

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

Fax (850) 656-4029

www.rsbatorneys.com

ORIGINAL

CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
DAVID F. CHESTER
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL
VALERIE L. LORD, OF COUNSEL
(LICENSED IN TEXAS ONLY)

CENTRAL FLORIDA OFFICE
600 S. NORTH LAKE BLVD., SUITE 160
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

February 4, 2003
VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED - FPSC
FEB - 4 PM 12:30
COMMISSION
CLERK

Re: Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities
Application for Transfer of Certificates
Our File No. 36097.01

Dear Ms. Bayo:

In response to the letter from the Commission staff from a few months ago, I am writing this letter to provide answers to the outstanding issues and questions raised therein. I have outlined the question and then the response to the six issues raised by the staff. I apologize for the delay in getting these to the staff, but some of them required significant investigation that then had to be accumulated and supplied with this letter.

1. **Rule 25-30.030, F.A.C. requires the utility to provide a legal notice of the transfer application. The copy of the notice included in the transfer application does not state the name of the transferee/buyer of the utility. Please reissue the notice and include the name of the transferee/buyer of the utility. In addition correct the typo in the territory description to correctly identify Parcel No. 2 as the water plant site.**

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

Response - This has been corrected and the revised notice is being sent out. As soon as the noticing is complete, we will file the appropriate affidavits with the Commission to verify that appropriate noticing has been completed. Please note the form of the revised notice attached.

2. **Rule 25-30.037(2)(q), F.A.C., requires the utility to provide evidence that it owns the land where the utility treatment facilities are located or a**

DOCUMENT NUMBER DATE

01132 FEB-4 8

FPSC - COMMISSION CLERK

copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. Please provide a recorded copy of the Certificate of Title as evidence that the utility owns the land for the water and wastewater treatment facilities.

Response - Attached hereto is a copy of the recorded Certificate of Title as evidence that the utility owns the land on which the water and wastewater facilities are located, as requested. This is recorded in the official records of Highlands County.

3. **Pages 4 and 5 of the Summary Judgement (Exhibit B) reference three separate notes, the Venture note, Majestic Oaks note and the Buttonwood Bay note. Please clarify what these represent.**

Response - These are three separate notes that were taken out by the prior owners of the property which were foreclosed as part of the overall foreclosure action that was undertaken in 2001 and which resulted in Sun Communities Acquisition LLC acquiring the utility assets. Each of these notes were mortgages on the entire development property, including the utility assets.

4. **Please provide a copy of the engineering report and supporting documentation that was used to prepare the original cost study.**

Response - There is no "engineering report" per se. However, the workpapers that were prepared by the engineers and utilized to develop the original cost study are attached hereto, along with the revised original cost study updated for the corrected treatment plant land area and cost thereof.

5. **According to the original cost study for the wastewater system, the estimated costs are based on the Handy Whitman indices. Typically the Handy Whitman index is not used for trending wastewater system costs. Please explain why the Handy Whitman index was used for trending the wastewater costs.**

Response - Trending of replacement costs back to original cost is a method for estimating the original cost of those facilities. The indices, such as Handy Whitman, utilized for this purpose are typically based upon average labor costs and material costs for a given type of construction in differing areas of the country. While the Handy Whitman construction cost index used in the Buttonwood Bay analysis is directed to water system components, the use of some other indices would produce similar results for the wastewater system, as they would be based upon the same labor costs and types of

construction materials utilized for the construction of water systems. If the staff has some other costing index that they believe is more appropriate, the utility would be happy to present the analysis based on whatever index they wish us to utilize. We do not believe a material difference would result. We believe that the Handy Whitman index does provide a reasonable basis for calculating an estimate of original cost.

6. **In reviewing the original Order No. 13672, in Docket No. 840177-WS, dated 9/11/84, the territory description describes the water plant as Parcel 2 with .92 acres, and the wastewater plant as Parcel 1 comprising of 6.2 acres. The descriptions are listed below. The original cost study indicates the water plant is located on .08 acres and the wastewater plant is located on 12.53 acres based on a 1999 aerial photograph. Please provide the 1999 aerial photograph and explain the difference in acreage between the order and the original cost study.**

Response - The descriptions of the water and wastewater site as included within the utility's Original Certificate Order issued in September of 1984, are correct and accurate. The plant sites have not changed since that time. It is unclear at this time why the errors occurred with the reevaluation of those plant sites in the original cost study. However, those workpapers and the original cost study as attached hereto in response to Question No. 4, have been revised in order to reflect the corrected plant site descriptions and sizes, in accordance with the 1984 Order.

If you or any members of the staff have any further questions with regard to this matter, please do not hesitate to contact me and I will be sure to get you a prompt response in order to bring this matter to a close.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD\tms

cc: Cheryl Johnson
Richard Redemann
Alice Crosby
John Coto, P.E.
Gary Morse, P.E.

buttonwoodbay\4bayo.ltr

Original Cost Study - Water System Plant In Service

Florida Public Service Commission

Buttonwood Bay Utilities

Schedule 1 Revised 1/31/03

Docket No.

