can evaluate their significance.

Consideration of Comments on Exposure Draft

19. Some respondents were troubled by the proposal in the Exposure Draft to require disclosure of only those transactions "that are necessary for users to understand the financial statements." They generally expressed the view that it would be difficult to apply such a criterion

and that it was unclear how that criterion interacted with materiality judgments. In addition, some respondents also interpreted that language combined with the Exposure Draft's omission of the specific exclusion provided in SAS 6 for disclosure of compensation arrangements, expense allowances, and other similar items in the ordinary course of business as a requirement that such items be disclosed. The Board does not intend to imply that disclosure of related party transactions and certain control relationships is a separate objective of financial reporting, nor does the Board intend to introduce a new concept of materiality. Rather, disclosure of related party transactions and certain control relationships is required solely for the purpose of enhancing the understanding of the financial statements and the fact that such matters have, or could have, an effect on the financial statements. Disclosure of compensation arrangements, expense allowances, and other similar items in the ordinary course of business is not necessary for a user to understand the financial statements. The standard has been revised accordingly.

20. The Exposure Draft would have prohibited representations to the effect that related party transactions were consummated on an arm's-length basis. While recognizing the difficulty in many situations of determining the terms on which a transaction might have occurred if the parties were unrelated, many respondents pointed out that certain related party transactions occur on terms available to unrelated parties or on terms established by regulatory agencies. They believe that representations as to the terms of a related party transaction should not be prohibited if they can be substantiated. The Board agreed, and the requirement (paragraph 3) has been modified accordingly.

21. SAS 6 and interpretations thereof call for disclosure of the nature of common control relationships if the controlling party has the ability to affect the reporting enterprise in a manner that could lead to significantly different operating results or financial position than if the enterprises were autonomous. The Exposure Draft would have gone beyond those requirements to require disclosure of all control relationships. Some respondents expressed doubt about the usefulness of some of the disclosures that would result. They indicated that the requirement would be burdensome particularly for closely held enterprises that might have numerous relationships with owners and their families, lenders, and possibly others that might be deemed to be "control." The Board agreed that requiring disclosure of all control relationships might be of limited usefulness. Accordingly, the requirement (paragraph 4) was revised to conform more closely to that discussed in SAS 6.

22. Several respondents asked the FASB to provide additional guidance on disclosures about economic dependency but did not provide information to define the issues involved, nor did they provide evidence as to why additional guidance is needed. Therefore, the Board concluded that issuance of this Statement should not be delayed to consider that issue.

23. The Board has concluded that it can reach an informed decision on the basis of existing information without a public hearing and that the effective date and transition specified in paragraph 5 are advisable in the circumstances.

Appendix B: GLOSSARY

24. For purposes of this Statement, certain terms are defined as follows:
- a. **Affiliate.** A party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an enterprise.
 - b. **Control.** The possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract, or otherwise.
 - c. **Immediate family.** Family members whom a principal owner or a member of management might control or influence or by whom they might be controlled or influenced because of the family relationship.
 - d. **Management.** Persons who are responsible for achieving the objectives of the enterprise and who have the authority to establish policies and make decisions by which those objectives are to be pursued. Management normally includes members of the board of directors, the chief executive officer, chief operating officer, vice presidents in charge of principal business functions (such as sales, administration, or finance), and other persons who perform similar policymaking functions. Persons without formal titles also may be members of management.
 - e. **Principal owners.** Owners of record or known beneficial owners of more than 10 percent of the voting interests of the enterprise.
 - f. **Related parties.** Affiliates of the enterprise; entities for which investments are accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; principal owners of the enterprise; its management; members of the immediate families of principal owners of the enterprise and its management; and other parties with which the enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Endnotes

1 (Popup - Popup)

FAS57, Footnote 1--Terms defined in the glossary (Appendix B) are in **boldface type** the first time they appear in this Statement.

2 (Popup - Popup)

FAS57, Footnote 2--The requirements of this Statement are applicable to separate financial statements of each or combined groups of each of the following: a parent company, a subsidiary, a corporate joint venture, or a 50-percent-or-less owned investee. However, it is not necessary to duplicate disclosures in a set of separate financial statements that is presented in the financial report of another enterprise (the primary reporting enterprise) if those separate financial statements also are consolidated or combined in ~~a complete set of financial statements~~ and both sets of financial statements are presented in the same financial report.

3 (Popup - Popup)

FAS57, Footnote 3--In some cases, aggregation of similar transactions by type of related party may be appropriate. Sometimes, the effect of the relationship between the parties may be so pervasive that disclosure of the relationship alone will be sufficient. If necessary to the understanding of the relationship, the name of the related party should be disclosed.

4 (Popup - Popup)

FAS57, Appendix A, Footnote 4--Concepts Statement 2, ◆paragraph 47.

5 (Popup - Popup)

FAS57, Appendix A, Footnote 5--Ibid., ◆paragraph 81.

6 (Popup - Popup)

FAS57, Appendix A, Footnote 6--Ibid., ◆paragraph 79.

7 (Popup - Popup)

FAS57, Appendix A, Footnote 7--Ibid., ◆paragraph 80.