

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

## -M-E-M-O-R-A-N-D-U-M-

---

**DATE:** August 24, 2015  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Amber M. Norris, Public Utilities Supervisor, Division of Accounting & Finance *Amber*  
**RE:** 150012-WU - Application for transfer of Certificate 390-W from County-Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County.

---

Please place the following email and its attachments in the above-referenced docket file.

RECEIVED FPSC  
15 AUG 24 PM 3:30  
COMMISSION  
CLERK

## Amber Norris

---

**From:** Marty Deterding <mdeterding@sfflaw.com>  
**Sent:** Tuesday, August 11, 2015 11:52 AM  
**To:** Amber Norris  
**Cc:** John Villafrate; David Frank  
**Subject:** RE: Countywide - Transfer to Southwest Ocala  
**Attachments:** 20150811112539509.pdf

Amber

Please see attached per your request.

**F. MARSHALL DETERDING**

*Of Counsel*

Sundstrom & Mindlin, LLP

2548 Blairstone Pines Drive

Tallahassee, Florida 32301

T: 850.877.6555

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[mdeterding@sfflaw.com](mailto:mdeterding@sfflaw.com)

## SUNDSTROM & MINDLIN, LLP

Attorneys | Counselors



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**From:** Amber Norris [<mailto:amnorris@psc.state.fl.us>]  
**Sent:** Wednesday, August 05, 2015 8:49 AM  
**To:** Marty Deterding  
**Cc:** John Villafrate; David Frank; Bart Fletcher; Cheryl Bulecza-Banks  
**Subject:** RE: Countywide - Transfer to Southwest Ocala

Mr. Deterding,

Thank you for the prompt response. Staff also needs the documents related to the transaction of the Leeward's purchase of the mortgage from Compass Bank.

**Amber Mitchell Norris**

Public Utilities Supervisor

Division of Accounting and Finance

Florida Public Service Commission

AMNorris@PSC.STATE.FL.US

850-413-6984(phone)

850-413-6985 (fax)

---

**From:** Marty Deterding [<mailto:mdeterding@sfflaw.com>]

**Sent:** Monday, August 03, 2015 1:53 PM

**To:** Amber Norris; David Frank

**Cc:** John Villafrate

**Subject:** Countywide - Transfer to Southwest Ocala

Amber & David

Please see attached letter with attachments. Let me know if you have any questions or need anything further

**F. MARSHALL DETERDING**

*Of Counsel*

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& MINDLIN, LLP**

Attorneys | Counselors



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**SUNDSTROM  
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August 3, 2015

VIA HAND DELIVERY

Ms. Amber Norris  
Mr. David Frank  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Application for Transfer of Certificate 390-W from County-Wide Utility  
Co., Inc. to Southwest Ocala Utility, Inc. in Marion County  
Docket No. 150012-WU

Dear Mr. Frank and Ms. Norris,

As a result of your inquiry last week, I am providing you with the below explanation and attached listing of assets and a copy of the "Summary Final Judgment of Foreclosure". The explanation below provides a background of how Southwest Ocala Utility acquired the assets of County-Wide Utility Co., Inc.

Dirk J. Leeward and Donna G. Leeward were owners of a mortgage note in the principal amount of \$927,046 owed covering all of the assets of County-Wide Utility Co., Inc. The principal amount of that note combined with allowed additions by the Court made the total obligation owed by the utility to Mr. and Mrs. Leeward \$1,006,746.91. By "Summary Final Judgment of Foreclosure" issued by the 5<sup>th</sup> Circuit Court in Marion County on March 4, 2013 and subsequent transfer of title on April 19, 2013, Mr. and Mrs. Leeward exchanged that total debt owed for the assets of the utility. Attached hereto is a copy of the "Summary Final Judgment of Foreclosure". Page 2 of this document outlines the total debt owed to Mr. and Mrs. Leeward which was exchanged for the utility assets.

Also attached hereto is a listing of the net book values of the assets of the utility, as of the date of the foreclosure, which were acquired by Mr. and Mrs. Leeward as a result of that foreclosure and subsequently transferred to Southwest Ocala Utility, Inc. They are now on the books of the utility at their net book value.

As you can see, there are three primary categories of assets:

1. Regulated water utility assets formerly owned by County-Wide Utility Company, Inc. These represent the rate base of the utility as found by the Public Service Commission in Docket No. 050862-WU and Order No. PSC-07-0604-PAA-WU and updated to the date of the actual foreclosure sale.

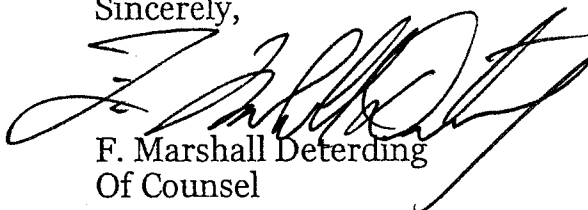
2. The water transmission main that was specifically disallowed by the Florida Public Service Commission in Docket No. 050862-WU and removed from rate base in accordance with the final order in that case. While that main has been in service for several years, the utility does not believe it is appropriate to include \$133,155 of accumulated depreciation on that asset as the Commission has never recognized it as an appropriate part of rate base and therefore it is the position of the utility that no depreciation should accrue until such time as it is recognized as part of rate base.