Page 1 of 1

Estimated Original Cost at January 1, 2002

Preparer: J. Coto/G. Morse

Line No.	NARUC Account	Description	Year Installed (2)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method		Index Values (1)		Replacement Cost (5)	Estimated Original Cost	Accumulated Depreciation	Original Cost Less Accum. Depreciation
						Actual Invoice (4)	Trended	Test Yr	Yr. Installed				
1	303	Land and Land Rights	1984	17.5		Estimated (7)				\$ 4,600	\$ 4,600	\$ -	\$ 4,600
2	304	Structures and Improvements	1984	17.5	3.57%		Trended	313.00	191.00	8,860	2,807	1,754	1,053
3	307	Wells and Springs	1984	17.5	3.70%		Trended	291.00	198.00	-44,000	29,938	19,385	10,553
4	309	Supply Mains	1984	17.5	3.13%		Trended	333.00	222.00	17,208	11,472	6,284	5,188
5	310	Power Generation Equipment	1984	17.5	5.88%		Trended	531.00	245.00	40,000	18,456	18,456	-
6	311	Pumping Equipment	1984	17.5	5.88%		Trended	531.00	245.00	50,000	23,070	23,070	-
7	320	Water Treatment Equipment	1984	17.5	5.88%		Trended	385.00	232.00	101,000	60,862	60,862	-
8	330	Distribution Reservoirs & Standpipes											
9		-Steel Tanks	1984	17.5	3.33%		Trended	270.00	208.00	50,000	38,519	22,447	16,072
10	331	Transmission and Distribution Lines	1984	17.5	2.50%		Trended	215.00	138.00	266,000	170,735	74,697	96,038
11	333	Services	1984	17.5	2.86%		Trended	275.00	193.00	144,000	101,062	50,581	50,480
12	334	Meters and Meter Installations	1984	17.5	5.88%	Actual (6)				29,820	29,820	12,049	17,771
13	335	Hydrants	1984	17.5	2.50%		Trended	505.00	232.00	2,600	1,194	523	672
14	336	Backflow Prevention Devices	2001	0.5	4.00%	Actual Cost				5,190	5,190	104	5,086
15		Total Net Original Cost Plant In Service								\$ 763,278	\$ 497,724	\$ 290,210	\$ 207,514

Footnotes

(1) Based on Handy Whitman Indices at mid year for the test year and estimated year of installation.

(2) As indicated in latest FPSC Annual Reports

(3) Depreciation rates based on FPSC Order No 13060 dated March 7, 1984.

(4) Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities, was not able to obtain any actual invoices or support for the original plant investment.

Therefore, the Company has prepared an original cost study to support the original plant investment.

(5) Represents the estimated cost today for similar facilities as prepared by Excel Engineering Consultants per the attached replacement cost analysis

(6) Represents the estimated original cost of meters (including installation) based upon the approved meter installation fee of \$70 per meter.

This cost was established by the FPSC in Order No 13672 of Docket No 840177-WS dated September 11, 1984.

(7) From Replacement Cost Support Schedule 1

Buttonwood Bay Utilities

Docket No.

Estimated Original Cost at January 1, 2002

Schedule 2 Revised 1/31/03

Page 1 of 1

Preparer: J. Coto/G. Morse

Line No.	NARUC Account	Description	Year Installed (2)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method		Index Values (1)		Todays Replacement Cost (5)	Estimated Original Cost	Accumulated Depreciation	Original Cost Less Accum. Depreciation
						Actual Invoice (4)	Trended	Test Yr	Yr. Installed				
1	353	Land and Land Rights	1984	17.5		Estimated				31,000	\$ 31,000	\$ -	\$ 31,000
2	354	Structures and Improvements	1984	17.5	3.70%	Trended	313.00	191.00		21,600	13,181	8,535	4,646
3	360	Collection Sewers - Force	1984	17.5	3.70%	Trended	215.00	138.00		48,000	30,809	19,949	10,860
4	361	Collection Sewers - Gravity	1984	17.5	2.50%	Trended	215.00	138.00		398,741	255,936	111,972	143,964
5	361	Collection Sewers - Manholes	1984	17.5	3.70%	Trended	215.00	138.00		151,450	97,210	62,943	34,266
6	363	Services to Customers	1984	17.5	2.86%	Trended	275.00	193.00		288,000	202,124	101,163	100,961
7	371	Pumping Equipment	1984	17.5	6.67%	Trended	531.00	245.00		220,000	101,507	101,507	-
8	380	Treatment and Disposal Equipment	1984	17.5	6.67%	Trended	385.00	232.00		412,873	248,796	248,796	-
9		Total Net Original Cost Plant In Service								\$ 1,571,664	\$ 980,562	\$ 654,865	\$ 325,698

Footnotes:

(1) Based on Handy Whitman Indices at mid year for the test year and estimated year of installation.

(2) As indicated in latest FPSC Annual Reports

(3) Depreciation rates based on FPSC Order No 13060 dated March 7, 1984.

(4) Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities, was not able to obtain any actual invoices or support for the original plant investment. Therefore, the Company has prepared an original cost study to support the original plant investment.

(5) Represents the estimated cost today for similar facilities as prepared by Excel Engineering Consultants per the attached replacement cost analysis.

Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities
 Docket No.
 Estimated Original Cost at January 1, 2002

