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PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS AT LAW

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fax (305) 932-0972

Washington, DC Office
Suite 750
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WASHINGTON, D.C. 20004
(202) 393-1132
fax (202) 624-0659

Respond to Tallahassee

RECEIVED-FPSC
01 MAY 15 PM 4:48
RECORDS AND REPORTING

May 15, 2001

VIA HAND DELIVERY

010744-TX

Mr. Dan Hoppe
Director of Regulatory Oversight
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: LPGA International Communications, LLC

Dear Mr. Hoppe:

Enclosed for filing are the original and six (6) copies of LPGA International Communications, LLC's ALEC application, along with the $250.00 filing fee.

Thank you for your assistance in this matter.

Sincerely,

Charles J. Pellegrini

Charles J. Pellegrini

CJP:plk
Enclosures

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.
Initials of person who forwarded check:

DOCUMENT NUMBER-DATE
06089 MAY 15 ō
FPSC-RECORDS/REPORTING

** FLORIDA PUBLIC SERVICE COMMISSION **

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

APPLICATION FORM for AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

Instructions

This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).

Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.

Use a separate sheet for each answer which will not fit the allotted space.

Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **$250.00** to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

APPLICATION

1. **This is an application for / (check one):**

   (x) **Original certificate** (new company).

   (   ) **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

   (   ) **Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

   (   ) **Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. **Name of company:**

   LPGA International Communications, LLC

3. **Name under which the applicant will do business (fictitious name, etc.):**

   LPGA International Communications, LLC

4. **Official mailing address (including street name & number, post office box, city, state, zip code):**

   995 Champions Drive
   Daytona Beach, FL 32124
   Tel: 904-274-2600
   Fax: 904-274-2477
   E Mail: LPGA@renarhomes.com

5. **Florida address (including street name & number, post office box, city, state, zip code):**

995 Champions Drive
Daytona Beach, FL 32124
Tel: 904-274-2600
Fax: 904-274-2477
E Mail: LPGA@renarhomes.com

6. **Structure of organization:**

( ) Individual
( ) Foreign Corporation
( ) General Partnership
(x) Other Limited Liability Company
( ) Corporation
( ) Foreign Partnership
( ) Limited Partnership

7. **If individual, provide:**

Name:

Title:

Address:

City/State/Zip:

Telephone No.:________________________ Fax No.:

Internet E-Mail Address:

Internet Website Address:

8. **If incorporated in Florida, provide proof of authority to operate in Florida:**

(a) **The Florida Secretary of State corporate registration number:**

00000010895

9. **If foreign corporation, provide proof of authority to operate in Florida:**

   (a) The Florida Secretary of State corporate registration number:

10. **If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:**

   (a) The Florida Secretary of State fictitious name registration number:

11. **If a limited liability partnership, provide proof of registration to operate in Florida:**

   (a) The Florida Secretary of State registration number:

12. **If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.**

   Name:

   Title:

   Address:

   City/State/Zip:

   Telephone No.:______________________ Fax No.:

   Internet E-Mail Address:

   Internet Website Address:

13. **If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.**

   (a) The Florida registration number:

14. **Provide F.E.I. Number(if applicable):** The F.E.I. number has not yet been received.

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No officer, director, stockholder or member has been adjudged bankrupt, mentally incompetent, or guilty of any felony or crime.

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Arden Doss, Jr.
Title:
Address: 3350 NW Royal Oaks Drive
City/State/Zip: Jensen Beach, FL 34950
Telephone No.: 561-692-7800 ext. 0 Fax No.: 561-692-9155
Internet E-Mail Address: ArdenDoss@renarhomes.com
Internet Website Address:

(b) Official point of contact for the ongoing operations of the company:

Name: Arden Doss, Jr.
Title:
Address: 3350 NW Royal Oaks Drive
City/State/Zip: Jensen Beach, FL 34950
Telephone No.: 561-692-7800 ext. 0 Fax No.: 561-692-9155
Internet E-Mail Address: ArdenDoss@renarhomes.com
Internet Website Address:

(c) Complaints/Inquiries from customers:

Name: Joe Matarazzo
Title:
Address: 995 Champions Drive
City/State/Zip: Daytona Beach, FL 32124
Telephone No.: 904-274-2600 Fax No.: 904-274-2477
Internet E-Mail Address:
Internet Website Address:

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

none

(b) has applications pending to be certificated as an alternative local exchange company.

none

(c) is certificated to operate as an alternative local exchange company.

none

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

No. LPGA LLC and RGC have never been denied a certificate.

