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January 14, 1999

ROBERT M. C. ROSE  
 OF COUNSEL

VIA HAND-DELIVERY

Mr. John D. Williams, Chief  
 Bureau of Policy & Industry Structure  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Tallahassee, FL 32399-0850

**RECEIVED**  
 JAN 14 1999  
 Florida Public Service Commission  
 Division of Water and Wastewater

RE: Docket No. 981265-SU; Application for transfer of Certificate No. 285-S in Pasco County from Hacienda Village Utilities, Inc. to Hacienda Utilities, Ltd.

Dear Mr. Williams:

In response to your letter of November 17, 1998, please be advised of the following:

1. This transfer is an asset transfer from one private entity to another.
2. The buyer was organized in October, 1998.
3. Enclosed please find Buyer's Utility Settlement Statement and Seller's Utility Settlement Statement. There is no list, per se, of the assets being transferred. However, the former owners retained no right or title with regard to any facilities used to render utility service. The assets transferred were the plant and all appurtenant facilities, as well as the land on which the plant is located, which are necessary to render service on a going-forward basis.
4. This transaction was financed with a combination of equity and debt. As indicated in the filings, the transaction is closed and, therefore, the ability of

ACK \_\_\_\_\_  
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02091 FEB 17 99

FPSC-RECORDS/REPORTING

Mr. John D. Williams, Chief  
January 14, 1999  
Page 2

the applicant to arrange financing for the transfer is not an issue.

5. The closing of this transaction, as indicated in my letter to the Public Service Commission of November 9, 1998, took place on October 8, 1998. Buyer and Seller negotiated the transaction unaware of the requirements of Chapter 367, Fla. Stat., as it related to Certificate No. 285-S. By the time the Buyer and the Seller became aware of the requirements of the statute regarding the transfer of utility assets, the closing of this transaction had already been delayed, for various reasons, for many months. To wait until after the Commission was able to process the application for transfer would have delayed the closing for another four to six months. The Buyer regrets that the matter was closed in advance of Commission approval, but asserts that the same is in the public interest and that approval of its application will result in uninterrupted and continued service to those persons receiving service from this utility.
6. Enclosed please find attached evidence that the utility owns the land on which the utility facilities are located.
7. Please see our letter to the Public Service Commission of November 9, 1998.
8. The residents of Hacienda will continue to be provided water service by the water plant in the same manner that was provided before the transaction. The water treatment facilities are now owned by the Buyer. The water facilities are comprised of water treatment plant, distribution system and certain water meters. The provision of water services has never been regulated by the PSC and Order No. PSC-93-0375-FOF-SU, issued on 3/11/93, determined, at page 3, that "water service to the mobile home park is neither metered nor jurisdictional ..."
9. Enclosed please find proof of notice of this transfer as required by Administrative Code Rule.

Mr. John D. Williams, Chief  
January 14, 1999  
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If you have any other questions or concerns regarding this transaction, please do not hesitate to let me know at your earliest convenience.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

  
John E. Wharton, Esq.  
For The Firm

JLW/lm  
Encl.

**BUYER'S UTILITY SETTLEMENT STATEMENT**

Closing Date: October 8, 1998 (Date of closing belongs to Seller)  
Seller: Hacienda Village Utilities, Inc.  
Buyer: Hacienda Utilities, Ltd.  
Closing/Escrow Agent: Dale L. Bernstein, Esquire  
Property: Hacienda Village Utility Land  
7107 Gibraltar Avenue, New Port Richey, FL 34653  
Pasco County, Florida

**DEBITS**

Purchase Price		\$800,000.00
Record - Deed (Utility Parcels)	Clerk of the Circuit Court	15.00
Proration of Utility Checks presented at closing	10/01/98 thru 10/08/98 (\$0.78 x 8 days)	6.24
October Rents (\$24.26 + 31 days)		
	<b>TOTAL GROSS AMOUNT DUE FROM BUYER/BORROWER</b>	<b>\$800,021.24</b>

**CREDITS**

Utilities 10/1/98 thru 10/31/98 (\$400.29 + 31 days)	10/09/98 thru 10/31/98 (\$ 12.9125 x 23 days)	296.99
Prepaid/Credits on Utilities		133.79
Utility Prorations:		
County Tax (\$ 9843 x 281 days)	01/01/98 thru 10/08 /98	276.56
County Tax (\$ 5944 x 281 days)	01/01/98 thru 10/08/98	167.03
	<b>LESS TOTAL CREDITS TO BUYER/BORROWER</b>	<b>5874.37</b>
	<b>FUNDS DUE FROM BUYER/BORROWER</b>	<b>\$799,116.87</b>

APPROVED BY BUYER(S):

Hacienda Utilities, Ltd.