Schedule 3
 Page 1 of 1
 Preparer: J. Coto/G. Morse

Line No.	Year	Reported (1) Connections	0.57 Additions(3)	System Capacity/ Meter Fee	Annual CIAC Additions	Amortization Rate(4)	Age (Yrs.)	Accumulated Amortization (Plant)	Accumulated Amortization (Meters)	Net CIAC
1	1984	4	2.00	\$ 670	\$ 1,480	3.51%	17.5	\$ 737	\$ 172	\$ 571
2	1985	24	14.00	670	10,080	3.51%	16.5	4,865	973	4,242
3	1986	0	0.00	670	-	3.51%	15.5	-	-	-
4	1987 (2)	50	29.00	670	20,900	3.51%	14.5	8,856	1,781	10,263
5	1988 (2)	50	29.00	670	20,900	3.51%	13.5	8,245	1,658	10,997
6	1989	21	12.00	670	8,670	3.51%	12.5	3,159	645	4,866
7	1990	42	24.00	670	17,340	3.51%	11.5	5,813	1,187	10,341
8	1991	60	34.00	670	24,600	3.51%	10.5	7,518	1,548	15,534
9	1992	175	100.00	670	72,250	3.51%	9.5	20,007	4,085	48,158
10	1993	0	0.00	670	-	3.51%	8.5	-	-	-
11	1994	0	0.00	670	-	3.51%	7.5	-	-	-
12	1995	0	0.00	670	-	3.51%	6.5	-	-	-
13	1996	0	0.00	670	-	3.51%	5.5	-	-	-
14	1997	0	0.00	670	-	3.51%	4.5	-	-	-
15	1998	0	0.00	670	-	3.51%	3.5	-	-	-
16	1999	0	0.00	670	-	3.51%	2.5	-	-	-
17	2000	0	0.00	670	-	3.51%	1.5	-	-	-
18	2001	0	0.00	670	-	3.51%	0.5	-	-	-
19		<u>426</u>	<u>244</u>		<u>176,220</u>			<u>59,200</u>	<u>12,049</u>	<u>104,971</u>
20										
21	Water Lines Per Order 13672				30,000	2.50%	17.5	13,125	-	16,875
22										
23	Total Water CIAC				<u>\$ 206,220</u>			<u>\$ 72,325</u>	<u>\$ 12,049</u>	<u>\$ 121,846</u>

Line No.	Year	Reported (1) Connections	0.57 Additions(3)	System Capacity/ Fee	Annual CIAC Additions	Amortization Rate(4)	Age (Yrs.)	Accumulated Amortization	Net CIAC
24	1984	4	2.00	\$ 875	\$ 1,750	4.29%	17.5	\$ 1,314	\$ 436
25	1985	24	14.00	875	12,250	4.29%	16.5	8,671	3,579
26	1986	0	0.00	875	-	4.29%	15.5	-	-
27	1987 (2)	50	29.00	875	25,375	4.29%	14.5	15,785	9,590
28	1988 (2)	50	29.00	875	25,375	4.29%	13.5	14,696	10,679
29	1989	21	12.00	875	10,500	4.29%	12.5	5,631	4,869
30	1990	42	24.00	875	21,000	4.29%	11.5	10,360	10,640
31	1991	60	34.00	875	29,750	4.29%	10.5	13,401	16,349
32	1992	175	100.00	875	87,500	4.29%	9.5	35,661	51,839
33	1993	0	0.00	875	-	4.29%	8.5	-	-
34	1994	0	0.00	875	-	4.29%	7.5	-	-
35	1995	0	0.00	875	-	4.29%	6.5	-	-
36	1996	0	0.00	875	-	4.29%	5.5	-	-
37	1997	0	0.00	875	-	4.29%	4.5	-	-
38	1998	0	0.00	875	-	4.29%	3.5	-	-
39	1999	0	0.00	875	-	4.29%	2.5	-	-
40	2000	0	0.00	875	-	4.29%	1.5	-	-
41	2001	0	0.00	875	-	4.29%	0.5	-	-
42	Total Sewer CIAC	<u>426</u>	<u>244</u>		<u>\$ 213,500</u>			<u>\$ 105,518</u>	<u>\$ 107,982</u>

Footnotes:

- (1) As reported in the FPSC Annual Reports.
- (2) No data available for 1987 or 1988. However, based on year end number of connections for 1986 of 28 and beginning year connections of 128 for 1989, it is therefore evident that 100 connections were added during the two year period. It was assumed that 50 connections were added in 1987 and 50 added in 1988. It was assumed that every new water connection is also a sewer connection.
- (3) In the FPSC Staff Recommendation in Original Certificate Application in Docket No. 840177-WS, the staff recognized that service availability charges should be based on an "ERC" concept with mobile homes equating to 0.57 of an ERC.
- (4) Represents the composite rate for the system computed from the data contained in the Original Cost Study for the respective systems.

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
1	Potable Water Transmission/Distribution System				
2	Pipe Installation				
3	1" PVC	LF	250	\$ 5.00	\$ 1,250
4	1-1/2" PVC	LF	200	5.25	1,050
5	2" PVC	LF	23,710	5.50	130,405
6	3" PVC	LF	6,040	5.50	33,220
7	4" PVC	LF	2,550	8.00	20,400
8	6" PVC	LF	1,750	12.00	21,000
9	8" PVC	LF	1,270	18.00	<u>22,860</u>
10	Total Transmission and Distribution				230,185
11	Valves, Backflow Preventers, and Fire Hydrants				
12	2" Gate Valve	Each	50	475.00	23,750
13	3" Gate Valve	Each	8	525.00	4,200
14	4" Gate Valve	Each	3	585.00	1,755
15	6" Gate Valve	Each	4	715.00	2,860
16	8" Gate Valve	Each	2	825.00	<u>1,650</u>
17	Total T&D Valves				34,215
18					
19	1" RPZ Backflow Preventor	Each	6	865.00	5,190
20	2" Blow-off Valve	Each	8	200.00	1,600
21	Fire Hydrant (@ Clubhouse)	Each	1	2,600.00	2,600
22					
23	Service Laterals				
24	1" Service Lateral (15')	Each	426	150.00	63,900
25	1" Service Lateral (10')	Each	<u>534</u>	150.00	<u>80,100</u>
26	Total Services		960		144,000
27					
28	5/8" Water Meter	Each	426	70.00	29,820
29					
30	Total Water Transmission/Distribution System				<u>447,610</u>
31					
32					
33	Potable Water Treatment Facilities				
34	6" Well #1	LF	1,100	20.00	22,000
35	6" Well #2	LF	1,100	20.00	22,000
36					
37	Peerless Vertical Turbine Pump (450 gpm, 30 HP motor)	Each	2	25,000.00	50,000
38	8" Water Meter	Each	1	10,000.00	10,000
39	8" Gate Valve	Each	9	825.00	7,425
40	8" Swing Check Valve	Each	2	1,100.00	2,200
41	8" DIP	LF	337	22.50	7,583
42	Operation Building	SF	320	20.00	6,400
43	6' Chain-link Fence	LF	246	10.00	2,460
44	Emergency Generator (100 kW)	kW	100	400.00	40,000
45	Dual Cylinder Chlorination System	Each	1	15,000.00	15,000
46	Coleman Air Compressor (5 HP)	Each	1	1,000.00	1,000
47	Electrical	Each	1	75,000.00	75,000
48					
49	Total Water Treatment Facilities				<u>311,068</u>
50					
51	Estimated Land Value				4,600
52					
53	Total Estimated Replacement Cost				<u><u>\$763,278</u></u>

Note: WTF area as delineated in 1984 PSC Order of 0 92 ac
Estimated value per acre is \$5,000.