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

No. LPGA LLC and RGC have never incurred regulatory penalties for violations of telecommunication statutes.

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

No. LPGA LLC and RGC have never been involved in civil proceedings with long distance carrier, local exchange company or other telecommunications company.

18. Submit the following:

A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

Arden Doss, Jr., a licensed attorney, has been president and CEO of Renar Homes for over a decade, during which time the company grew from a start-up company to one of the nations 400 largest homebuilders. Renee Doss has been chairman of Renar Homes for over a decade, and prior to then was a senior officer of Fortune 1000 companies for over a decade.

B. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

Gatehouse Networks, a division of Lamont Digital systems, and KMC are independent contractors with technical abilities.

C. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

Audited statements of RGC, the owner of LPGA LLC has audited statements showing a net worth in excess of $5,000,000.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet:
2. income statement: and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of $50 is required.

2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.

3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.

4. **APPLICATION FEE:** I understand that a non-refundable application fee of $250.00 must be submitted with the application.

UTILITY OFFICIAL:

Arden Doss, Jr.
Print Name

Signature Arden Doss, Jr

President
Title

Date April 17, 2001

561-692-7800 ext 0 **561-692-9155**
Telephone No. **Fax No.**

Address:
3350 NW Royal Oaks Drive
Jensen Beach, FL 34950

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Arden Doss, Jr.
Print Name

Signature Arden Doss, Jr.

PRESIDENT
Title

Date April 17, 2001

561-692-7800 ext 0 **561-692-9155**
Telephone No. **Fax No.**

Address:
3350 NW Royal Oaks Drive
Jensen Beach, FL 34950

RGC II, LLC Consolidated

Balance Sheet
December 31, 2000

ASSETS

Current Assets		
Cash	1,031,517	
Escrow Deposits	196,067	
Accounts Receivable	(26)	
Advances to Affiliate	0	
Total Current Assets	1,227,558	
Real Estate	9,710,190	
Property and Equipment	204,809	
Deposits	0	
Loan Costs and Other Fees (Net of Accumulated Amort)	12,379	
TOTAL ASSETS		**11,154,936**

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	598,272	
Customer Deposits	362,533	
Note Payable, Bank	619,702	
Advances from Affiliate	0	
Other Liabilities	33,208	
Current Portion of Long-term Debt	1,597	
Total Current Liabilities	1,615,311	
Long Term Debt	4,481,093	
TOTAL LIABILITIES		6,096,404
Partners' Equity	6,239,082	
Retained Earnings	(223,904)	
Current Income	(956,646)	
TOTAL EQUITY		5,058,532
TOTAL LIABILITIES AND EQUITY		**11,154,936**

RGC II, LLC Consolidated

Income Statement
For the Period Ended December 31, 2000

	Year To Date
REVENUE	
Home Sales	444,550
Total Revenue	444,550
COST OF REVENUE	
Cost of Home Sales	392,787
Cost of Lot Sales	2,126
Total Direct Cost of Revenue	394,913
Indirect Construction Costs	78,994
Less Discounts Earned	(456)
Total Cost of Revenue	473,451
GROSS MARGIN	**(28,901)**
OPERATING EXPENSES	
Sales and Marketing Expenses	673,619
General and Administrative	70,000
Professional Fees	108,257
Management Fees	221,316
Interest, Finance and Bond Fees	66,184
Amortization and Depreciation	27,780
Total Operating Expenses	1,167,156
OTHER INCOME	
Interest Income	49,431
Other Income	189,980
Total Other Income	239,411
NET INCOME	**(956,646)**