3. The wastewater force main and lift station which was constructed by County-Wide Utility Co., Inc. and which was part of the foreclosure by Mr. and Mrs. Leeward and will become part of the property of Southwest Ocala Sewer, Inc. This wastewater line has not yet been placed in service and is intended to serve customers with a commitment of bulk capacity that will place the wastewater system below the jurisdictional limits provided by Chapter 367, Florida Statutes, and Rules 25-30, Florida Administrative Code. At some time in the future that wastewater system may reach levels that make it jurisdictional, but for the present time, it is "non utility property" from the standpoint of the regulated utility company and will be classified as such. Since the line has not been placed in service, there is no accumulated depreciation accrued as of this time.

The total of the above assets net book value acquired by Mr. and Mrs. Leeward and subsequently transferred to Southwest Ocala Utility, Inc. is within 3% of the amount of the debt owed to Mr. and Mrs. Leeward which was surrendered in exchange for those assets plus foreclosure attorneys' fees.

If you have any further questions or need any additional information from us, please do not hesitate to contact me.

Sincerely,



F. Marshall Deterding  
Of Counsel

FMD/brf

Enclosure

cc: John Villafrate, Esquire  
Mr. Dirk Leeward

IN THE CIRCUIT COURT, FIFTH JUDICIAL CIRCUIT,  
IN AND FOR MARION COUNTY, FLORIDA

DIRK J. LEEWARD and  
DONNA G. LEEWARD,

Case No. 12-4792-CA-N

Plaintiffs,

v.

COUNTY-WIDE UTILITY CO. INC.,  
a Florida Corporation; BAHIA OAKS, INC.,  
a Florida Corporation; CITY OF OCALA,  
a Florida municipal corporation,

Defendants.

FILED  
CIVIL DIVISION  
2013 MAR -4 P 4:16  
DAVID R. ELLSPERMANN  
CLERK CIRCUIT COURT  
MARION COUNTY, FL

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**SUMMARY FINAL JUDGMENT OF FORECLOSURE  
AND FOR ATTORNEY'S FEES AND COSTS**

**THIS ACTION** having come before the Court upon the Plaintiffs' Motion for Summary Final Judgment of Foreclosure and for Attorney's Fees and Costs.

It is ADJUDGED that:

1. Proper service of process was perfected upon the Defendants herein.
2. There are no material issues of law or fact in this matter and Plaintiffs are entitled to a Summary Final Judgment of Foreclosure and for Attorney's Fees and Costs as to the Complaint filed herein as a matter of law.
3. Plaintiffs, DIRK J. LEEWARD and DONNA G. LEEWARD, whose address is 8492 Leeward Air Ranch Circle, Ocala, FL 34472, are due on the obligations sued hereunder:

Principal		\$927,046.48
Interest to date of this judgment		\$67,738.46
Late fees		\$4,457.47
Title search expense		\$0.00
Taxes		\$0.00
Attorneys' fees		
Finding as to reasonable number of hours:		
Finding as to reasonable hourly rate:	15.55	
	\$350.00	
Attorneys' fees total		\$5,442.50
Court costs, now taxed		\$2,062.00
Appraisal Fee		\$0.00
Subtotal		\$1,001,987.66
LESS: Escrow balance		0.00
LESS: Other		0.00
<b>TOTAL</b>		<b>\$1,006,746.91</b>

that shall bear interest at the statutorily prescribed rate after the date hereof.

4. Plaintiffs hold a lien for the total sum superior to all claims or estates of the Defendants, COUNTY-WIDE UTILITY CO. INC.; BAHIA OAKS, INC.; and CITY OF OCALA, (other than as provided for in Paragraph 8) on the following described property in Marion County, Florida: **SEE COMPOSITE EXHIBIT 'A'**.
5. If the total sum with interest at the rate described in paragraph 3 above and all costs of this action accruing subsequent to this judgment are not paid, the Clerk of this Court shall sell the property at public sale to the highest bidder for cash, except as prescribed in paragraph 6, on April 8th, 2013, at 11:00 a.m., Eastern Standard Time (EST), at [www.marion.realforeclose.com](http://www.marion.realforeclose.com) in accordance with Chapter 45, *Florida Statutes*.
6. Plaintiffs shall advance all subsequent costs of this action and shall be reimbursed for them by the Clerk if Plaintiffs are not the purchaser of the property for sale, provided, however, that the purchaser of the property for sale shall be responsible for the documentary stamps

payable on the Certificate of Title. If Plaintiffs are the purchaser, the Clerk shall credit Plaintiffs' bid with the total sum with interest and costs accruing subsequent to this judgment, or such part of it as is necessary to pay the bid in full.

7. On filing the Certificate of Title, the Clerk shall distribute the proceeds of the sale, so far as they are sufficient, by paying: first, all of Plaintiffs' costs; second, documentary stamps affixed to the certificate; third, Plaintiffs' attorneys' fees; fourth, the total sum due to Plaintiffs, less the items paid, plus interest at the rate prescribed in paragraph 3 from this date to the date of the sale; and by retaining any remaining amount pending the further order of this Court.
8. On filing the Certificate of Sale, Defendants, COUNTY-WIDE UTILITY CO. INC., CITY OF OCALA and BAHIA OAKS, INC., and all other parties claiming through them since the filing of the Notice of Lis Pendens, shall be foreclosed of all estate or claim in the property except as to rights of the CITY OF OCALA pursuant to the Bulk Water and Waste Water Agreement dated September 5, 2003, as amended on August 2, 2004. Upon the filing of the Certificate of Title, the person named on the Certificate of Title shall be let into possession of the property. If Defendant, COUNTY-WIDE UTILITY CO., INC., remains in possession of the property, the Clerk shall without further order of the Court issue forthwith a Writ of Possession upon request of the person named on the Certificate of Title.
9. Jurisdiction of this action is retained to enter further orders that are proper including, without limitation, a deficiency judgment.