Replacement Cost For Wastewater System

Florida Public Service Commission

Buttonwood Bay Utilities

Support Schedule 2-Revised 1/31/03

Docket No.

Page 1 of 1

Preparer: J. Coto/G. Morse

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
1	Sanitary Sewer Collection System				
2	Pipe Installation				
3	4" PVC (0'-6')	LF	285	\$ 8.00	\$ 2,280
6					
7	6" PVC (0'-6')	LF	7,081	10.00	70,810
8	6" PVC (6'-8')	LF	680	10.00	6,800
10					
11	8" PVC (0'-6')	LF	17,025	12.05	205,151
12	8" PVC (6'-8')	LF	4,020	15.00	60,300
13	8" PVC (8'-10')	LF	2,670	20.00	53,400
14					
15	Manholes				
16	Sanitary MH (0'-6')	Each	75	1,350.00	101,250
17	Sanitary MH (6'-8')	Each	18	1,650.00	29,700
18	Sanitary MH (8'-10')	Each	10	2,050.00	20,500
19					
20	Service Laterals				
21	4" Service Lateral (15')	Each	426	300.00	127,800
22	4" Service Lateral (10')	Each	534	300.00	160,200
23					
24	Lift Stations				
25	LS #1 (14' depth, 4' diameter)	Each	1	55,000.00	55,000
26	LS #2 (9' depth, 4' diameter)	Each	1	50,000.00	50,000
27	LS #3 (13' depth, 4' diameter)	Each	1	55,000.00	55,000
28	LS #4 (18' depth, 4' diameter)	Each	1	60,000.00	60,000
29					
30	Force Main				
31	4" PVC Force Main	LF	4,800	10.00	48,000
32					
33	Total Wastewater Collection System				1,106,191
34					
35	Wastewater Treatment Facility				
36	98,000 GPD Extended Aeration W	Gallons	98,000	4.05	396,900
37	Percolation Ponds	CY	7,570	2.11	15,973
38	Fencing (6' Chain-link)	LF	2,160	10.00	21,600
39					
40	Total Wastewater Treatment Facility				434,473
41					
42	Estimated Land Value				31,000
43					
44	Total Estimated Replacement Cost				<u><u>\$1,571,664</u></u>

Note: WWTF area of 6.2 acres based on 1984 PSC Order and estimated land value of \$5,000 per acre.

124,261.20

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

CIRCUIT CIVIL CASE NO. GC-01-370

** OFFICIAL RECORDS **
BK 1579 PG 282

JEED DOC STAMPS

\$124,261.20 D.C. 994

filed 12-7-01 Sst

FIRST TRUST CORPORATION, a Colorado corporation, as Trustee FBO Kendall V. Ameduri Roth IRA, as to an undivided 15% interest, and FIRST TRUST CORPORATION, a Colorado corporation, as Trustee FBO James R. Ameduri Roth IRA, as to an undivided 85% interest; FIRST TRUST CORP., a Colorado corporation, as Trustee for the benefit of James R. Ameduri Roth IRA, as to an undivided 70% interest, and as Trustee for the benefit of Kendall V. Ameduri, Roth IRA, as to an undivided 30% interest as assigned to FIRST TRUST CORP., a Colorado corporation, as Trustee for the benefit of Maisie Young, IRA, as to an undivided 25.5556% interest; and FIRST TRUST CORPORATION, a Colorado corporation, as Trustee FBO Kendall V. Ameduri Roth IRA,

Plaintiffs,

vs.

SUN LIFE TRAILER RESORT LIMITED PARTNERSHIP, an Arizona limited partnership; BUTTONWOOD BAY WATER & SEWER COMPANY, LLC, successor by merger to Buttonwood Bay Utilities, Inc., a Florida limited liability company, and MARC S. CANEVA,

Defendants. /

CERTIFICATE OF TITLE

The undersigned Clerk of the Court certifies that he executed and filed a Certificate of Sale in this action on November 26, 2001, for the property described herein and that no objections to the sale have been filed within the time allowed for filing objections.

C.V.C.


The following property in Highland County, Florida:


See Exhibits "A," "B" and "C" Attached Hereto

was sold to Sun Communities Acquisitions, LLC, a Michigan Limited liability company, whose address is 31700 Middlebelt Road, Suite 145, Farmington Hills, MI 48334.

WITNESS my hand and seal of the Court on this 7th day of December, 2001.



LUKE E. BROOKER
Clerk of the Circuit Court
Highlands County, Florida

By: 
Deputy Clerk

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Certificate of Title was furnished by U.S. Mail to **Lynn V. Cravey, Esquire**, Ruden, McClosky, Smith, Schuster & Russell, P.A., P.O. Box 14034, St. Petersburg, FL 33733; **Richard S. Webb, Esquire** and **J. Allen Bobo, Esquire**, Lutz, Webb, Bobo & Eastman, One Sarasota Tower, Two North Tamiami Trail, 5th Floor, Sarasota, FL 34236; **Lee D. Mackson, Esquire**, Shutts & Bowen LLP, 201 South Biscayne Boulevard, 1500 Miami Center, Miami, FL 33131; **Gary Soles, Esquire**, Lowndes, Drosdick, Doster, Kantor & Reed, P.A., 450 South Orange Avenue, Suite 800, Orlando, FL 32801; and **Peter D. Bursik**, 526 Central Avenue, Suite 200, St. Petersburg, FL 33701, this 21st day of December, 2001.



