

ORIGINAL

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02 MAR 19 AM 10:57

March 12, 2002

Public Service Commission
Attention: Mr. Troy Rendell
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Ref.: Docket #011481

Dear Troy:

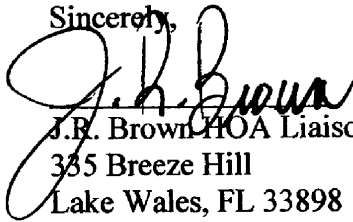
In accord with our phone conversation on March 10th, I am sending you the documentation on the contract recently negotiated with Bieber Enterprises, along with supporting data.

My concern revolves around the possibility that the water and sewer expenses may, (in some areas) duplicate what is being paid in another "pot". The taxes on tract "A" is a small example, the expenses for the accounting firm in addition to \$8000.00 per year for administration is another. Labor, insurance, phone etc. need to be looked at.

I have highlighted certain areas for your attention.

Thank you for your continued cooperation.

Sincerely,


J.E. Brown HOA Liaison
385 Breeze Hill
Lake Wales, FL 33898

02 MAR 18 AM 10:52
EQUITY REGULATION
PUBLIC SERVICE

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC I
OTH _____

DOCUMENT NUMBER DATE

03147 MAR 19 2002

FPSC-COMMISSION CLERK

A contract by and between

BEIBER ENTERPRISES INC.
P.O. Box 1408
Lake Wales Fla. 33859-1408

a
n
d

THE HOME OWNERS OF BREEZE HILL
WALK-IN-THE-WATER-VILLAGE
Lake Wales, Fla. 33898-7373

The Contract is for the monthly Maintenance Fees paid by the Homeowners of Breeze Hill, hereinafter referred as "Homeowners" and received and accepted by Beiber Enterprises Inc., operated by Terry Hartigh, hereinafter called "Hartigh" with details of this contract as per the following:

1. The contract commences on February of 2002 and expires in January of 2005.
2. Hartigh to provide certain services to the Homeowners as herein after noted:
 - A. Pay all property taxes on the common grounds of Breeze Hill clubhouse, Pool and other improvements.
 - B. Provide liability insurance for all common grounds, clubhouse, pool, boat ramp and fishing pier.
 - C. Provide Fire and extended coverage on the Clubhouse and other structures that effect the common area of Breeze Hill, including coverage on the contents.
 - D. To provide mowing services to all common lawn areas of Breeze Hill on a timely basis to maintain a neat appearance. Some non-lawn areas will require twice a year cutting of high weeds. This would also include storm cleanup of debris in the common areas.
 - E. To maintain the front entry, clubhouse and common areas landscaping, main entry ground level marquee and it's sign.

F. To properly maintain the pool and spa, including the providing of an employee, or outside contractor to perform the work himself opening and closing the pool. Pool hours should be a minimum of 10 to 4 (weather over 70 degrees) and other reasonable hours based on weather, temperatures, and time of year. To maintain proper chemicals content, chemical balance of pool, proper and timely vacuuming of pool, and state inspections. All this applies to the spa as well.

To maintain the fishing pier and boat ramp including removing debris and any other needed work in a timely manner. To maintain other common areas as needed in a timely manner.

To provide maintenance services of material, labor, equipment to properly maintain the Clubhouse, Pool, Spa, Fishing Pier, Boat Ramp, Mailbox area, Shuffle Board areas, and all other common areas of the park.

To properly maintain drainage ponds thru out the park in a timely and consistent manner

G. To pay all electric usage fees for clubhouse, pool, spa, streetlights, and fishing pier.

H. To provide a telephone number that can be called for normal and emergency park business.

I. To pay for yellow page advertising until the current 1-year contract expires.

J. To do all needed pest control of the clubhouse on a timely and consistent manner.

K. To provide all accounting and billing services needed to run the maintenance of the park.

L. To provide Administration services for administering the maintenance of the park.

M. To create a Maintenance Reserve fund. Fund is to be used for maintenance items of a single cost of over \$1,000.

Hartigh shall create a savings account to retain said monies until the need arises. Large maintenance or repairs as of Jan. 14, 2002 to be paid are, (a) pool solar system of approximately \$15,000 and (b) new wood decks around club house, pool and fishing pier at \$10,000, heater for spa, \$2000, total of \$25,000. Current amount in the budget of expenses, as prepared and agreed to by the 2001 Board and Hartigh is \$5,000 for this fund and an additional \$2,000 from the pool fund making \$7,000 per year.