By: *Hacienda Utilities, L.C.*

BY: *Dale L. Bernstein*

it's

*Manager*

CLOSING AND ESCROW AGENT

BY: *[Signature]*

**SELLER'S UTILITY SETTLEMENT STATEMENT**

Closing Date: October 8, 1998 (Date of closing belongs to Seller)  
Seller: Hacienda Village Utilities, Inc.  
Buyer: Hacienda Utilities, Ltd.  
Closing/Escrow Agent: Dale L. Bernatein, Esquire  
Property: Hacienda Village Utility Land  
7107 Gibraltar Avenue, New Port Richey, FL 34653  
Pasco County, Florida

**CREDITS**

Purchase Price		\$800,000.00
Proration of Utility Checks presented at closing October Rents (\$24.26 x 31 days)	10/01/98 thru 10/08/98 (\$0.78 x 8 days)	6.24
	<b>TOTAL GROSS AMOUNT DUE FROM BUYER/BORROWER</b>	<b>\$800,006.24</b>

**DEBITS**

Documentary Stamps on Utility Deed (\$800,000.00)	Clerk of the Circuit Court	5,600.00
Utilities 10/1/98 thru 10/31/98 (\$400.29 x 31 days)	10/09/98 thru 10/31/98 (\$ 12.9125 x 23 days)	296.99
Prepaid/Credits on Utilities		133.79
Utility Prorations:		
County Tax (\$9843 x 281 days)	01/01/98 thru 10/08/98	276.56
County Tax (\$5944 x 281 days)	01/01/98 thru 10/08/98	167.03
	<b>LESS TOTAL CREDITS TO BUYER/ BORROWER</b>	<b>\$6,474.37</b>
	<b>FUNDS DUE FROM BUYER/BORROWER</b>	<b>\$793,531.87</b>


APPROVED BY SELLER:  
Hacienda Village Utilities, Inc.

BY: \_\_\_\_\_

*10-8-98*

SETTLEMENT/ CLOSING /ESCROW AGENT

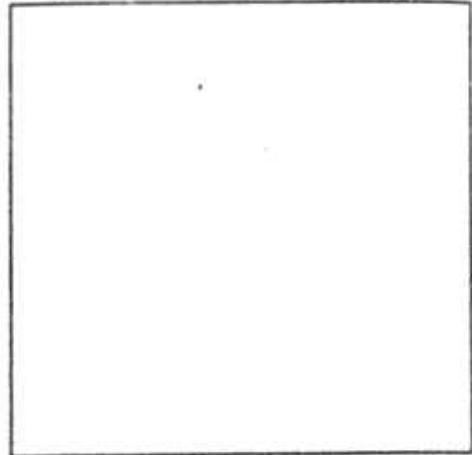
BY: \_\_\_\_\_



For Official Use Only

THIS INSTRUMENT WAS PREPARED BY  
AND SHOULD BE RETURNED TO:

Orlando L. Evora, Esquire  
Greenberg Traug, P.A.  
111 N. Orange Avenue, Suite 2050  
Orlando, Florida 32801



**SPECIAL WARRANTY DEED**

THIS SPECIAL WARRANTY DEED is made this 8 day of October, 1998, by HACIENDA VILLAGE UTILITIES, INC., a Florida corporation ("Grantor"), whose address is 6939 Hachem Drive, Port Richey, Florida 34668, to HACIENDA UTILITIES, LTD., a Florida limited partnership ("Grantee"), whose address is 4340 East West Highway, Suite 206, Bethesda, Maryland 20814:

[Wherever used herein, the terms "grantor" and "grantee" shall include singular and plural, heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, wherever the context so admits or requires.]

**WITNESSETH:**

THE Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee, all of that certain land situated in Pasco County, Florida (the "Property"), as more particularly described as follows:

See Exhibit "A" attached hereto and made a part hereof.

Parcel Identification No. 10-26-16-0020-00500-0010

Parcel Identification No. 03-26-16-0070-05900-0000

TOGETHER with all the tenements, hereditaments and appurtenances, with every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

AND, the Grantor does hereby covenant that, except for the title exceptions set forth on Exhibit "B" attached hereto and made a part hereof (provided, however, this reference shall not serve to reimpose the same), Grantor does fully warrant the title to the above described Property and will defend the same against the lawful claims, of all persons claiming by, through or under the Grantor, but against none other.

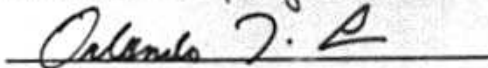
IN WITNESS WHEREOF, the Grantor aforesaid has set its hand as of the 24 day of October, 1998.