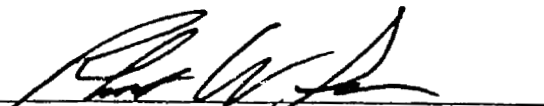

Deputy Clerk

EXHIBIT "A"
LEGAL DESCRIPTION

** OFFICIAL RECORDS **
BK 1579 PG 284

That portion of the Southwest 1/4 of the Northwest 1/4 lying West of U. S. Highway No. 27, LESS the South 600.00 feet thereof, in Section 27, Township 35 South, Range 29 East, Highlands County, Florida.

-ALSO-

The South 600 feet of that portion of the Southwest 1/4 of the Southwest 1/4 of the Northwest 1/4 of Section 27, Township 35 South, Range 29 East, lying West of U. S. Highway No. 27, Highlands County, Florida, as recorded in Official Records Book 745, page 899, of the public records of Highlands County, Florida.

-ALSO-

Government Lots 1 and 8, and Government Lot 9, LESS the South 450.00 feet thereof and that portion of Government Lots 2, 7 and 10, lying East of Jackson Creek right-of-way (as identified and found in Official Records Book 293, page 232 and Official Records Book 293, page 465, of the public records of Highlands County, Florida), all in Section 28, Township 35 South, Range 29 East, Highlands County, Florida, LESS Skipper Road right-of-way.

-ALSO-

That portion of the Upper Josephine-Jackson Creek Watershed Canal Easement that lies Easterly of the centerline of said Josephine-Jackson Creek Watershed Canal Easement in Government Lots 2, 7 and 10, Section 28, Township 35 South, Range 29 East, as recorded in Official Records Book 293, pages 232, 233 and 234, of the public records of Highlands County, Florida. NOW KNOWN AS BUTTONWOOD BAY PHASE I, as recorded in Plat Book 14, page 24, AND BUTTONWOOD BAY

PHASE II, as recorded in Plat Book 15, page 94 and BUTTONWOOD BAY PHASE III, as recorded in Plat Book 15, page 102 and BUTTONWOOD BAY PHASE IV, as recorded in Plat Book 15, page 104 and BUTTONWOOD BAY PHASE V, as recorded in Plat Book 15, page 107 and BUTTONWOOD BAY ME AND RV PARK UNRECORDED, Section 28, Township 35 South, Range 29 East, all of the public records of Highlands County, Florida.

LESS: Lot 43, Block 1, Lot 32, Block 1, Lot 39, Block 1, Lot 36, Block 1, Lot 38, Block 1, Lot 41, Block 1, Lot 35, Block 1, Lot 42, Block 1, Lot 37, Block 1, Lot 33, Block 1, Lot 8, Block 1, Lot 20, Block 3, Lot 34, Block 1, Lot 22, Block 4, Lot 23, Block 2, Lot 40, Block 1, Lot 19, Block 4, Lot 23, Block 4, Lot 25, Block 2, Lot 31, Block 1, BUTTONWOOD BAY PHASE I, according to plat thereof recorded in Plat Book 14, page 24, of the public records of Highlands County, Florida. ONE AND THE SAME AS: A portion of Sections 27 and 28, Township 35 South, Range 29 East, Highlands County, Florida, more particularly described as follows:

Commence at the Northeast corner of Section 28 also the Northwest corner of Section 27, both Sections are located in Township 35 South, Range 29 East, Highlands County, Florida; thence South 01° 09'49" West, along the line common to Sections 27 and 28, for 40.03 feet to the South right-of-way line of Skipper Road and the Point of Beginning; thence continue South 01° 09'49" West, along said common line of Sections 27 and 28, for 1284.71 feet to the North line of the Southwest 1/4 of the Northwest 1/4 of said Section 27; thence North 88° 58'52" East, for 282.72 feet to the West right-of-way line of U. S. Highway No. 27; thence South 00° 42'58" West, along said West right-of-way line, for 1324.71 feet to the South line of said Southwest 1/4 of the

**EXHIBIT "A" - CONTINUED
LEGAL DESCRIPTION**

Northwest 1/4 of Section 27; thence South $89^{\circ} 02'43''$ West, along said South line of the Southwest 1/4 of the Northwest 1/4 of Section 27, for 293.06 feet to the common line between said Sections 27 and 28; thence South $01^{\circ} 13'48''$ West, along said common line between Sections 27 and 28, for 874.07 feet to a point lying 450.00 feet North of the South line of Government Lot 9 in said Section 28; thence South $89^{\circ} 49'54''$ West, 450.00 feet North of and parallel to the South line of said Government Lot 9, for 930 feet, more or less, to the shoreline of Lake Josephine; thence meandering said shoreline of Lake Josephine in a Northwesterly direction 875 feet, more or less, to the intersection of the centerline of the Upper Josephine-Jackson Creek Watershed Canal Easement recorded in Official Records Book 293, pages 234, 235 and 236, of the public records of Highlands County, Florida; (the next 4 calls are along the centerline of said Upper Josephine-Jackson Creek Watershed Canal Easement); thence North $03^{\circ} 38'47''$ East, for 1285 feet, more or less, to a point to Station 22+00 as noted in said Official Records Book 293, page 234; thence North $01^{\circ} 21'13''$ West, 851.05 feet to the point of curvature of a curve to the left; thence along said curve, concave to the West having a radius of 573.69 feet, a central angle of $43^{\circ} 28'40''$, chord bearing of North $23^{\circ} 05'33''$ West, and chord length of 424.97 feet along the arc for 435.34 feet to the point of tangency; thence North $44^{\circ} 49'53''$ West, for 741.44 feet to the South right-of-way line of Skipper Road; thence North $89^{\circ} 00'47''$ East, along said South right-of-way line, for 2364.46 feet to the Point of Beginning.