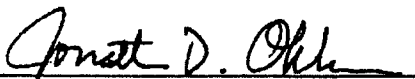
10.

**IF THIS PROPERTY IS SOLD AT PUBLIC AUCTION, THERE MAY BE ADDITIONAL MONEY FROM THE SALE AFTER PAYMENT OF PERSONS WHO ARE ENTITLED TO BE PAID FROM THE SALE PROCEEDS PURSUANT TO THIS FINAL JUDGMENT.**

**IF YOU ARE A SUBORDINATE LIENHOLDER CLAIMING A RIGHT TO FUNDS REMAINING AFTER THE SALE, YOU MUST FILE A CLAIM WITH THE CLERK NO LATER THAN 60 DAYS AFTER THE SALE. IF YOU FAIL TO FILE A CLAIM, YOU WILL NOT BE ENTITLED TO ANY REMAINING FUNDS.**



ORDERED in Chambers in Ocala, Marion County, Florida this 4 day of March, 2013.

  
Jonathan D. Ohlman  
Circuit Judge

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have furnished a true and accurate copy of the foregoing SUMMARY FINAL JUDGMENT OF FORECLOSURE AND FOR ATTORNEYS' FEES AND COSTS by U.S. Mail, postage prepaid, this 5<sup>th</sup> day of March 2013, to the following:

Bryce W. Ackerman  
125 NE First Avenue, Suite 1  
Ocala, FL 34470

Attorney for Plaintiff

Lawrence C. Callaway, III  
333 NW 3 Avenue  
Ocala, FL 34475

Attorney for Defendants,  
County-Wide Utility Co., Inc.  
and Bahia Oaks, Inc.

W. James Gooding  
15313 SE 36 Avenue  
Ocala, FL 34471

Attorneys for Defendant,  
City of Ocala

By:   
Deputy Clerk/Judicial Assistant

**EXHIBIT "A"**

---

1. Debtor's Name and Address:

**COUNTY-WIDE UTILITY CO., INC., A FLORIDA CORPORATION**  
P.O. Box 1476, Ocala, FL 34478

2. This Security Agreement or Financing Statement covers the following types and items of property:

- (A) All of Debtor's right, title, and interest in and to that certain Bulk Water and Wastewater Agreement by and between the Debtor and the City of Ocala dated September 5, 2003, as amended by Amendment to Bulk Water and Wastewater Agreement dated August 24, 2004, (the "*Bulk Water and Wastewater Agreement*"), including, but not limited to, all rights of Debtor in and to sums due thereunder from the City of Ocala or from any Customer as that term is defined in said Bulk Water and Wastewater Agreement.
- (B) All accounts and accounts receivable of Debtor including, but not limited to, payments due or to come due from the provision of potable water or wastewater disposal to third parties, or otherwise generated by Buyer's Wastewater System or Buyer's Water System, as those terms are defined in the Bulk Water and Wastewater Agreement, including but not limited to all amounts due or to come due from Customers, as that term is defined in the Bulk Water and Wastewater Agreement. The terms "accounts" and "accounts receivable" are intended to have their broadest possible interpretation. (the "*Accounts*")
- (C) All rights of Debtor arising from or related to the following (hereinafter the "*Easements*"):
- (i) Limited Assignment of Developer Rights dated May 4, 2005, from Bahia Oaks, Inc., a Florida Corporation to County-Wide Utility Co., Inc., a Florida Corporation recorded in OR Book 4025 at Page 1292, Public Records of Marion County, Florida.
  - (ii) Easements, license or other rights arising under Grant of Utility Easement dated February 12, 2004, from Ruth Dalton to County-Wide Utility Co., Inc., a Florida Corporation recorded in OR Book 3641 at Page 0626, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit A-1.
  - (iii) Easements, license or other rights arising under Grant of Utility Easement dated February 12, 2004, from Doris E. Vedder to County-Wide Utility Co., Inc., a Florida Corporation recorded in OR Book 3641 at Page 0628, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit A-2.
  - (iv) Easements, license or other rights arising under Grant of Utility Easement dated February 12, 2004, from Glenn B. Laney to County-Wide Utility Co., Inc., a Florida Corporation recorded in OR Book 3641 at Page 0624, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit A-3.
  - (v) Easements, license or other rights arising under Grant of Utility Easement dated January 20, 2005, from Antonia Lecuona to County-Wide Utility Co., Inc., a Florida Corporation recorded in OR Book 3934 at Page 531, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit A-4.
  - (vi) Grant of Utility Easement dated March 28, 2005, from James K. Leeward to County-Wide Utility Co., Inc., a Florida Corporation recorded in OR Book 3999 at Page 264, Public Records of Marion County, Florida, as corrected by Corrective Grant of Utility

Easement recorded in OR Book \_\_\_\_ at Page \_\_\_\_, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit "A-5".

- (vii) Grant of Utility Easement dated May 31, 2005, from James K. Leeward to County-Wide Utility Co., Inc., a Florida Corporation, recorded at OR Book 4057 at Page 1650, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit "A-6".
- (viii) Grant of Utility Easement dated May 31, 2005, from Bahia Oaks, Inc., a Florida Corporation to County-Wide Utility Co., Inc., a Florida Corporation, recorded at OR Book 4057 at Page 1652, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit "A-7".
- (ix) Grant of Utility Easement dated June 17, 2005 from Blackbird Investments, LLC, a Florida limited liability company, to County-Wide Utility Co., Inc., a Florida Corporation, recorded at OR Book \_\_\_\_\_ at Page \_\_\_\_\_, Public Records of Marion County, Florida, pertaining to the real property described in Exhibit "A-8".
- (x) Any and all other easements held by, or in favor of, County-Wide Utility Co., Inc., a Florida Corporation, and any real property owned by County-Wide Utility Co., Inc., a Florida Corporation, whether now existing or hereafter acquired, in Marion County, Florida.