N. To pay for a share of the fees to DEP for shoreline and water usage of the fishing pier and boat ramp. (Boat dock fees not included)

O. The boat docks, old and new sections, are not part of this maintenance agreement. Some of the costs associated with the boat docks are: DEP, insurance, electric, actual dock maintenance of wood, dredging, weed pulling, animal, pest and snake control, etc. is not part of this maintenance agreement.

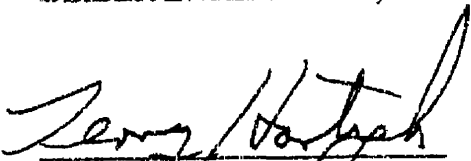
P. Interior cleaning of the clubhouse is furnished by the Homeowners Association.

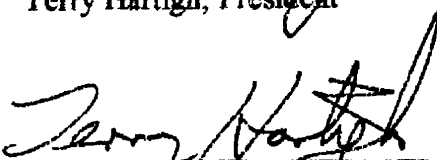
3. Hartigh also agreed to pay for the clubhouse, pool, spa, water and sewer as a surcharge that is included in this gross amount maintenance fee agreement. The exact dollar amount is not specified in this contract. This surcharge is included in the gross amount for the entire 3 years of the contract. This surcharge cannot be changed even if the cost of sewer and water increases during period of the contract or if park is obtains a new to new owner. Hartigh pays all costs of sewer and water to Breeze Hill Utilities.
4. For all the Services outlined above in sections #2 and #3, the Homeowners agree to pay Hartigh the sum of \$71.00 per month for the 36-month period. Checks to be made payable to "Beiber Enterprises" as recipient for Beiber Enterprises Inc. Checks cannot be split into maintenance, fee and surcharge for sewer and water. Checks to be mailed to Breeze Hill, P. O. Box 1408, Lake Wales Fl, 33859-1408
5. Fee for the 36 months shall be \$71.00 per month. This includes the sewer and water surcharge.
6. Hartigh agrees that he will diligently pursue the non-payers of the maintenance fee to convince them pay their fair share. Hartigh further agrees he will have a decision made or be in the advanced stages of the final decision before the end of the year 2002 concerning the non-payers.
7. Beginning the year February 2005, (year after this contract ends) the maintenance fee will revert to the base fee of \$63.00 (amount agreed at Jan 14 2002 meeting) plus compounded Cola for the 3 year period of the contract. . The formula to determine the base amount as of Feb. 1, 2005: \$63. plus COLA for 2002, plus COLA for 2003, plus COLA for 2004, compounded on each other as if done yearly. The surcharge for the clubhouse sewer and water to be recalculated based on the actual costs in 2004.
8. Hartigh agrees that should he sell, transfer, relinquish or pass on to others, Breeze Hill before this contract has expired, the contract will be binding upon any new owner, or his heirs or assigns.
This agreement is void should the Breeze Hill Association purchase the property.

9. The Breeze Hills Homeowners at their January 14, 2002 meeting authorized the Board of Directors of Breeze Hill Association to review this contract and sign on their behalf.
10. After this contract is agreed to, as written, by Hartigh and Home Owners Board of Directors of Breeze Hill it shall be signed and filed and recorded at the Polk County Court House.
11. Copies of the signed contract to be distributed to each homeowner by mail.

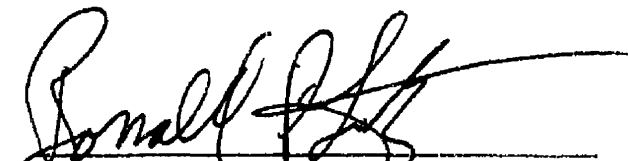
Signed this 17th day of January, 2002 by:

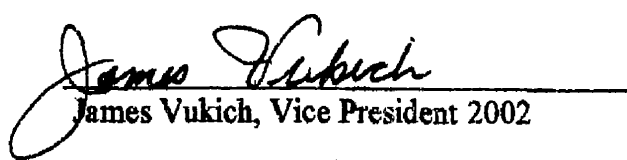
BEIBER ENTERPRISES, INC.