LESS: Lot 43, Block 1, Lot 32, Block 1, Lot 39, Block 1, Lot 36, Block 1, Lot 38, Block 1, Lot 41, Block 1, Lot 35, Block 1, Lot 42, Block 1, Lot 37, Block 1, Lot 33, Block 1, Lot 8, Block 1, Lot 20, Block 3, Lot 34, Block 1, Lot 22, Block 4; Lot 23, Block 2, Lot 40, Block 1, Lot 19, Block 4, Lot 23, Block 4, Lot 25, Block 2, Lot 31, Block 1, BUTTONWOOD BAY PHASE I, according to plat thereof recorded in Plat Book 14, page 24, of the public records of Highlands County, Florida.

** OFFICIAL RECORDS **
BK 1579 PG 285

Description of Collateral:

1. All rights, title, and interest of Debtor in and to the minerals, topsoil, muck, peat, humus, sand, common clay, flowers, shrubs, crops, trees, timber, and all other emblements now or hereafter on the real property described in Exhibit "A" attached to this Financing Statement (the "Real Property") or under or above the same or any part or parcel thereof.
2. All buildings, structures and other improvements now or hereafter located on, above, or below the surface of the Real Property or any part or parcel thereof, excluding resident-owned mobile homes located thereon.
3. All tenements, hereditaments, easements, riparian and littoral rights, and appurtenances belonging to or in any wise appertaining to the Real Property, whether now owned or hereafter acquired by Debtor, and including all rights of ingress and egress to and from property adjoining the Real Property (whether such rights now exist or subsequently arise) together with the reversion or reversions, remainder or remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, homestead, dower, right of dower, elective share, separate estate, property, possession, claims and demands whatsoever of Debtor of, in and to the Real Property and of, in and to every part and parcel thereof.
4. All machinery, apparatus, equipment, fittings, and fixtures, whether actually or constructively attached to the Real Property, and including all trade, domestic, and ornamental fixtures and articles of personal property of every kind and nature whatsoever, excluding resident-owned mobile homes and their contents, now or hereafter located in, upon, or under the Real Property or any part thereof and used or usable in connection with any present or future operation of the Real Property and now owned or hereafter acquired by Debtor, including, but without limiting the generality of the foregoing, all heating, air conditioning, freezing, lighting, laundry, incinerating and power equipment; engines; pipes; pumps; tanks; motors; conduits; switchboards; plumbing; lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, ranges, furnaces, oil burners or units thereof; appliances, air-cooling, and air-conditioning apparatus; vacuum cleaning systems; elevators; escalators; shades; awnings; screens, storm doors and windows; stoves; wall beds; refrigerators; attached cabinets; partitions; ducts and compressors; rugs and carpets; draperies; furniture and furnishings; together with all building materials and equipment now or hereafter delivered to the property and intended to be installed therein, including but not limited to lumber, plaster, cements, shingles, roofing, plumbing, fixtures, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, lighting fixtures, and unattached refrigerating, cooking, heating and ventilating appliances and equipment; together with all proceeds, additions and accession to any of the foregoing and replacements of any of the foregoing.
5. All of the water, sanitary, and storm sewer systems now or hereafter owned by Debtor, which systems are now or hereafter located by, over, and upon the Real Property or any part and parcel thereof, and which water systems include all water mains, service laterals, hydrants, valves, and appurtenances, and which sewer systems include all sanitary sewer lines, including mains, laterals, manholes, and appurtenances.
6. All paving for streets, roads, walkways or entranceways now or hereafter owned by Debtor and which are now or hereafter located on the Real Property or any part or parcel thereof.
7. All of the Debtor's interest as lessor in and to all leases or rental arrangements of the Real Property or any

partthereof, heretofore or hereafter made and entered into, together with all rents and payments in lieu of rents, together with any and all guarantees of such leases or rental arrangements and including all present and future security deposits and advance rentals.

8. Any and all awards or payments, including interest thereon, and the right to receive such awards or payments, as a result of (a) the exercise of any right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to, taking of, or decrease in the value of this collateral or of the Real Property.

9. All of the right, title, and interest of the Debtor in and to all unearned premiums under any and all insurance policies now or hereafter existing with respect to, and all proceeds or sums payable for the loss of or damage to (a) the Real Property, (b) this Collateral, or (c) rents, revenues, income, profits or proceeds from leases, franchises, concessions or licenses of or on any part of the foregoing.

10. All accounts, chattel paper, contract rights, instruments and general intangibles (including without limitation goodwill, trademarks, trade styles, trade names, phone numbers, patents, patent applications, tax refunds, deposit accounts, utility deposits, impact fees and/or credits, tap fees and/or credits), now owned or hereafter acquired by Debtor.

11. All goods (except consumer goods, all of which consumer goods are hereby specifically excluded from the term "goods" as used in this Agreement), and all parts, accessories, attachments, additions and replacements thereto, including but not limited to all furniture, furnishings, fixtures, leasehold improvements, inventory (including without limitation goods held for sale or lease or to be furnished under contracts of service, raw materials, work in process, and materials to be used or consumed in Debtor's business and all products thereof) and equipment, now owned or hereafter acquired by Debtor or used in Debtor's business, wheresoever such goods shall be located.

12. All mobile home lot rental agreements, whether oral or written, which encumber a specific lot in the existing rental mobile home/recreational vehicle park on the Real Property, together with all rents and profits due and owing from the aforesaid lot rental agreements from and after the date hereof.