RGC II, LLC Consolidated

Statement of Cash Flow
For the Year Ended December 31, 2000

Cash Flows From Operating Activities	
Net Income	(956,646)
Adjustment to Reconcile Net Income to Net Cash Provided by (Used in) Operations	
Change in Assets & Liabilities	
Decrease (Increase) in Escrow Deposits	(187,879)
Decrease (Increase) in Contracts Receivable	10,046
Decrease (Increase) in Other Assets	390,871
Decrease (Increase) in Real Estate Held for Development and Sale	(2,100,757)
Increase (Decrease) in Accounts Payable	480,696
Increase (Decrease) in Customer Deposits	355,533
Increase (Decrease) in Other Liabilities	(246,463)
Total Adjustments	(1,297,951)
Net Cash Provided by (Used in) Operations	(2,254,598)
Cash Flows from Investing Activities	
Sale (Purchase) of Property and Equipment	(140,135)
Net Cash Provided by (Used in) Investing Activities	(140,135)
Cash Flows from Financing Activities	
Net Increase (Decrease) in Notes Payable	2,241,188
Net Increase (Decrease) in Long-term Debt	614,647
Net Cash Provided by (Used in) Financing Activities	2,855,834
Net Increase (Decrease) in Cash	**461,101**
Cash Beginning of Year	**570,416**
Cash End of Year	**1,031,517**

RCH

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
A Partnership Including Professional Associations

RENAR GOLF COMMUNIITIES II, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 1999

RENAR GOLF COMMUNIITIES II, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 1999

RENAR GOLF COMMUNITIES II, LLC

TABLE OF CONTENTS

Rachlin Cohen & Holtz LLP
Certified Public Accountants & Consultants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Members
Renar Golf Communities II, LLC
Daytona Beach, Florida

We have audited the accompanying balance sheet of Renar Golf Communities II, LLC as of December 31, 1999 and the related statement of income and changes in members' capital and cash flows for the period July 22, 1999 (inception) through December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renar Golf Communities II, LLC as of December 31, 1999, and the results of its operations and its cash flows for the period July 22,1999 (inception) through December 31, 1999 in conformity with generally accepted accounting principles.

Rachlin Cohen + Holtz LLP

Stuart, Florida
March 14, 2000

One Southeast Third Avenue, Tenth Floor, Miami, Florida 33131 • Tel 305-377-4228 • Fax 305-377-8331
Offices in Miami • Ft Lauderdale • Boca Raton • West Palm Beach • Stuart
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Member of Summit International Associates Inc with offices in principal cities throughout the world
Member of the American Institute of Certified Public Accountants and member of the Florida Institute of Certified Public Accountants

RENAR GOLF COMMUNITIES II, LLC

BALANCE SHEET

DECEMBER 31, 1999

ASSETS	
Cash and Cash Equivalents	$ 106,160
Due from Member	64,256
Escrow Deposits	8,189
Accounts Receivable	10,020
Certificates of Deposit	800,000
Real Estate Held for Development and Sale	7,609,433
Property and Equipment, Net	64,674
Other Assets	3,250
	$ 8,665,982
LIABILITIES AND MEMBERS' CAPITAL	
Accounts Payable	$ 117,576
Customer Deposits	7,000
Accrued Expenses	279,670
Notes Payable, Bank	595,290
Long-term Debt	1,651,268
Total Liabilities	2,650,804
Members' Capital	6,015,178
	$ 8,665,982

See notes to financial statements.

RENAR GOLF COMMUNITIES II, LLC

STATEMENT OF INCOME AND CHANGES IN MEMBERS' CAPITAL

JULY 22, 1999 (INCEPTION) THROUGH DECEMBER 31, 1999

Revenues:	
Lot sales	$ 65,500
Costs of revenues:	
Cost of lot sales	62,397
Other	20,504
Total cost of sales	82,901
Gross margin	(17,401)
Sales and Marketing Expenses	92,145
Operating Expenses:	
Management fees	78,920
Interest	12,027
Real estate taxes	10,582
Professional fees	4,465
Rent	3,745
Office expense	2,311
Depreciation	2,008
Insurance	300
	206,503
Net Loss	(223,904)
Members' Capital, Beginning	-
Capital Contributions	6,239,082
Members' Capital, Ending	$ 6,015,178

See notes to financial statements.