(All real property described in any of the foregoing the "Land".)

- (D) All fixtures or personal property of Debtor including but not limited to all pipes, conduit, drains, inlets, lift stations, pumps, grates, mechanical systems, wiring, or other equipment, improvements, or personal property, however described, incorporated in, or constituting a portion of Buyer's Wastewater System or Buyer's Water System, as those terms are defined in the Bulk Water and Wastewater Agreement, including all extensions and expansions thereof, and replacements thereto (the "Improvements"), including, but not limited to, all of Debtor's interest in all fixtures, equipment and tangible personal property of any nature whatsoever now or hereafter (i) attached or affixed to the Land or the Improvements, or both, regardless of whether physically affixed thereto or severed or capable of severance therefrom or (ii) regardless of where situated, used, usable, or intended to be used in connection with any present or future use or operation of or upon the Land (the "Tangible Property").
- (E) All licenses, permits, or other governmental approvals or authorizations to operate Buyer's Wastewater System and/or Buyer's Water System as those terms are defined in the Bulk Water and Wastewater Agreement including, but not limited to, the following:
  - (i) Florida Public Service Commission Certificate 390-W2.
  - (ii) Florida Department of Environmental Protection I.D. No. 642013.
  - (iii) Southwest Florida Water Management District Water Use Permit No. 203239.01.
  - (iv) Marion County Right-of-Way Permit No. 2005050656.
  - (v) Florida Department of Environmental Protection Sewer Construction Permit.
  - (vi) Florida Department of Transportation Utility Crossing Permit

(the "Permits")

- (F) All of Debtor's rights in, away from, or related to the construction contract by and between Debtor and \_\_\_\_\_ dated the \_\_\_\_\_ day of June, 2005. (the "Construction Contract").
- (G) Income. All rents, issues, incomes, and profits in any manner arising from the Bulk Water and Wastewater Agreement, the Land, the Easements, the Improvements, the Accounts, the Permits or the Tangible Property, or any combination, including Debtor's interest in and to all leases, licenses, franchises, and concessions of, or relating to, all or any portion of Bulk Water and Wastewater Agreement, the Land, , the Easements, the Improvements, the Accounts, the Permits or the Tangible Property, whether now existing or hereafter made, including all amendments, modifications, replacements, substitutions, extensions, renewals, or consolidations. The foregoing items are jointly and severally called the "Rents" in this instrument.
- (H) Proceeds. All proceeds of the conversion, voluntary or involuntary, of any of the property described in this paragraph into cash or other liquidated claims, or that are otherwise payable for injury to, or the taking or requisitioning of, any such property, including all insurance and condemnation proceeds.
- (I) Contract Rights. All of Debtor's right, title and interest in and to any and all contracts, written or oral, express or implied, now existing or hereafter entered into or arising, in any manner related to use, operation, sale, conversion, or other disposition of any interest in Bulk Water and Wastewater Agreement, the Land, the Easements, the Accounts, the Permits, the Improvements, the Tangible Property, or the Rents, or any combination, including any and all deposits, prepaid items, and payments due and to become due thereunder, and including construction contracts, service contracts, advertising contracts, purchase orders, and equipment leases. Without limiting the foregoing, all of Debtor's right, title, and interest in any operating, maintenance, or other agreement with Enviro-Masters Water & Waste Water Services, Inc.
- (J) Other Intangibles. All contract rights, accounts, instruments and general intangibles, as such terms from time to time are defined in the Florida Uniform Commercial Code, in any manner related to the use, operation, sale, conversion, or other disposition (voluntary or involuntary) of Bulk Water and Wastewater Agreement, the Land, the Easements, the Accounts, the Permits, the Improvements, the Tangible Property, or the Rents including all permits, licenses, insurance policies, rights of action and other chose in action.
- (K) Secondary Financing. All of Debtor's rights, power or privilege to further encumber any of the property described in this paragraph by debt.
- (L) Construction Documents. The foregoing types of property include specifically all of the following: all contracts, plans and documents that concern the design and construction of the Improvements, including plans and specifications, drawings and architectural and/or engineering contracts, and construction contracts, together with all amendments, revisions, modifications and supplements.
- (M) Other. Specifically included and not by way of limitation, the following is included in the definitions of Improvement, Contract Rights and Other Intangibles as set forth herein, to-wit:

[NONE]

As used in Paragraphs (A) through (M), the term "include", and all variations thereof, are for illustrative purposes only and are always without limitation.

Exhibit A-1

That part of:

Lot 39, Block 9, Bahia Oaks Unit No. Two, as recorded in Plat Book "L", Page 66, Public Records of Marion County, Florida, being in Section 9, Township 16 South, Range 21 East,

Described as follows:

Commence at the southwesterly corner of Lot 39, Block 9, Bahia Oaks Unit No. Two, as recorded in Plat Book "L", Page 66, Public Records of Marion County, Florida; thence N. 2° 17' 25" E. a distance of 26.00 feet along the westerly line of said Lot 39 to the POINT OF BEGINNING; thence S. 2° 17' 25" W. a distance of 26.00 feet along the westerly line of said Lot 39 to the southwesterly corner of said Lot 39; thence N. 74° 32' 37" E. a distance of 70.00 feet along the southerly line of said Lot 39; thence westerly approximately 67 feet to the POINT OF BEGINNING.

