

**RUDEN
MCGLOSKY
SMITH
SCHUSTER &
RUSSELL, P.A.
ATTORNEYS AT LAW**

ORIGINAL
215 SOUTH MONROE STREET
SUITE 815
TALLAHASSEE, FLORIDA 32301

(850) 412-2000
FAX: (850) 224-2032
KATHRYN.COWDERY@RUDEN.COM

August 1, 2003

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COMMISSION
CLERK

Via Hand Delivery

Blanca S. Bayo, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, FL 32399-0850

030747-50

Re: Application for Transfer of Assets of Hacienda Utilities, Ltd., and Certificate No. 285-S to HV Utility Systems, L.L.C., in Pasco County.

Dear Ms. Bayo:

Enclosed for filing, on behalf of HV Utility Systems, L.L.C., are the following:

1. The original and twelve copies of the Application for Transfer of Assets of Hacienda Utilities, Ltd., and Certificate No. 285-S to HV Utility Systems, L.L.C., in Pasco County; **07021-03 Application**
2. An original and two (2) copies of the wastewater tariff sheets reflecting the change in ownership; **07022-03 A**
07024-03 C
07025-03
3. Two copies of Form 10-K filed December 31, 2002, containing the consolidated financial statements of Manufactured Home Communities, Inc. (MHCOLP's general partner); **07023-03 B**

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

**ORIG TARIFF
FORWARDED
TO ECR**

An application fee in the amount of \$1,500.00 as provided by Sec. 367.071, Fla. Stat., and Fla. Admin. Code Sec. 25-30.020(2)(c); and

This application also provides information responsive to a Staff information request initiated by letter of October 29, 2002 from Mr. Troy Rendell.
deposit information to Records.

RECEIVED & FILED

Initials of person who forwarded check
[Signature]
TAL 41266:1

[Signature]
FPSC-BUREAU OF RECORDS

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07021 AUG-18

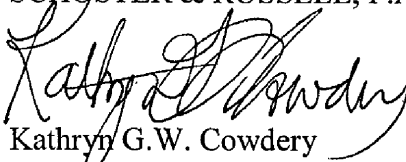
FPSC-COMMISSION CLERK

Letter to Blanca Bayo
August 1, 2003
Page 2

Please contact me if you have any questions.

Sincerely,

RUDEN, McCLOSKEY, SMITH,
SCHUSTER & RUSSELL, P.A.



Kathryn G.W. Cowdery
Attorney

KGC/ldm
Enclosures

cc:w/o enc.: Troy Rendell (via hand delivery)
Pat Brady (via hand delivery)

TAL:41266:1

CARACAS ■ FT. LAUDERDALE ■ MIAMI ■ NAPLES ■ PORT ST. LUCIE ■ SARASOTA ■ ST. PETERSBURG ■ TALLAHASSEE ■ TAMPA ■ WEST PALM BEACH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Transfer of Assets)
of Hacienda Utilities, Ltd., and) Docket No. 030747-SU
Certificate No. 285-S to HV Utility)
Systems, L.L.C., in Pasco County.)

APPLICATION FOR TRANSFER OF ASSETS OF
HACIENDA UTILITIES, LTD., AND CERTIFICATE NO. 285-S TO
HV UTILITY SYSTEMS, L.L.C., IN PASCO COUNTY

HV Utility Systems, L.L.C. ("Transferee"), by and through its undersigned attorneys, hereby files this Application for Transfer of Assets of Hacienda Utilities, Ltd., and Certificate No. 285-S to HV Utility Systems, L.L.C., in Pasco County ("Application"), and in support thereof states:

1. The complete name and address of the transferor/seller is:

Hacienda Utilities, Ltd.
c/o Diversified Investments Services, LLC
3005 Douglas Boulevard, Suite 150
Roseville, California 95661

2. The complete name and address of the transferee/buyer is:

HV Utility Systems, L.L.C.
Two North Riverside Plaza, Suite 800
Chicago, Illinois 60606

The address of the physical location of the utility facilities ("Utility") is:

7107 Gibraltar Ave.
New Port Richey, Florida 34654

Transferee is a Delaware limited liability company, registered with the Florida Office of the Secretary of State as a foreign limited liability company on July 24, 2002. Transferee was duly formed as a limited liability company and certified by the Secretary of State for the State of Delaware on July 11, 2002.

3. The name and address of the authorized representative of Transferee and the

person to receive a copy of all papers, pleadings, and filings in this case is:

Kathryn G.W. Cowdery, Esq.
Ruden, McClosky, Smith, Schuster & Russell, P.A.
215 South Monroe Street, Suite 815
Tallahassee, Florida 32301
Telephone: (850) 412-2000
Facsimile: (850) 224-2032
e-mail: Kathryn.Cowdery@ruden.com

4. The names and addresses of all of the entities which own an interest in the Utility are:

- a. Transferee.
- b. Liquid Assets, L.L.C. (“Liquid Assets”), a Delaware limited liability company, Sole Member of Transferee, with an address at Two N. Riverside Plaza, Suite 800, Chicago, Illinois 60606.
- c. MHC Operating Limited Partnership (“MHCOLP”), an Illinois limited partnership, Sole Member of Liquid Assets, with an address at Two N. Riverside Plaza, Suite 800, Chicago, Illinois 60606.
- d. Manufactured Home Communities, Inc., a Maryland corporation (“MHC Inc.”), Sole General Partner of MHCOLP, with an address at Two N. Riverside Plaza, Suite 800, Chicago, Illinois 60606.