RENAR GOLF COMMUNITIES II, LLC

STATEMENT OF CASH FLOWS

JULY 22, 1999 (INCEPTION) THROUGH DECEMBER 31, 1999

Cash Flows from Operating Activities:	
Net loss	$ (223,904)
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	2,008
Changes in assets and liabilities:	
(Increase) decrease in:	
Escrow deposits	(8,189)
Accounts receivable	(10,020)
Real estate held for development and sale	(5,594,016)
Other assets	(3,250)
Increase (decrease) in:	
Accounts payable	117,576
Accrued expenses	279,670
Customer deposits	7,000
Net cash used in operating activities	(5,433,125)
Cash Flows From Investing Activities:	
Due from member	(64,256)
Purchase of certificates of deposits	(800,000)
Acquisition of property and equipment	(50,921)
Net cash used in operating activities	(915,177)
Cash Flows From Financing Activities:	
Capital contributions	5,971,103
Increase in notes payable, bank	661,544
Principal payments of notes payable, bank	(108,000)
Principal payments of long-term debt	(70,185)
Net cash provided by financing activities	6,454,462
Net Increase in Cash and Cash Equivalents	106,160
Cash and Cash Equivalents, Beginning	-
Cash and Cash Equivalents, Ending	$ 106,160
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	$ 28,892
Non Cash Investing and Financing Transactions:	
Real estate held for development and sale financed through long-term debt	$ 1,372,000
Non-Cash Capital Contribution:	
Credits allocated to Operating Member	$ 237,484
Model homes contributed	$ 405,933
Model furniture contributed	$ 15,761
Long-term debt assumed on model homes contributed	$ 391,199

See notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Renar Golf Communities II, LLC (the "Company"), was formed as a limited liability company on July 22, 1999 under the laws of the state of Delaware.

The purpose of the Company is to acquire, obtain entitlements with respect to, improve and develop single family homes and ancillary structures, use, sell, exchange, finance and refinance and otherwise dispose of property in the LPGA development of Regional Impact ("LPGA DRI") located in Daytona Beach, Florida, all as contemplated by the Current Project Budget and Plan for the Property and to engage in all activities related thereto.

On April 12, 1999, Renar Development Company ("Renar") entered into an agreement to acquire 194 acres of real property ("the Property") located in a portion of the LPGA DRI known as the LPGA International located in Volusia County, Florida. The Company plans to develop approximately 611 single-family units within five subdivisions (the Renar Development) in phases of 384 units and 227 units, respectively. The agreement also contained two options to acquire additional property (the "Grand Property" and the "Option Property") located in Volusia County, Florida. The Purchase price of the Property was $3,373,200. On July 22, 2000, the Company was formed, and Renar assigned all rights and obligations under the agreement to the Company.

At the closing of the Property, which occurred on July 22, 1999, the Company paid an option fee in the amount of $631,350, which gave them the right to purchase the Option Property on or before three years from the closing date. The option price was not to be applied to the purchase price of the Option Property and the Company has the right to extend the option period for an additional two years. In addition, at closing, the Company paid the sum of $400,000 ("Operating Expense Fee") to the seller to cover the sellers costs of operating, managing and carrying the Option Property. The Company also provided the seller with a letter of credit to secure two additional $400,000 Operating Expense Fees to the seller for carrying the Option Property for the second and third years following the closing. If the Company decides to exercise its option to purchase the Option Property, it shall pay an option fee of $1,393,175, which shall not be applied, to the purchase price of the Option Property. In addition, the purchase price shall vary from $16,904 to $20,252 per acre, depending when the property or portion of the property is purchase with in the three year option period. The agreement also allows, the Company to extend the option period for an additional two years. However, if the option period is extended, the Company shall pay the seller an additional $400,000 Operating Expense Fee per year to the seller.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Organization and Purpose (Continued)

The purchase price of the Grand Property shall be $460,000 and shall occur on or before December 16, 2000, unless the Company exercises its option to extend the closing date until June 16, 2002. If the Company exercises the option to extend the closing date, the purchase price shall increase to $515,000. However, the Company's right to purchase the Grand Property is subject to the rights and conditions contained in an option to purchase entered into by the seller and Lions Paw Development, Inc. ("LDL") dated May 16, 1999. If LDL decides to exercise its option to purchase the Grand Property, the Company shall not have the right to purchase the Grand Property. In addition, the Company acquired the 44 remaining developed lots in the Acclain, Festiva, Promanade, Captiva, and Arika subdivisions.

On January 3, 1995, the Florida Land and Water Adjudicator Commission established the Indigo Community Development District (the District) to provide the basic infrastructure to approximately 2,553 acres within the LPGA International. On December 1, 1999, the District issued Capital Improvement Revenue Bonds (Series 1999A, 1999B and 1999C). The proceeds of the Series 1999A, 1999B and 1999C bonds were to be used to, finance the construction and acquisition of a water management system, roadways and street lights, water, wastewater and reuse and landscaping facilities within the Renar Development and the District and to retire existing Bond Anticipation Notes. The Series 1999A, 1999B and 1999C Bonds will be repaid through non-ad valorem assessments to be levied, over 30 years commencing at the time the unit is sold to a retail buyer, on the 611 units within Renar Development, 384 units within Phase 1 of the Renar Development, and all units benefiting within the LPGA International, respectively. In addition, the Company shall receive a refund of certain costs it has incurred in developing the project.

