

**APPLICATION FOR TRANSFER OF CERTIFICATES OR FACILITIES
FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY**

**(Pursuant to Section 367.071, Florida Statues, and
Rule 25-30.037(2), Florida Administrative Code)**

Pursuant to Rule 25-30.037 (1)(a), Fla. Admin. Code, if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

**To: Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for the transfer of facilities and transfer of Wastewater Certificate No. 537-S in Okeechobee County, Florida, and submits the following information:

Part I Applicant Information

A. The utility/seller's certificated name, address, telephone number and, if applicable, tax number, email address, and website address. The utility's name should reflect the business and/or fictitious name registered with the Department of State's Division of Corporations:

**Northgate Properties, Inc.
3277 First Avenue
Mims, Florida 32754
321-267-0501
Email: rnorthgateprope@cfl.rr.com
Website address: N/A
Water Certificate No. 412-W
Wastewater Certificate No. 345-S**

B. The contact information of the seller's authorized representative to contact concerning this application:

**Lester E. Groom, Jr.
3277 First Avenue
Mims, Florida 32754
321-267-0501
Email: rnorthgateprope@cfl.rr.com**

C. The buyer's name, address, telephone number, Federal Employer Identification Number, and, if applicable, tax number, email address, and website address and new name of the utility if the buyer plans to operate under a different name. The buyer's business name, and if applicable, new

utility name, should reflect the business and/or fictitious name registered with the Department of State's Division of Corporations:

Northgate FL Utility, LLC
10221 River Road #59831
Potomac, MD 20859
202-838-6471
Federal Employer ID: 39-2624811
Email: homeoffice@parakeetcommunities.com
New Utility Name: Northgate FL Utility, LLC

D. The contact information of the buyer's authorized representative to contact concerning this application:

F. Marshall Deterding, Esquire
Sundstrom Law, LLC
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
850-877-6555
mdeterding@sundstrom-law.com

E. The contact information of the person in possession of the books and records when the application is filed:

David Berman, Controller
Parakeet Communities
10221 River Road #59831
Potomac, MD 20859
dberman@parakeetcommunities.com

F. Indicate the nature of the utility's/buyer's business organization. Provide documentation from the Florida Department of State, Division of Corporations, showing the business name of the utility/buyer and registration/document number for the business, unless operating as a sole proprietor.

Limited Liability Company Document No. L25000244950

G. The name(s), address(es), and percentage of ownership of each entity or person which owns or will own more than 5 percent interest in the utility:

Northgate FL MHC, LLC
Manager, 100%

H. Provide the date and state of incorporation of the buyer:

June 5, 2025 – Florida

Part II Transfer of Certificate

A. Description of Sale Agreement

1. Exhibit A. Provide a copy of the contract for sale and all supplemental agreements. If the sale, assignment or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval.

Exhibit A attached hereto includes the Purchase and Sale Agreement for the entire Northgate Mobile Home Community including the utility as well as the First, Second and Third Amendments thereto and the Assignment and Assumption Agreement. Exhibit B is the Bill of Sale whereby the water and wastewater utility assets (other than real property) have been transferred to the separate utility entity which will operate the system.

2. Provide the following documentation of the terms of the transfer:
 - a. The date the closing occurred or will occur:

June 18, 2025

- b. The purchase price and terms of payment:

The purchase price for the entire Northgate Mobile Home Community, including the wastewater utility property was \$16,750,000. The Buyer has allocated \$0 of this to the purchase of the water system and has allocated \$50,007 of this to the purchase of the wastewater facilities in order to reflect an estimated of rate bases of the two systems at the date of transfer. Buyer does not wish to book an acquisition adjustment and will therefore adjust this allocation as needed to reflect the Commission's findings as to rate base at the time of transfer. The former purchase price is reflected in Exhibit A and the latter allocation is reflected in Exhibit B.

- c. A list of the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities:

The listing and dollar amount of the utility assets purchased at original cost and rate base at the time of Closing is attached hereto as Exhibit C. No liabilities were assumed.

- d. A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations:

N/A; Cash purchase as noted above.

- e. Provisions regarding the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases:

None of these items exist with regard to the water and wastewater utility.

- f. A statement that the buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters:

The Buyer will fulfill the commitments, obligations, and representations of the Seller with regard to utility matters to the extent those were disclosed to Buyer at closing.

- g. A provision that the buyer has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility:

The Buyer has been provided with the books and records of the Seller as of the closing date.

- h. A statement that the utility's books and records will be maintained using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accountants (USOA):

The utility books and records will be maintained using the NARUC Uniform System of Accounts.

- i. A statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C. regarding the maintenance of utility records at another location or out of state. If records will not be maintained at the utility's offices, the statement should include the location where the utility intends to maintain the books and records:

The utility books and records will be maintained at the utility office at 3277 1st Avenue, Mims, Florida 32754.

B. Financial Ability

1. Exhibit D. Provide a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided.

The utility entity is a new entity and, as such, has no financial statements at this time. However, to show its ability to meet the financial ability requirements of

the PSC statute and rules, we are attaching as Exhibit D, a balance sheet for the entity related to the utility that has ample net worth to assist the utility as needed with capital infusion.

2. Exhibit E Provide a list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' availability to provide funding, such as financial statements:

Attached hereto as Exhibit E is an affidavit from an officer for the utility affiliate outlined in Exhibit D above indicating that the related party will provide funds for the utility as and when needed.

C. Technical Ability

1. Provide the buyer's experience in water or wastewater industry:

Buyer has, in recent years, acquired the Vantage Oaks and Applegate systems in Florida, both of which are regulated water and wastewater utility operations. Buyer and its affiliates have operated water and wastewater systems throughout the US and will employ the appropriate operational, technical and management personnel and contractors who are knowledgeable and experienced in such utility operation and who will ensure the continuous efficient and effective operation and management of the utility system.