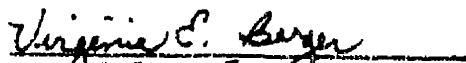

 Terry Hartigh, President


 Terry Hartigh, Secretary


BREEZE HILL PROPERTY OWNERS


 Ronald D. Lutz, President 2002


 James Vukich, Vice President 2002

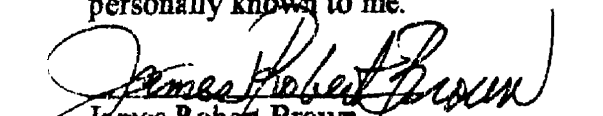

 Virginia E. Berger
 witness

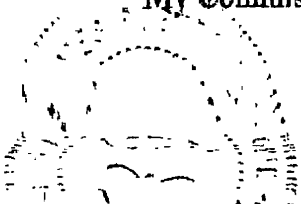
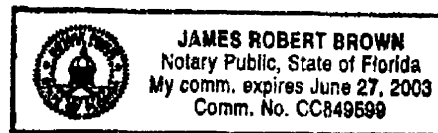
Notary of Public for all signatures


 KENNETH M. WEBER
 WITNESS

**BREEZE HILL MAINTENANCE CONTRACT, NOTARY
 ACKNOWLEDGEMENT AND RECORDERS DATA**

The foregoing instrument (Breeze Hill Maintenance Agreement) was acknowledged before me this 17th day of January 2002, by Ronald Lutz President Homeowners 2002, James Vukich Vice President Homeowners 2002, Terry Hartigh President and Secretary of Beiber Enterprises Inc.; both Florida Corporations, on behalf of the respective corporations. All signatories are personally known to me.


 James Robert Brown
 Notary Public, State of Florida
 My Commission expires June 27th 2003



BREEZE HILL ASSOCIATION
Audit of Owners expenses for 2001 and Recommendations for 2002
Owners Maintenance Fees: Jan 09, 2002

ITEM NAME	Spent in 2001	Owner Request	2002 Recommend
1. Property Taxes <i>COMMON AREAS</i>	\$ 7,966	(A) \$7,966	\$ 5,700
2. Advertising <i>INCL. TRACT 'A'</i>	\$ 202	(B) \$ 202	-0-
3. Insurance's for property & buildings	\$ 5,497	(C) \$5,497	\$ 3,600
4. Contract mowing —	\$ 8,740	(D) \$10,740	\$10,740
5. Pool. Spa, Chemical, Propane	\$ 7,564	(E) \$ 7,564	\$ 5,500
6. Electric clubhouse, pool, street	\$10,668	\$10,668	\$10,700
7. Debt Reduction (\$13,380 /2)	\$ 6,696	(F) \$ 6,696	\$ -0-
8. Owner Return on Investment	\$ -0-	(F) \$ -0-	\$ 6,700
9. Legal Fees	\$ 4,208	(G) \$ 4,208	\$ 500
10. Office Telephone & Yellow Pages (\$300)	\$ 1,192	(H) \$1,192	\$ <u>750</u>
11. Pest Control @ club house	\$ 602	\$ 602	\$ 600
12. Accounting Services (Tax Forms etc)	\$ 1,937	(I) \$ 1,937	\$ 600
13. Association Fees <i>(KOWL)</i>	\$ 1,012	(J) \$ 1,012	\$ -0-
14. Materials, Parts & Labor	\$15,716	(DEN)\$15,716	\$ 7,000
15. Administration <i>(FOR HARTIG)</i>	\$ -0-	(K) \$12,000	* \$ 8,000
16. Reserve for Maintenance <i>(HE DOES NOT HAVE AN OFFICE HERE)</i>	\$ -0-	(L) \$ 9,600	\$ 5,000
17. Solar Heating System Pool	\$ -0-	(E) \$12,492	\$ 2,000
18. Business Service, Receivables, Payables <i>(KOWL)</i>	\$ -0-	(K I) \$ 3,000	\$ 5,400
* 19. Employee Compensation (660 hrs)	\$ -0-	(D) \$ -0-	\$ 6,000
20. Donations to Sheriff Dept.	\$ 50	\$ 50	\$ 50
21. Shore line Fees (1/4 of \$2000)	\$ -0-	(M) \$ 2000	\$ 500
Totals	\$72,050	\$113,142	\$ 79,340

*Owner does not agree with this number requests \$12,000

Owner costs for Boat docks is not included in the above for items such as: Boat dock shore line \$1,500, Insurance \$250, Electric \$250, maintenance of dock & dock area.