The Company, located in Jensen Beach, Florida, shall remain in existence until the earlier of December 31, 2009 or until the Company is dissolved, liquidated or terminated in accordance with the operating agreement.

In accordance with the Operating Agreement, net income and losses shall be allocated to the members as follows:

1. Net Income:

    a. In a pro rata share until the amount of income allocated is equal to the excess of the cumulative net losses for all prior years over the cumulative net income for the all prior years;

    b. The Members entitled to receive a default return;

    c. The LB and Administrative Managers until they have been allocated an amount equal to their Level 1 account;

    d. The balance to the Operating Member;

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Organization and Purpose (Continued)

2. Net Losses:

   a. In a pro rata share in proportion to their respective Capital Commitments until they have been allocated an amount sufficient to offset any net income previously allocated to them;

   b. To Renar until Renar has been allocated an amount equal to all Cost Overrun loans;

   c. To the members pro rata in proportion to the amount of income allocated is equal to the excess of the cumulative net losses for all prior years over the cumulative net income for all prior years;

   d. To the Members in the same amount and proportion as any income previously allocated, but only if Renar is not a Defaulting Member;

   e. Then to Renar until the Capital Account is reduced to zero;

   f. To the LB and Administrative Members pro rata in proportion to the amount of income allocated is equal to the excess of the cumulative net losses for all prior years over the cumulative net income for the for all prior years;

   g. To the LB and Administrative Members until the Capital Account is reduced to zero;

   h. The balance to the Operating Member.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, overnight repurchase agreements and certificates of deposits with original maturities of 90 days or less.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

Cash and Cash Equivalents

At various times during the year the Company had deposits in financial institutions in excess of the federally insured limits. At December 31, 1999, the Company had deposits in excess of federally insured limits of approximately $40,000. The Company maintains its cash with high quality financial institutions, which the Company believes limits these risks.

Real Estate Held for Development and Sale

Real estate held for development and sale is stated at the lower of the carrying amount or fair value less estimated costs to sell. Costs of construction and development activity, including interest, real estate taxes and the costs of amenities are capitalized and apportioned to residential units on the basis of specific identification, relative fair value or relative sales value. Real estate held for development and sale and real estate under development are assessed for impairment when management believes that events or changes in circumstances indicate that its carrying amount may not be recoverable. Although no impairment to date has been incurred, it is management's policy to write down the real estate to its fair value and the impairment loss be recognized through a charge to cost of sales.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and depreciation is computed on the straight line method over the estimated useful life of the related assets.

Revenue and Cost Recognition

Revenues from lot development and home building are recognized upon closing of the sale using the deposit method. Under the deposit method, no gain is recognized until closing and any payments received from the buyer are recorded as deposits, except for nonrefundable interest payments. Principal payments by the buyer on existing company debt are recorded as reductions of the debt balance and increases in the deposit liability. Losses are recognized at any time during the term a contract is signed when the carrying value of the property exceeds the sales price per the contract.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance. Selling, general, and administrative costs are charged to expense as incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company does not provide for income taxes since it is treated as a partnership for income tax reporting purposes. Taxable income or losses pass-through directly to the members in accordance with the operating agreement. As a result, the accompanying financial statements do not contain a provision for income tax.

NOTE 2. CERTIFICATES OF DEPOSIT

The Company maintains two certificates of deposit in the amount of $400,000 each. The certificates were purchased in connection with the closing of the purchase of the 194 acres of land and collateralized letters of credit to secure the second and third years operating expense fees (see Note 1). The first certificate of deposit has an interest rate of 5.27% and matures on September 1, 2000. The second certificate of deposit has an interest rate of 5.51% and matures on September 1, 2001.

NOTE 3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

Land held for development and sale	$6,995,917
Work in process – model homes	202,574
Finished model homes	410,942
	$7,609,433

Substantially all real estate held for development and sale is collateralized by notes payable, bank and mortgage notes payable.

The Company incurred interest of $168,894, of which $113,368 was capitalized to real estate held for development and sale during 1999.