13. All of Debtor's right, title and interest in and to the name BUTTONWOOD BAY MOBILE HOME AND RV PARK.

14. All of Debtor's right, title and interest in and to all permits, franchises, licenses, and governmental approvals owned, held or issued to Assignor, to the extent that such exist and are assignable.

** OFFICIAL RECORDS **
BK 1579 PG 287

BUTTONWOOD BAY
EQUIPMENT AND PERSONAL PROPERTY INVENTORYGOLF CARTS:

2 Club car 4 passenger
1 Melex 4-passenger
2 golf cart chargers

OFFICE:

5 desks
5 secretarial chairs
1 executive chair
4 4-drawer file cabinets
6 2-drawer file cabinets
1 typing stand and chair
1 Selectric II IBM typewriter
3 file racks
3 Motorola HT10 2-way radios
8 telephones
2 chair mats
1 round conference table & 3 chairs
2 rectangular conference tables
1 hexagonal conference table & 4 chairs
1 carpet runner
1 area rug
1 lunch
2 rolling storage cabinets
2 chairs w/wheels
Miscellaneous color samples for new homes
2 conference chairs (Curf's office)
1 seating bench
1 13" Magnavox color TV
1 Atari keyboard
1 Elondet tongue video modulator
1 Optimus FM receiver
1 wood wall-mounted cabinet
1 drinking fountain w/cup holder
1 artificial plant
1 live plant
1 Packard Bell monitor
1 Kenmore microwave oven
1 coffee maker

Page 1 of 5

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** OFFICIAL RECORDS **
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- 1 GE refrigerator
- 1 Sharp SF 8500 copy machine w/stand
- 1 Intellifax 1270 Facsimile machine
- 1 US Bancard Nova credit card machine
- 1 computer monitor and keyboard
- 1 Panasonic KX P3200 dot matrix printer
- 1 RV registration counter/desk combination
- 2 electric calculators
- 2 answering machines
- 1 card table
- 1 green trash can filled with various community blueprints
- 1 roll coaxial cable
- 9 trash cans
- Miscellaneous office supplies (computer paper, pens, pencils, paper clips, staples, scotch tape, etc.)
- Buttonwood Bay letterhead and second sheets
- Various sizes Buttonwood Bay imprinted business envelopes (standard and window)

LAUNDRY:

- 28 washing machines (Kenmore and GE)
- 1 large capacity washing machine
- 15 Huebsch gas dryers
- 6 card tables
- 1 water fountain
- 1 employee counter w/chair
- 5 trash cans
- 20 padded folding chairs
- 15 laundry carts
- 1 Dayton oscillating floor fan

MAINTENANCE SHOP:

- 1 box blade
- Ford S3400 tractor/front end loader
- 3 Club golf carts
- 2 Carylall Club car golf carts
- 3 golf cart chargers
- 1 Walker 20 hp lawn mower, Model MT, Serial #8523454
- 1 Walker 20 hp lawn mower, Serial #9314536
- 1 RH mowing deck
- 1 wooden cart
- 4 pallets 16-4-8 fertilizer
- 3 single-phase lift station pumps
- 1 55-gallon spray tank w/ pump, serial #820
- 2 large metal troughs
- 1 plastic trough
- 1 pile miscellaneous pvc piping
- 1 SP50 Motorola 2-way radio
- 1 P100 Motorola radio
- 1 SP50 Motorola radio

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BK 1579 PG 290

- 1 Solar 330 battery charger/engine starter
- 1 Speedair air tank
- 1 air hose
- 3 tool boxes with miscellaneous tools
- 1 Craftsman 8-drawer tool chest w/miscellaneous tools
- 1 Atomic time clock
- 1 high pressure sodium light fixture
- 1 Magic Chef refrigerator
- 5 cases a/c air filters
- 22" curb water valves
- 1 Coleman Powermate 4 hp 20-gal air compressor
- 1 desk
- 1 2-drawer file cabinet
- 100's of miscellaneous pvc pipe fittings
- 1 torch/welder
- 1 AC 225 arc welder
- 1 Generac 6000 CP pressure washer (2000 psi)
- 3 leaf blowers
- 1 Echo gasoline pole saw, SRS 2100, Serial #880600
- 1 Echo gasoline pole hedge trimmer, Serial #012352
- 1 Echo 24" gasoline hedge trimmer, Serial #132470
- 3 weed eaters
- 2 street edgers
- 1 SFX chain saw
- 3 gas push mowers (at post office building)
- 1 back pack sprayer
- 5 pump-up spray tanks
- 4 boxes fluorescent light bulbs
- 12 water meters
- 1/2" electric drill
- 1 charcoal filter face mask
- 1 6" bench grinder
- 1 6' x 8' Wally Wall shed w/ signs inside
- 1 hand grinder
- 2 250 gallon tanks & pumps (1 electric and 1 hand)
- 1 wheel barrow
- 1 1/2 hp Goulds sewer pump
- Miscellaneous shovels, rakes, etc.