Current Rate Maintenance for 2001 was \$59.36 X COLA of 2.6% is \$1.54 is \$60.90
 Clubhouse Water and Sewer for 2001 was \$2,600 /12 is \$217 /113 is \$1.92, called \$2.10 per month added to \$60.90 and also to balance monthly fee to an even number.

Committee Recommends: \$60.90 plus \$2.10 for clubhouse water sewer plus \$1.00 to help with all the new work on fishing pier, pool decks etc., is \$64.00 per month. (\$2 increase)
 \$61.90 time 96 payers is per year is \$71,309 113 payers is \$83,936
 \$79,340 divided by 96 payers is \$68.87 per month plus \$2.10 rounded is \$71.00
 \$79,340 divided by 113 payers is \$58.51 plus \$2.10 rounded is \$61.00

* - ONLY ONE DOES ALL.

NOTES ON OWNER MAINTENANCE BUDGET SHEET FOR 20

January 09, 2002

General Note: Audit committee was J R Brown, Jim Vukich and Ronald Lutz, meeting with Owner Terry Hartigh;

Terry had went thru checkbook and listed all expenses in Bieber Enterprises, Inc. for the year 2001. 2nd meeting added mowing expenses of 2001 and also accounting estimates for 2002

Terry then prepared a list of his needs for 2002 from this checkbook summary totaling \$116,011, which included clubhouse water and sewer of \$2,869, The number with out the \$2,869 is \$113,142.

The only physical evidence that Terry had with him was, checkbook stubs and the insurance policy.

Notes below are from () letters on Budget Breakdown Page:

- A. Property taxes (\$5,700) are listed per what J R pulled off the Internet from courthouse records.
Terry agreed the difference was for his 12 lots etc.
- B. Advertising was eliminated from budget, as none is needed for maintenance fees.
- C. Insurance amount (\$3,600) was arrived at by adding numbers on the policy that effected the public areas (other than docks) and clubhouse.
- D. Contract mowing was done last year per line #14 material parts and labor \$2,000 and labor checks not shown on Terry Sheet of \$2,615, and then \$875 paid for 7 months (\$6,125). All = \$10,740.00
- E. Pool chemical and propane last year was \$7,564 and Terry agreed that the solar system should save at least \$2,000 in propane. New number is then \$5500. This number does not include any labor or pool repairs. See lines # 14 and #19
- F. Debt reduction was asked for at 1/2 of the total amount of \$13,380. Board felt that this was not a part of maintenance costs. Board did feel that an owner had a right to a "return on investment" and agreed to make this amount about the same as the debt reduction. Owner investment was thought to be at this date around \$70,000 out of pocket.

G. Legal fees that effect the maintenance fees of those paying should be very minimal and Committee suggested \$500 per year. Terry was still checking his old invoices before he agreed with this number.

H. Office phone and yellow pages. The yellow pages ad costs \$300 per year and just started. Terry says it helps the park as homeowners get value if they wish to sell etc. Committee felt this was to help Terry sell lots. As contract cannot be canceled for 2002 all agreed to split the cost ½ to maintenance fees and ½ to Owner lots costs.

Phone bills averaged last year at over \$70.00 per month. As no actual bills were presented to audit to see what the fees the committee thought were due. Committee suggested that use of phone this year would be reduced \$50.00 per month.

I. Accounting service is for tax forms at end and during year by accountant. Terry met with accountant on the Jan 08 and received a price of \$600 per year. For monthly bookkeeping work see line #18

J. Association fees are for lots that owner owns and is not part of maintenance fees, Terry agreed

K. Administration fee is asked for in the amount of \$12,000. Last year no Administration was listed on the budget cost breakdown submitted by Terry.

The committee thinks that the excess dollars of income over last year's expenses is the Administration fee. Last year \$59.36 x 95 payers x 12 months is \$67,670.

Expenses listed where \$72,050. These listed expenses include some items that the committee felt was not part of maintenance fees. These items (taxes \$2,266, advertising \$202, insurances of \$1,897, excess legal fees of \$3,708, telephone yellow pages \$150.00, phone use above maintenance business \$200, Association fees \$1,012; Total of \$9,435) leaving actual costs at \$62,615. Owner Administration fee is difference of income less expenses or \$5,055. As nothing was listed for line #16, part of this \$5,055 may or should have been assigned to the Maintenance reserve fee. See letter (L).