NOTE 4. PROPERTY AND EQUIPMENT

	Estimated Useful Lives (Years)	
Furnishings and fixtures	7	$64,218
Computer equipment	5	2,464
		66,682
Less accumulated depreciation		2,008
		$ 64,674

NOTE 5. NOTES PAYABLE, BANK

On July 29, 1999, the Company entered into a $4,500,000 revolving line of credit agreement with a financial institution to be used to purchase and develop 194 acres in the LPGA International development. The line is secured by a first mortgage lien on real property located in Volusia County, Florida, it contains release provisions and is guaranteed by the Operating Member. The line bears interest at Prime plus .5% (9.00%) and matures on July 29, 2002. Interest is payable monthly and principal must be reduced by $150,000 within twelve months, $275,000 quarterly thereafter for the next four quarters, $300,000 each quarter thereafter for the next three quarters, with the balance of all outstanding principal and interest due at maturity.	$383,746
On July 29, 1999, RGC II entered into a $5,000,000 revolving line of credit agreement with a financial institution to be used to finance construction of single family homes within the LPGA International development. The line is secured by a first mortgage lien on real property located in Volusia County, Florida, contains release provisions and is guaranteed by the Operating Member. The line bears interest at Prime plus .5% (9.00%) and matures on July 29, 2002. Interest is payable monthly and principal is due based upon the release price of property sold with the balance of all outstanding principal and interest due at maturity.	211,544
	$595,250

Notes payable, bank, maturing subsequent to December 31, 1999 is as follows:

Year ending December 31:	
2002	$595,250

NOTE 6. LONG TERM DEBT

Mortgage note payable, due $1,370 per month, including interest at 7.625%, maturing January 2027, secured by mortgage lien on model home and real property.	$ 190,142
Mortgage note payable, due $1,370 per month, including interest at 7.625%, maturing January 2028, secured by mortgage lien on model home and real property.	197,126
Non-recourse mortgage note payable, interest at 7.75% payable annually unpaid principal payable at maturity, maturing June 6, 2002, secured by first mortgage lien on real property.	1,264,000
	$1,651,268

NOTE 6. LONG TERM DEBT (Continued)

Maturities of long-term debt payable subsequent to December 31, 1999 are as follows:

Year Ending December 31:	
2000	$ 4,234
2001	4,559
2002	1,268,909
2003	5,287
2004	5,693
Thereafter	362,586
	$1,651,268

NOTE 7. RELATED PARTY TRANSACTIONS

The Company is operated pursuant to an operating agreement, which sets forth the responsibilities of the operating manager, the LB manager and the administrative manager. The agreement provides, amount other things, for an origination fee equal to 2% of each members capital commitment (as defined), a Venture Management fee of 1% of gross sales proceeds from the closing of the sale of each home or lot and an operating management fee to defray the operating managers general, administrative and overhead expenses. All of the previously citied fees are to be paid to members.

The origination fee amounted to $112,303 and was paid concurrently with the funding of the Members Capital Commitment to the administrative manager.

The Venture Management Fee was $655 for the year ended December 31, 1999.

The Operating Management Fee is equal to 3% of Gross Sales Revenue, as defined, paid over the term of the project in monthly installments based upon the Current Project Budget and Plan. During the period ended December, 31,1999, the operating management fee totaled approximately $193,000, 60% of which was capitalized as indirect development costs and 40% of which was expenses as incurred.

In accordance with the Operating Agreement, Renar GC II, Inc. was required to make a capital contribution to the Company in the amount of $623,909.

This capital contribution was satisfied as follows:

Cash	$257,209
Model homes, net of debt of $308,941	16,991
Model furniture	15,761
Costs paid on behalf of Company	83,664
Credits received in connection with land purchases	250,284
	$623,909

Renar
FINE HOMES

RENÉE MOTTRAM DOSS, *CHAIRMAN*
ARDEN DOSS, JR., *PRESIDENT*

CERTIFICATION

TO

FLORIDA PUBLIC SERVICE COMMISSION

The undersigned Chief Financial officer of Renar Golf Communities II, LLC and its wholly owned subsidiary, LPGA International Communications, LLC. hereby certifies that to the best of his knowledge the attached financial statements for Renar Golf Communities II, LLC fairly present the company's income and expenses, assets and liabilities, and cash flows for the year ending December 31, 2000.

Kevin Gillen, CFO

Kevin Gillen, CFO

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