Exhibit A-2

That part of:

Lot 2, Block 9, Bahia Oaks Unit No. Two, as recorded in Plat Book "L", Page 66, Public Records of Marion County, Florida, being in Section 9, Township 16 South, Range 21 East,

Described as follows:

BEGIN at the southwesterly corner of Lot 39, Block 9, Bahia Oaks Unit No. Two, as recorded in Plat Book "L", Page 66, Public Records of Marion County, Florida; thence N. 2° 17' 25" E. a distance of 33.03 feet along the easterly line of said Lot 2 to the northeasterly corner of said Lot 2; thence N. 87° 42' 34" W. a distance of 128.87 feet along the northerly line of said Lot 2 to the northwesterly corner of said Lot 2 intersecting the easterly right-of-way line of S.W. 60<sup>th</sup> Ave; thence southerly along and with the arc of a curve concave easterly, having a central angle of 4° 08' 50" and a radius of 5679.42 feet (said curve also being the westerly boundary of said Lot 2 and the easterly right-of-way line of S.W. 60<sup>th</sup> Ave.) a distance of 20.00 feet; thence departing said curve, S. 87° 42' 34" E. a distance of 50 feet; thence easterly approximately 80 feet to the POINT OF BEGINNING.

Exhibit A-3

That part of:

Lot 40, Block 9, Bahia Oaks Unit No. Two, as recorded in Plat Book "L", Page 66, Public Records of Marion County, Florida, being in Section 9, Township 16 South, Range 21 East,

Described as follows:

BEGIN at the northwesterly corner of Lot 40, Block 9, Bahia Oaks Unit No. Two, as recorded in Plat Book "L", Page 66, Public Records of Marion County, Florida; thence N. 74° 32' 37" E. a distance of 131.25 feet; thence S. 2° 17' 25" W. a distance of 43.00 feet along the easterly line of said Lot 40; thence westerly approximately 125 feet to the POINT OF BEGINNING.

The easterly 20 feet and the southerly 10 feet of a portion of Lot 17, Block 12, Bahia Oaks Unit No. Three, as recorded in Plat Book "L", Page 67, Public Records of Marion County, Florida, and other lands as more particularly described *as follows:*

Lot 17, Block 12 of BAHIA OAKS UNIT NO. THREE, as recorded in Plat Book L, Page 67, Public Records of Marion County, Florida; Except that portion of said Lot 17, Block 12, granted to Marion County, Florida by Warranty Deed recorded in Official Records Book 1393, Page 937, Public Records of Marion County, Florida AND

TOGETHER WITH portion of S.W. 63rd Street (formerly S.W. 61st Street), described in resolution to allow and abandon road, No. 86-R-282, as recorded in Official Records Book 1399, Page 328, Public Records of Marion County, Florida; lying North of aforesaid Lot 17, Block 12 of BAHIA OAKS UNIT NO. THREE; West of S.W. 60th Avenue and South of the centerline of said S.W. 63rd Street and the Easterly projection thereof, being more fully described as follows:

Commencing at the Northeast corner of aforesaid BAHIA OAKS UNIT NO. THREE, as recorded in Plat Book L, Page 67, Public Records of Marion County, Florida, said point being on the West right of way line of S.W. 60th Avenue (100 foot wide right of way); thence S.00°16'30"W. along said West right of way line, and along the East boundary of aforesaid BAHIA OAKS UNIT NO. THREE, a distance of 150.00 feet to the point of beginning; thence continue S.00°16'30"W. along said East boundary, and along aforesaid West right of way line, 125.00 feet to the Southeast corner of aforesaid Lot 17, thence S.89°47'08"W. along the South boundary of said Lot 17, a distance of 139.39 feet to the Southwest corner of said Lot 17; thence S.00°12'52"W. along the West boundary of said Lot 17, a distance of 85.00 feet to the South right of way line of S.W. 63rd Street (formerly S.W. 61st Street), and the Northwest corner of said Lot 17; thence N.89°47'08"E. along said South right of way line 24.72 feet to the point of curvature of a curve concave Southwesterly, having a radius of 25.00 feet and a central angle of 48°11'23"; thence Southwesterly along said right of way curve an arc distance of 21.03 feet to a point of reverse of curvature of a curve concave Northerly, having a radius of 50.00 feet and a central angle of 118°11'21"; thence Southeasterly and Northeasterly along said right of way curve an arc distance of 127.99 feet, to a point on the easterly projection of the centerline of aforesaid S.W. 63rd Street; thence N.89°47'08"E. along said Easterly projection 10.00 feet to the point of beginning.