POOL HALL:

- 5 pool tables
- 7 padded folding chairs
- 1 ping pong table
- 2 fans
- 1 dart board
- 1 ladder
- 1 Hoover vacuum
- 1 ice machine

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** OFFICIAL RECORDS **
BK 1579 PG 291

REC HALL:

- 458 padded folding chairs
- 1 60" RCA TV & wood cabinet
- 1 Sharp VCR
- 50 rectangular folding tables
- 82 metal folding chairs
- 1 Dayton floor fan
- 5 card tables
- 5 32 gallon trash cans
- 4 bingo monitors
- 2 sound systems
- 2 chair racks

REC DIRECTOR'S OFFICE:

- 1 Computer, monitor, keyboard & HP ink jet printer
- 2 2-drawer file cabinets
- 1 desk
- 1 secretarial chair
- 1 typewriter

SMALL POOL AREA:

- 1 aluminum shed w/ miscellaneous pool supplies
- 18 lounge chairs
- 5 round tables
- 15 chairs
- 12 horseshoe benches
- 87 picnic tables
- 1 portable basketball hoop & ball
- 40 shuffleboard benches
- 1 aluminum shed for horseshoe supplies
- 1 aluminum shed for bocce ball
- 1 aluminum shed for shuffleboard
- 8 bike racks

BOAT RAMP AREA:

- 8 benches
- 1 picnic table

POST OFFICE/PARK AREA:

- 1 bench
- 1 trash can

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WATER PLANT:

1 Detroit Magna diesel Generator
1 a/c generator
Model 401 chlorine tank
1 fire extinguisher

COMMUNITY CENTER:

2 bike racks
8 rectangular conference tables
17 card tables
88 padded folding chairs
1 Pro forma tread mill
1 Sport Rider exercise machine
1 Schwinn Airdyne exercise bike
1 trampoline type exercise equipment
1 weight scale
1 fan

ARTS AND CRAFTS ROOM:

5 rectangular conference tables
35 metal folding chairs
6 dart boards
2 card tables
1 ice machine
2 racks for folding chairs
1 table rack
3 trash cans
Miscellaneous pool supplies in outside closet

LARGE POOL AREA:

20 lounge chairs
6 round tables
24 chairs

TENNIS COURT:

2 concrete benches
12 chairs
wind screens

EXHIBIT "C"

All rents, revenues, income and profits generated by or in conjunction with the operation of Buttonwood Bay Mobile Home and RV Park more fully described in Exhibits "A" and "B" hereto, currently in the possession of the Court appointed Receiver, Peter D. Bursik, after payment of all authorized expenditures incurred in conjunction with the receivership.

** OFFICIAL RECORDS **
BK 1579 PG 293

FILE # 1124389 RCD: Dec 07 2001 @ 09:41AM
L. E. "Luke" Brooker, Clerk, Highlands County

**NOTICE OF APPLICATION FOR TRANSFER
OF WATER AND WASTEWATER CERTIFICATES**

Notice is hereby given on February __, 2003, pursuant to Section 367.071, Florida Statutes, of the application for transfer of Water Certificate No. 431-W and Wastewater Certificate No. 364-S currently held by Buttonwood Bay Water & Sewer Company, LLC to Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities, 31700 Middlebelt Road, Suite 145, Farmington Hills, MI 48334 providing service to the following described territory in Highlands county, Florida.

Township 35 South, Range 29 East

Section 27

That portion of the Southwest 1/4 of the Northwest 1/4 of said Section 27 lying West of U.S. Highway No. 27.

Section 28

That portion of the East 2,233 feet of the North 3,484 feet of said Section 28 lying East of Jackson Creek as it now runs.

A more complete description is listed below:

PARCEL NO. 1 (WASTEWATER TREATMENT PLANT SITE, I-2 CU)

The East 750 feet of the North 2560 feet of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, less the North 2200 feet thereof. Said Parcel No.1 containing 6.2 Acres, more or less.

PARCEL NO. 2 (WATER PLANT SITE, I-2 CU)

Commence at the Northeast corner of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, and run Southerly along the East boundary of said Section 28, a distance of 1360 feet; thence run Westerly and parallel to the North boundary of said Section 28, a distance of 720 feet to the Point of Beginning; thence continue to run Westerly 200 feet; thence run Southerly 200 feet; thence run Easterly 200 feet; thence run Northerly 200 feet to the Point of Beginning. All parallel to the North and East boundary lines of Section 28, Township 35 South, Range 29 East, Highlands County, Florida. Said Parcel No.2 containing 0.92 Acres, more or less.

Distribution site together with a right-of-way over and upon all streets, alleyways and utility easements located within the subdivision for the purpose of installing and maintaining water and sewage distribution systems.

PARCEL NO. 3 (MOBILE HOME PARK SITE, M-2)

The North 2060 feet of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, lying East of Jackson Creek right-of-way, less the North 1040 feet thereof and less; commence at the Northeast corner of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, and run Southerly along the East boundary of said Section 28, a distance of 1330 feet; thence run Westerly and parallel to the North Boundary of said Section 28, a distance of 720 feet to the Point of Beginning; thence continue to run Westerly 200 feet; thence run Southerly 200 feet; thence run Easterly 200 feet; thence run Northerly 200 feet to the Point of Beginning. All parallel to the North and East boundary lines of Section 28, Township 35 South, Range 29 East, Highlands County, Florida. Said Parcel No. 3 containing 35.4 Acres, more or less.

PARCEL NO. 4 (RECREATIONAL VEHICLE SITE, CG-1)

The North 3524 feet of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, lying East of Jackson Creek right-of-way, less the North 2060 feet of said Section 28. Said Parcel No. 4 containing 49.0 Acres, more or less.

PARCEL NO. 5 (BUSINESS, B-3)

The South 600 feet of Southwest 1/4, of Northwest 1/4, West of Highway No. 27 right-of-way, of Section 27, Township 35 South, Range 29 East, Highlands County, Florida. Said Parcel No. 5 containing 4.0 Acres, more or less.

PARCEL NO. 6 (MOBILE HOME SUBDIVISION, M-1)

The North 1040 feet of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, lying East of Jackson Creek right-of-way, less the right of way for Skipper Road. Said Parcel No. 6 containing 40.0 Acres, more or less.

Any objection to the said application must be made in writing and filed with the Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within thirty (30) days from the date of this notice. At the same time, a copy of said objection should be mailed to the applicant whose address is set forth below. The objection must state the grounds for the objection with particularity.

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301