5. Liquid Assets is the Sole Member of the following limited liability company utilities located in Florida, in addition to Transferee:

- a. BE Utility Systems, L.L.C. d/b/a Buccaneer Water Service, holder of Florida Public Service Commission (“PSC”) Certificate No. 366-W in Lee County.
- b. COL Utility Systems, L.L.C., an exempt water and wastewater utility located in Lake County.

c. CM Utility Systems, L.L.C. d/b/a Colonies Water Company, holder of PSC Certificate Nos. 481-W and 417-S in Broward County.

d. CW Utility Systems, L.L.C, exempt water and wastewater utility located in Hillsborough County.

6. Rate base was last set by the PSC by Order No. PSC-99-0636-FOF-SU, issued on April 5, 1999, in transfer Docket No. 981265-SU, in the amount of \$161,265 as of the date of transfer, October 8, 1998. No acquisition adjustment is requested herein.

7. The transfer of the Utility was part of a much larger transaction between MHCOLP (together with its affiliates, designees and assigns) and Diversified Investments Services, LLC, a Delaware limited liability company (together with its affiliates, designees and assigns) (“Diversified”) (both such parties are referred to hereinafter collectively as the “Parties”) involving the purchase and sale of ten manufactured home community and recreational vehicle resort properties in Arizona, Florida, and Minnesota. As part of this transaction, MHC Hacienda Village, L.L.C., a Delaware limited liability company (“MHC Hacienda”), purchased Hacienda Village Mobile Home Park (“Hacienda Village”), which is a bulk service wastewater customer of the Utility. The relevant documents related to the transfer of the Utility are described below.

8. Attached hereto as Attachment “A” are the relevant portions of the Purchase and Sale Agreement dated as of June 10, 2002 between the Parties (as amended, “Agreement”), absent page 6 which references the total purchase price for the entire transaction, which is confidential between the Parties, and absent Sections 12 – 14, which address properties unrelated to the Utility, and including only the single exhibit relevant to the Utility transfer, that is, Exhibit

“A-8,” and related documents, as follows (capitalized terms not otherwise defined herein have the meanings ascribed to them in the Agreement):

a. Section 2.D. of the Agreement provides that the Parties acknowledge and agree that there was no determination of individual purchase price for the Utility. The Amendment to Purchase and Sale Agreement dated December 17, 2002, in Section 1, Allocation of Purchase Price, provides that the portion of the Purchase Price payable at the Hacienda Closing allocable or attributable to the Hacienda Utilities Property is deemed by the Parties to be the net book value of the Utility assets as will be established by the PSC as part of the transfer proceedings to be conducted with respect thereto pursuant to Sec. 367.071, Florida Statutes.

b. Transferee has purchased all Utility assets, as listed in Section 1.C. of the Agreement.

c. Transferee, pursuant to a Note and Mortgage Assumption Agreement dated as of December 17, 2002, assumed Transferor’s obligations under a Mortgage and Security Agreement dated as of October 6, 1998. The Hacienda Utilities Property is subject only to that mortgage; no other financing exists on the property.

d. Section 9.F. of the Agreement specifically states that the Parties acknowledge that the conveyance of the Hacienda Utilities Property (including, without limitation, the certificate of authorization and all other assets and facilities of Transferor) is made contingent upon the consent or approval of the PSC to the transfer.

e. Grant of Non-Exclusive Easement, made and entered into as of December 17, 2002 by and between MHC Hacienda, and Transferee, granting Transferee certain easement rights with respect to the water and sewer lines and related appurtenances owned by Transferee and located on MHC Hacienda’s property.

- f. Third Amendment to Purchase and Sale Agreement dated July 9, 2002.
- g. Amendment to Purchase and Sale Agreements dated November 27, 2002, extending the Hacienda Extended Inspection Period to December 6, 2002.
- h. Warranty Deed dated December 17, 2002, from Transferor to Transferee.

This deed transferred all land upon which the Utility's wastewater treatment facilities are located.

- i. Assignment of Service Contracts and Intangible Personal Property dated December 17, 2002, from Transferor to Transferee, and Acceptance of Assignment of Service Contracts and Intangible Personal Property by Transferee.

- j. Bill of Sale, Absolute, dated December 17, 2002, from Transferor to Transferee, conveying all tangible personal property.

- k. Assignment and Assumption Agreement dated December 17, 2002 between MHCOLP and Liquid Assets.

- l. Assignment and Assumption Agreement dated December 17, 2002 between Liquid Assets and Transferee.

9. There were no customer deposits, guaranteed revenue contracts, developer agreements, leases, or customer advances at the time of the Hacienda Closing.