Exhibit A-5

A 15' wide portion of Lot 28 as more particularly described below as 15' Utility Easement, AND

the easterly twenty (20) feet of Lot 28, Block 20, Bahia Oaks Unit No. 4, as recorded in Plat Book L, Page 70, Public records of Marion County, Florida, lying north of the property described in the attached Exhibit "A" and contiguous to the right-of-way of SW 60<sup>th</sup> Avenue, AND

the easterly twenty (20) feet of Lots 17 through 27, inclusive, and the northerly twenty (20) feet of Lots 16 and 17, all in Block 20, Bahia Oaks Unit No. 4, as recorded in Plat Book L, Page 70, Public records of Marion County, Florida,

**LESS AND EXCEPT**

that ten (10) foot wide area deeded to Marion County, Florida as recorded in O.R. Book 3272, Page 0718:

15' UTILITY EASEMENT

COMMENCING AT THE WEST 1/4 CORNER OF SECTION 8, TOWNSHIP 16 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA, THENCE N.89°55'00"E. ALONG THE SOUTH BOUNDARY OF THE NORTH 1/2 OF SAID SECTION 8, A DISTANCE OF 3318.24 FEET TO THE SOUTHEAST CORNER OF THE SW 1/4 OF THE SW 1/4 OF THE NE 1/4 OF SAID SECTION 8; THENCE N.00°05'40"E. ALONG THE EAST BOUNDARY OF SAID SW 1/4 OF THE SW 1/4 OF THE NE 1/4, A DISTANCE OF 662.69 FEET TO A CONCRETE MONUMENT ON THE MONUMENTED SOUTH BOUNDARY OF BAHIA OAKS, UNIT NO. FIVE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK L, PAGE 71 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE N.89°53'38"E. ALONG SAID MONUMENTED SOUTH BOUNDARY 663.48 FEET TO A CONCRETE MONUMENT; THENCE CONTINUING ALONG SAID MONUMENTED SOUTH BOUNDARY AND ALONG THE SOUTH BOUNDARY OF BAHIA OAKS, UNIT NO. FOUR, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK L, PAGE 70 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA S.69°20'41"E. 554.47 FEET TO A NON-TANGENT INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF STATE ROAD NO. 200 (WIDTH VARIES) AS PER FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP, SECTION 36110-2521, SAID POINT BEING ON A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 22833.31 FEET; THENCE NORTHEASTERLY ALONG AND WITH THE ARC OF SAID RIGHT OF WAY CURVE THROUGH A CENTRAL ANGLE OF 01°15'37", AN ARC DISTANCE OF 502.27 FEET AND SUBTENDED BY A CHORD BEARING AND DISTANCE OF N.42°18'49"E. 502.26 FEET TO THE POINT OF TANGENCY; THENCE ON A NON-TANGENT RIGHT OF WAY LINE S.48°27'00"E. 10.00 FEET; THENCE CONTINUE ALONG SAID RIGHT OF WAY LINE N.41°33'00"E. 417.36 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING FROM SAID WESTERLY RIGHT OF WAY LINE N.48°27'00"W. 15.00 FEET; THENCE N.41°33'00"E. ALONG A LINE THAT IS 15.00 FEET WESTERLY OF AS MEASURED PERPENDICULAR TO SAID WESTERLY RIGHT OF WAY LINE 142.83 FEET; THENCE N.00°10'09"E. ALONG A LINE THAT IS 15.00 FEET WESTERLY OF AS MEASURED PERPENDICULAR TO THE WEST RIGHT OF WAY LINE, AS PER OFFICIAL RECORDS BOOK 3272, PAGE 718, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, OF SW 60TH AVENUE (RIGHT OF WAY VARIES) 114.84 FEET; THENCE S.48°27'00"E. 19.99 FEET; THENCE S.00°10'09"W. ALONG SAID WEST RIGHT OF WAY LINE 104.33 FEET TO AN INTERSECTION WITH AFORESAID WESTERLY RIGHT OF WAY LINE OF STATE ROAD NO. 200; THENCE S.26°15'41"W. ALONG SAID WESTERLY RIGHT OF WAY LINE 7.42 FEET; THENCE CONTINUE ALONG SAID WESTERLY RIGHT OF WAY LINE S.41°33'00"W. 143.56 FEET TO THE POINT OF BEGINNING.

Exhibit A-6

The southerly 60 feet of Lots 11 and 22, Block 20, Bahia Oaks Unit No. Four, as recorded in Plat Book L, Page 70, Public Records of Marion County, Florida.

Exhibit A-7

The easterly 10 feet of Lots 41 through 46, Block 21, and the southeasterly 10 feet of Lots 47 through 49, Block 21, all in Bahia Oaks Unit No. Four, as recorded in Plat Book L, Page 70, Public Records of Marion County, Florida.

Exhibit A-8

The northwesterly 30 feet of Lots 3 and 4, Block 20, Bahia Oaks Unit No. Four, as recorded in Plat Book L, Page 70, Public Records of Marion County, Florida.

## Regulated Water Utility Assets

	Balance per			Balance per Audit 12/31/13
	Balance at Foreclosure April, 2013	Annual Report 12/31/13	Audit Adjustments	
	Utility Plant in Service	213,206	219,537	
Land	2,815	2,815	-	2,815
Accumulated Depreciation	(89,032)	(93,858)	(132,952)	(226,810) *
Contributions in Aid of Construction	(87,008)	(87,008)	(10,839)	(97,847)
Accumulated Amortization of CIAC	<u>38,992</u>	<u>40,982</u>	<u>42</u>	<u>41,024</u>
NET BOOK VALUE	78,973	82,468	548,121	630,589
Net Book Value per Audit	630,589			
Less Water Transmission Main	(684,693)			
Plus Water Transmission Main Accumulated Depreciation	133,155			
Less 2013 post foreclosure investment	<u>(6,331)</u>			
Adjusted Net Book Value at Foreclosure	72,720	(Not including Water Transmission Main)		

\* The auditor added back a portion of the disallowed water transmission main that was disallowed by the FPSC in Docket No. 050862-WU. While the main has been in service for several years, the utility does not believe it is appropriate to include \$133,155 of accumulated depreciation on that asset as the Commission has never recognized it as an appropriate part of rate base and therefore it is the position of the utility that no depreciation should accrue until such time as it is recognized as part of rate base.