WITNESSES:

ASSIGNOR:

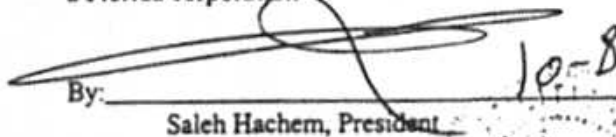


Print Name: Mary Virginia Bernard



Print Name: Orlando L. Evora

HACIENDA VILLAGE UTILITIES, INC.,  
a Florida corporation

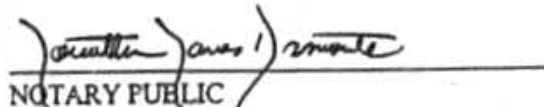
  
By: \_\_\_\_\_  
Saleh Hachem, President

10-8-98



STATE OF FLORIDA  
COUNTY OF Osceola

The foregoing instrument was acknowledged before me this 24 day of October, 1998, by Saleh Hachem as President of HACIENDA VILLAGE UTILITIES, INC., a Florida corporation, on behalf of said corporation. He is personally known to me  or has produced \_\_\_\_\_ as identification.

  
\_\_\_\_\_  
NOTARY PUBLIC

Print Name: \_\_\_\_\_

My Commission No.:

My Commission Expires:



**EXHIBIT "A"**

**PARCEL 4:**

The West 1/2 of Tract 5, PORT RICHEY LAND COMPANY SUBDIVISION of Section 10, Township 26 South, Range 16 East, according to the Map or Plat thereof as recorded in Plat Book 1, Page 61, Public Records of Pasco County, Florida, subject to road right-of-way over the North 15 feet thereof per Plat recorded in Plat Book 1, Page 61, Public Records of Pasco County, Florida.

**PARCEL 5:**

A part of Tract 59 of PORT RICHEY LAND COMPANY SUBDIVISION of Section 3, Township 26 South, Range 16 East, as shown on the Plat recorded in Plat Book 1, Page 61, Public Records of Pasco County, Florida, being more particularly described as follows:

Commence at the Northwest corner of the Southeast 1/4 of Section 3, Township 26 South, Range 16 East and go South 00°31'10" West, 1650.90 feet, along the West boundary of said Southeast 1/4; thence South 89°38'54" East, 664.77 feet to a Point on the North boundary of said Tract 59; thence South 00°26'03" West, 30.00 feet to the Point of Beginning; thence South 89°38'54" East, 190 feet, along a line 30.00 feet South of and parallel to the North boundary of said Tract 59; thence South 00°26'03" West, 320 feet, along a line 30.00 feet West of and parallel to the East boundary of Tract 59; thence North 89°38'54" West, 190 feet; thence North 00°26'03" East, 320 feet to the Point of Beginning.

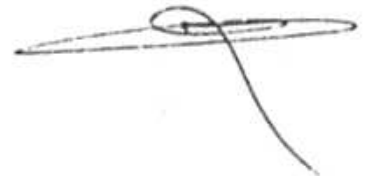
A handwritten signature or mark consisting of a horizontal line with a vertical stroke extending downwards from its right end, resembling a stylized 'L' or a signature.



**EXHIBIT "B"**

**EXCEPTIONS**

1. Taxes and assessments for the year 1998 and subsequent years, which are not yet due and payable.
2. Subject to Terms and Conditions of Right of Removal Agreement recorded in Official Records Book 3221, Page 1470, Public Records of Pasco County, Florida (as to all Parcels).
3. Subject to a 30-foot easement for public right-of-way along the Southerly boundary running East and West as set forth on the Plat of Port Richey Land Company Subdivision of Section 3, Township 26 South, Range 16 East, recorded in Plat Book 1, Page 61, Public Records of Pasco County, Florida (as to Parcels 1, 3, and 4).
4. Rights of adjoining landowners to Parcel 4 due to the fence not being located on the property lines of Parcel
5. Rights of tenants in possession as tenants only, under unrecorded leases.

A handwritten signature or scribble consisting of a horizontal line with a loop and a tail extending downwards and to the right.

E

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POST OFFICE BOX 1567  
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TELECOPIER (850) 650-6029

ROBERT M. C. ROSE  
OF COUNSEL

November 9, 1998

Ms. Joann Chase  
Division of Water and Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Hacienda Utilities, Ltd.  
Docket No. 981265-SU

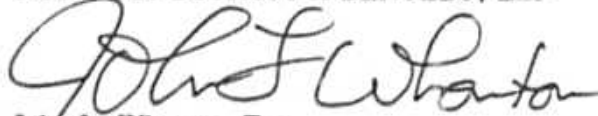
Dear Joann:

I have learned that when this transaction closed on October 8, 1998, there was no proration for the regulatory assessment fees. Therefore, I would appreciate very much if you would see that the Seller is responsible for the regulatory assessment fees until the date of closing, and that my client (the Buyer and Applicant) is responsible for those regulatory assessment fees after that date.

Let me know if you have any questions or concerns regarding the above.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



John L. Wharton, Esq.  
For The Firm

JLW/lm