10. The transfer is in the public interest because the Utility customers will receive quality service through Transferee's use of accounting, operations and engineering, and legal firms with experience in Florida regulatory requirements. The SI Utility Group, LLC, an Illinois limited liability company ("SIUG"), has been hired to coordinate all capital projects and agency communications, and is on-site several times per week, actively involved in operating the Utility's wastewater treatment plant ("WWTP"). SIUG is the operator of record for the WWTP.

SIUG has subcontracted day-to-day operations and maintenance to Gator Water & Wastewater Management, Inc. (“GatorWater”). GatorWater was formed in 1978 and serves approximately 90 different water and wastewater treatment facilities in Florida. SIUG operates and maintains the other two PSC regulated limited liability company utilities of which Liquid Assets is the Sole Member. Each utility is staffed with licensed and trained personnel. Transferee is committed to providing safe and reliable wastewater service to its customers.

11. Transferee has the financial ability to provide service. MHCLOP, through Liquid Assets, will provide funding to Transferee as needed. See Attachment “B” hereto, MHC Inc.’s Form 10-K filed December 31, 2002 (only two copies of From 10-K have been provided), containing the consolidated financial statements of MHC Inc. (MHCOLP’s general partner). MHCOLP will provide the financial stability required to maintain the utility system in accordance with PSC standards and environmental regulations. Transferee will continue to fulfill all of its commitments, obligations and representations with regard to Utility matters. The books and records of the Utility shall continue to be maintained in Florida, in compliance with Fla. Admin. Code R. 25-30.115(1).

12. After reasonable investigation, the system being acquired appears to be in satisfactory condition and is operating in full compliance with all applicable standards, regulations, and pending administrative orders of the Florida Department of Environmental Protection (“DEP”). The Utility’s wastewater system has a maximum permitted capacity of 0.095 mgd/three month average daily flow, and is currently serving 533 ERCs. The Utility, when purchased by Transferee, was operating under a July 26, 2000 Administrative Order No. AO063SW, Order Establishing Compliance Schedule Under Section 403.088(2)(f), F.S., and April 26, 2002 Amendment “A” thereto, issued by DEP (collectively, “Administrative Order”)

(see Attachment "C" hereto). The Utility is operating in compliance with this Administrative Order. Transferee has completed the remaining improvements and repairs required by the Administrative Order, which relate to inflow and infiltration issues. In addition, Transferee has made other improvements to the system which include installation of a surge tank and certain repairs to aeration heads. Transferee has not yet determined when it will file for a Staff assisted rate case with regard to the cost of these improvements.

13. The Utility provides wastewater service to and bills Hacienda Village, a bulk wastewater service customer, and 44 single family homes located outside the mobile home park (residential, flat rate). The owner of Hacienda Village does not bill its tenants separately for wastewater service: wastewater service is included in the tenants' rent. According to Transferor, prior to the December 17, 2002 transfer of assets, Transferor owned the wastewater collection system in Hacienda Village. The wastewater collection system is now owned by Transferee.

14. Transferor has advised Transferee that prior to the December 17, 2002 transfer of assets, Transferor provided water service to Hacienda Village and owned the water distribution system. It is Transferee's understanding that Transferor was determined by the PSC to be an exempt water utility as a landlord providing service to its tenants without specific compensation. Unlike the wastewater operations, water service is provided to Hacienda Village only. Tenants are not billed separately for water service: water service is included in the tenants' rent. Transferee owns the water distribution system in Hacienda Village.

15. To the best of Transferee's knowledge, the books and records of Transferor are adequate for purposes of establishing the net book value of the system, and are available for inspection by the PSC.

16. Transferee has obtained from Transferor what Transferor has represented to be a copy of a depreciation schedule for Transferor for the 12 months ended 12/31/01 which meets the intent of Sec. 25-30.037(2)(o), Fla. Admin. Code.

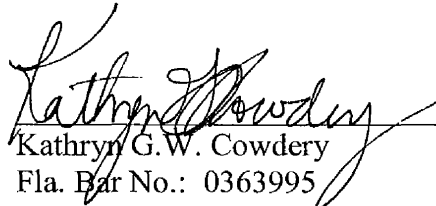
17. There are no outstanding regulatory assessment fees, fines, or refunds owed. Transferor will be responsible for the regulatory assessment fees for 2002.

18. The location of the paper certificate is unknown to Transferee. Transferor has advised Transferee that it did not receive a certificate when it acquired the Utility and that the PSC was advised of that fact in the prior transfer docket.

19. The affidavit required by Secs. 367.045(1)(e) and (2)(f), Fla. Stat., shall be filed no later than 15 days after the date of filing this application, as required by Fla. Admin. Code. R. 25-30.030(8).

WHEREFORE, Transferee requests that the PSC approve the transfer of assets and of Certificate No. 285-S in Pasco County, to Transferee, as set forth in this Application.

DATED this 1st day of August 2003.


Kathryn G.W. Cowdery
Fla. Bar No.: 0363995
Ruden, McClosky, Smith, Schuster
& Russell, P.A.
215 S. Monroe St., Suite 815
Tallahassee, Florida 32301
(850) 412-2000

Attorneys for HV Utility Systems, L.L.C.