### Water Transmission Main

Original Cost as of foreclosure	805,007	See Table 2-1 of the May 20, 2015 Audit Report.
Less cost allowed	(15,927)	
Less project management fee disallowed	<u>(104,387)</u>	
Net	684,693	

Only the \$15,927 of this cost approved by the FPSC are included in the utility's the regulatory books. This asset will be transferred to Southwest Ocala Utility, Inc. if the FPSC approves the auditor's adjustment.

### Wastewater System

Original Cost as of foreclosure	292,457
---------------------------------	---------

Non-utility property not yet placed in service, so there is no depreciation.

### Summary

Regulated Water Utility Assets	72,720
Water Transmission Main	684,693
Wastewater System	<u>292,457</u>
Total Net Book Value	1,049,870
Foreclosure Amount	1,006,747
Attorneys' Fees	<u>16,303</u>
Total	1,023,050

3%



**SUNDSTROM  
& MINDLIN, LLP**

Attorneys | Counselors



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TALLAHASSEE, FLORIDA 32301

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August 11, 2015

Ms. Amber Norris  
Public Utilities Supervisor  
Division of Accounting & Finance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Application for Transfer of Certificate 390-W from County-Wide Utility  
Co., Inc. to Southwest Ocala Utility, Inc. in Marion County  
Docket No. 150012-WU

Dear Ms. Norris,

In response to your email of last Wednesday morning, I am providing the facts below and the attachment in response to your request for additional information.

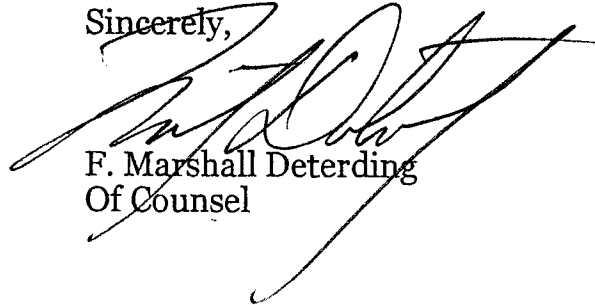
1. Attached is a copy of the "Assignment and Assumption of Loan Documents" between Compass Bank and Dirk J. Leeward and Donna G. Leeward whereby the rights to the mortgage and note between Compass Bank and County-Wide Utility Company, Inc. were transferred to the Leewards. Under the terms of the loan sale agreement between Compass Bank and the Leewards, Compass Bank required that the parties "keep the contents of this agreement confidential".
2. The purchase of the note and mortgage was an investment by the Leewards separate and apart from the foreclosure of the note by the Leewards thereafter. The dollar value of the note foreclosed which represents the consideration given and therefore price paid by the Leewards for the utility assets was determined by the Circuit Court of Marion County in the Summary Final Judgment of Foreclosure issued by the 5<sup>th</sup> Circuit Court in Marion County on March 14, 2013 and provided to you with my previous correspondence.
3. If the original lender, Compass Bank, had foreclosed on the note and taken possession as the new owner and operator of the utility system, there would have been no material difference in the amount surrendered and exchanged for the

Ms. Amber Norris  
August 11, 2015  
Page 2

utility assets other than perhaps some minor changes in the immaterial foreclosure costs.

I trust that the attached document and the above explanation provide you with the information that you have requested.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Marshall Deterding', is written over the typed name and title.

F. Marshall Deterding  
Of Counsel

FMD/brf

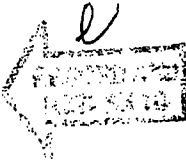
Enclosure

cc: Mr. Dirk Leeward

After recording, return to:

Stoneburner Berry Glocker Purcell  
& Greenhut, P.A.  
Attn: T. William Glocker, Esq.  
841 Prudential Drive, Suite 1400  
Jacksonville, Florida 32207-8364

REC 52.50



**ASSIGNMENT AND ASSUMPTION OF LOAN DOCUMENTS**

**THIS ASSIGNMENT AND ASSUMPTION OF LOAN DOCUMENTS** (this "Assignment") is effective as of July 19, 2012, and is made by and between **COMPASS BANK**, an Alabama banking corporation ("Assignor"), and **DIRK J. LEEWARD AND DONNA G. LEEWARD**, his wife, as tenants by the entirety (collectively, "Assignee").

RECITALS:

A. Assignor made a loan (the "Loan") to County-Wide Utility Co., Inc., a Florida corporation ("Borrower"), that is evidenced and/or secured by the loan documents listed on *Exhibit "A"* (collectively, the "Loan Documents"); and

B. Assignor and Assignee have entered into that certain Loan Sale Agreement dated of even date herewith (the "Loan Sale Agreement"), in which Assignor has agreed to sell and Assignee has agreed to purchase the Loan Rights (as defined in the Loan Sale Agreement).

**NOW, THEREFORE**, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by Assignee at the time of execution hereof, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby grants, bargains, sells, assigns, transfers and sets over to Assignee, without recourse, warranty or representation whatsoever except as set forth in the Loan Sale Agreement, all of Assignor's right, title, interest, claim and demand in and to the Loan Documents listed on *Exhibit "A"* attached hereto and made a part hereof, together with all moneys, principal and interest, now due and to become due thereon, and all rights, remedies and incidents thereunto belonging.

2. Assumption. Assignee hereby assumes all of Assignor's liabilities obligations of every nature whatsoever with respect to the Loan and the Loan Documents.