2. Provide the buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities.

See above. In addition, Buyer has enlisted the services of experienced contract operations personnel and consultants.

D. Territory Description, Public Interest, and Facilities

1. Exhibit F. Provide a legal description of the proposed service area in the format prescribed in Rule 25-30.029.

Attached hereto as Exhibit F is a legal description of the existing certificated service territory as previously approved by the Commission. However, upon seeking advice from a licensed surveyor, it was determined that this description did not make any sense, did not close; and did not depict the service area currently serviced. Therefore, the new owners commissioned a new legal description and map from that surveyor in order to properly describe and depict the service area which has been served for decades and is also that which is currently served. That new legal description is attached hereto as part of

Exhibit F, along with a drawing of that service area. This new description has also been used in the draft notice.

2. Provide a statement explaining why the transfer is in the public interest:

The transfer to the Buyer is in the public interest because Buyer has acquired most of the property served by the utility and, as such, is in the best position to ensure the efficient and effective operation and maintenance of the utility system going forward.

3. Provide a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and compliance with all applicable standards set by the DEP, or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements:

After reasonable investigation, the Buyer has determined the system being acquired appears to be in satisfactory condition and compliance with all applicable standards set by DEP.

4. Exhibit G. Provide documentation of the utility's right to continue long-term use of the land upon which the utility treatment facilities are located. This documentation shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded long-term lease, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time prescribed in the order granting the transfer.

The parent company of the utility, which owns the mobile home park serviced by the utility, has elected to retain fee ownership of the two parcels of land on which the water and wastewater treatment plant facilities are located. Instead, the landowner will grant a 99-year lease to the two treatment plant sites which will be recorded in the public records. A copy of the executed leases is attached hereto as Exhibit G.

5. Exhibit H. Provide a copy of all of the utility's current permits from the Department of Environmental Protection (DEP) and the water management district.

Attached hereto as Exhibit H is a copy of the permit and a letter from FDEP received in response to the Buyer's request to transfer the wastewater treatment plant operating permit. A response is due December 17 but has been extended.

6. Provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary water quality standards report.

See explanation under Section D 3 above.

7. Exhibit I. Provide a copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.

Other than the letter of September 18, 2025 from FDEP included as Exhibit H, there is none.

8. Provide a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

The utility has received no such complaints.

E. Proposed Tariff

Exhibit J. Provide a tariff containing all rates, classifications, charges, rules and regulations, which shall be consistent with Chapter 25-9, F.A.C. See Rule 25-30.037, F.A.C. for information about water and wastewater tariffs that are available and may be completed by the applicant and included in the application.

Attached hereto as Exhibit J is the proposed tariff to reflect the new owner of the utility which incorporates all of the provisions of the tariff under the previous ownership.

F. Accounting Information

1. Exhibit C. Provide the proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and order number. In addition, provide a schedule of all subsequent changes to rate base.

Attached hereto as part of Exhibit C is a proposed net book value of the system at the date of the transfer showing the changes in rate base since it was last established by the Commission for the prior owners in Docket No. 830352-WS and Order No. 13536. The Buyer was not provided with historical records for the relatively minor additions to rate base from the rate base established by the Commission as of 9/30/1983 and the date of closing of this sale on 6/18/2025. However, from a review of the Annual Reports filed with the Commission by the Seller, Buyer has been able to calculate the current rate base at the date of transfer.

2. Provide a statement from the buyer that it has obtained or will obtain copies of all the federal income tax returns of the seller from the date the utility was first established or the rate base was last established by the Commission, whichever is later. If the tax

returns have not been obtained, provide a description of the steps taken to obtain the tax returns.

The Seller has not provided their tax returns to the Buyer. However, this is a mobile home park rental community and therefore there is no opportunity for write-off of the utility assets to cost of sales and as such the Buyer does not believe that the tax returns are necessary in this case.

3. Provide a statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years:

The Seller is responsible to all RAF fees and filed an annual report up through the closing date of June 18, 2025. The Buyer will pay all RAF fees and file an annual report for June 1-December 31, 2025 when due. The Buyer will be responsible for all such fees, costs and reports required after June 18, 2025.

4. If the buyer currently owns other water or wastewater utilities that are regulated by this Commission, provide a schedule reflecting any economics of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities:

Because the three systems owned by the Buyer are three totally separate systems and managed onsite, the Buyer is not aware of any significant economies of scale to be achieved.

G. Noticing Requirements

Exhibit K. Provide proof of noticing pursuant to Rule 25-30.030, F.A.C. This may be provided as a late-filed exhibit.

Attached hereto as Exhibit K is the draft proposed notice to conform to the requirements Rule 25-30.030, FAC, which the utility intends to distribute after approval by the Commission. The utility will then late file proof of noticing in compliance with that Rule as a late filed exhibit.

Part III Signature

Please sign and date the utility's completed application.

Respectfully submitted on this 4th day of February, 2026,
by:

SUNDSTROM LAW, LLC

By:

F. Marshall Deterding, Of Counsel

EXHIBITS

- A: Purchase and Sale Agreement
- B: Bill of Sale for utility assets
- C: Listing and dollar amount of the utility assets purchased & statement of rate base at date of transfer
- D: Balance Sheet of Related Party
- E: Affidavit of entity which will provide funding to the utility
- F: Legal description of the proposed service area
- G: 99-Year Lease
- H: Permits from DEP and Water Management District
- I: DEP warning letter
- J: Tariff
- K: Draft Notice