Letter "K" continued on next page.

Letter "K" continued

Terry is not doing as much work himself as previous owners did on bookkeeping. Terry has hired a service to perform this task at \$340.00 month to handle receivables and \$100 per month handle payables. This is \$450.00 per month or \$5,400 per year. Terry has also hired an employee help with the pool and other maintenance work at cost of \$6,000 per year (part of employee time will do other things beside pool) See line 19.

Based on the above the committee felt that a reduction from \$12,000 asked to \$8,000 was more than fair.

- L. Reserve for maintenance is more correctly described as a reserve fund for major repairs items such as roof, air conditioner replacement and etc. These items according to the IRS are normally capitol improvements. Terry agreed that this category if for items that cost over \$1,000. These large items are depreciated on Owner financial statements and costs are recovered over a period of years through depreciation expense.

Committee suggests that this amount should be kept separate from other funds in a savings account so that Owner does not need to ask for large sums to fix something should it break. Terry agreed to do this.

Last year a new pool heater was needed at over \$1,100. It is included in line 14.

Terry has not made a list of anticipated major maintenance's or capitol improvements. The amount offered of \$5,000 per year will cover \$15,000 over 3 years plus accumulated interest. Current projects Terry is doing that fall into this category is new wood on the decks around the clubhouse and pool and on the fishing pier. Costs are expected to reach \$10 to \$15 thousand for this project. Solar heat system is not included here. See line 17 and letter E.

- M. Shore line fees from State of Fla. were stated to be \$2000 per year. No backup was provided. The committee felt the Fishing pier and boat ramp area is approx. ¼ of this and this fee in maintenance budget was set at \$500.00.

- N. Material parts and labor. Last years costs were listed at \$15,716. Part of this was for propane and due to new solar heat a savings on propane of \$2,000 was agreed upon. Part of this fee was for mowing gasoline, mower repair and some minor mowing labor, agreed on at a cost of \$2,000. Balance is \$11,716. Terry asked for \$7000 for and cost of labor (line 19 Not all labor is pool) and committee agreed. No breakdowns for anticipated costs other that last years checks were presented.

Polk County Property Appraiser

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 - Land
 - Res. Sketch
 - Full Description

The information is current as of 14-JAN-2002

Owner		1 of 1
Owner Name	BIEBER ENTERPRISES INC	
Mailing Address	152 BREEZE HILL	
City	LAKE WALES	
State	FL	
Country	US	
Zip Code	33898 7300	

Parcel	
Location Address	
City	
Zip Code	
Section	32
Township	30
Range	29
Subdivision	WALK IN THE WATER VILLAGE UNIT 01
Parcel	293032993010000530
County/City Tax district	30000
DOR Use Code	3537
DOR Description	Tourist Attractions

Short Description	
WALK IN THE WATERVILLAGE UNIT ONE PB 64	
PGS 38 & 39	
TRACT A	

Search Manager

Current Record
293032993010000530
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Portfolio Manager

TRACT 'A' IS A 6+ ACRE TRACT, 'L' SHAPED. CLUBHOUSE, SEWER & WATER ARE ALL ON THIS SITE! PROPERTY APPRAISER 'SPLITS' THE ACREAGE FOR EVALUATION PURPOSES, BUT TAXES ALL TOGETHER.

Site Design Copyright 1999-2001 Akanda Group LLC. All rights reserved.

THIS FEE PAID BY PARK MAINTENANCE.

J. R. Brown

Polk County Property Appraiser

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Tax Maps

Tax Records

Parcel Profile

Values

Sales

Residential

Commercial

Misc. Structures

Land

Res. Sketch

Full Description

The information is current
as of 14-JAN-2002

PLEASE NOTE:

These values are as of the TRIM for 2001 Tax Roll.

Estimated Taxes (Please see general info)**

Millage	17.15
Taxes	\$5,341.32
Fire Taxes	\$70.00
Special Assessments	

Values

Land Value	\$131,720.00
Improvement Value	\$179,800.00
Total Value	\$311,520.00
Amendment 10 Cap Value	\$.00
Assessed Value	\$311,520.00
Total Exemptions	\$.00

Search Manager

Current Record

293032993010000530

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