3. Conflict. Nothing in this Assignment shall be construed to be a modification or waiver of or limitation on any provision of the Loan Sale Agreement, including representations, warranties and agreements set forth therein. In the event of any inconsistency or conflict between this Assignment and the Loan Sale Agreement, the terms and conditions of the Loan Sale Agreement shall control for all purposes.

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4. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefits of the parties hereto, their respective legal representatives, successors in title and assigns.

5. Governing Law. The laws of the State of Florida shall govern the interpretation and validity and enforceability hereof without regard to concepts of conflicts of laws.

6. Severability. In the event any provision of this Assignment is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof.

[signatures on following pages]

{00804059-1}

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be duly executed by their respective duly authorized representatives as of the Effective Date.

Signed sealed and delivered  
In the presence of:

[Signature]  
Print Name: Terry Landowski  
[Signature]  
Print Name: KENT BEARD

**ASSIGNOR:**

COMPASS BANK, an Alabama banking corporation

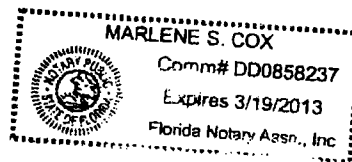
By: [Signature]  
Richard P. Silva, Sr.  
Vice President

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of July 2012, by Richard P. Silva, Sr., as Vice President of Compass Bank, an Alabama banking corporation, on behalf of the corporation who is: (notary must check applicable box)  personally known to me or  produced \_\_\_\_\_ as identification.

[Signature]  
Name: Marlene S. Cox  
Notary Public, State and County aforesaid  
Commission No. \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



{00804059-1}

**ASSIGNEE:**

[Signature]  
Dirk J. Leeward

[Signature]  
Donna G. Leeward

STATE OF Florida  
COUNTY OF Marion

The foregoing instrument was acknowledged before me this 19 day of July 2012, by Dirk J. Leeward and Donna G. Leeward who are: (notary must check applicable box)  personally known to me or  produced a driver's license as identification.



[Signature]  
Name: JANET S. LEQUIER  
Notary Public, State and County aforesaid  
Commission No. \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

{00804059-1}

**EXHIBIT "A"**

**Loan Documents**

1. Promissory Note dated June 27, 2005 and executed by County-Wide Utility Co., Inc., a Florida corporation ("Borrower"), in favor of Compass Bank, an Alabama banking corporation ("Bank"), in the original principal amount of \$690,000.00; Renewal Promissory Note dated August 28, 2006 and executed by Borrower in favor of Bank in the original principal amount of \$690,000.00; Future Advance Promissory Note dated August 28, 2006 and executed by Borrower in favor of Bank in the original principal amount of \$315,000.00 (collectively, the "Note").
2. Mortgage Deed dated June 27, 2005, executed by Borrower in favor of Bank and recorded in Official Records Book 4108, Page 910, public records of Marion County, Florida; Acknowledgment of Receipt of Future Advance and Mortgage Modification Agreement dated August 28, 2006 by and between Borrower and Bank and recorded in Official Records Book 4550, Page 1105, public records of Marion County, Florida.
3. Security Agreement dated June 27, 2005 and executed by Borrower in favor of Bank; Amended Security Agreement dated August 28, 2006 and executed by Borrower in favor of Bank.
4. UCC-1 Financing Statement filed on July 19, 2005 in the Florida Secured Transaction Registry as file number 200500215543; UCC-3 Financing Statement Amendment filed on February 12, 2010 as file number 201002001992.
5. UCC-1 Financing Statement filed on August 31, 2006 in the Florida Secured Transaction Registry as file number 200603553379; UCC-3 Financing Statement Amendment filed on June 6, 2011 in the Florida Secured Transaction Registry as file number 201104721749.
6. UCC-1 Financing Statement recorded on July 20, 2005 in Official Records Book 4108, Page 927, public records of Marion County, Florida; UCC-1 Financing Statement recorded on August 30, 2006 in Official Records Book 4550, Page 1113, public records of Marion County, Florida; UCC-3 Financing Statement Amendment recorded on June 3, 2011 in Official Records Book 5525, Page 1222, public records of Marion County, Florida.
7. Collateral Assignment of Contract dated June 27, 2005 and executed by Borrower in favor of Bank; Consent to Collateral Assignment and Attornment Agreement dated June 28, 2005 by and among Borrower, Bank and City of Ocala, a Florida municipal corporation; Amended Collateral Assignment of Contract dated August 28, 2006 and executed by Borrower in favor of Bank; Consent to Assignment and Attornment Agreement dated August 22, 2006 by and among Borrower, Bank and City of Ocala, a Florida municipal corporation.
8. Assignment of Contract Document, Plans and Permits dated June 27, 2005 and executed by Borrower in favor of Bank; Assignment of Contract Document, Plans and Permits dated August 28, 2006 and executed by Borrower in favor of Bank.

{00804059-1}

9. Construction Loan Agreement dated June 27, 2005 by and between Borrower and Bank; Construction Loan Agreement dated August 28, 2006 by and among Borrower, Bank and Hamlet Construction Company.
10. Absolute and Continuing Guaranty dated June 27, 2005 and executed by James K. Leeward in favor of Bank; Absolute and Continuing Guaranty dated August 28, 2006 and executed by James K. Leeward in favor of Bank.
11. Certification of Bulk Water and Waste Water Agreement dated August 28, 2006 and executed by Borrower in favor of Bank.
12. First American Title Insurance Company title policy no. FA-36-2076-853403 dated effective June 9, 2006, together with any and all endorsements related thereto, if any.

{00804059-1}