

Regulatory Consultants, Inc.

ORIGINAL

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October 9, 2000

Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Application for Transfer of Water Certificate No. 524-W and Wastewater
Certificate No. 459-S, Docket No. 001513-WS

Dear Director:

Enclosed please find a Bill of Sale and a 99-Year Lease Agreement related to the Transfer of Water Certificate 524-W and Wastewater Certificate 459-S from Arbor Oaks I, LLC and Arbor Oaks II, LLC (both Delaware Limited Liability Companies d/b/a) to Mink Associates I, LLC (a Florida Limited Liability Company d/b/a).

These documents are being provided to assist you in the analysis and auditing process of this application. Should you have any questions or require any further information, please contact us.

Sincerely,

George C. MacFarlane
President

GCM:cm
Enclosures

cc: Mr. Gerald D. Ross, Manager

JCP
JSP
JBP
JAI
JTR
JLR
JGG
JPC
JAI
RBO
LEC
JER
JTH

DOCUMENT NUMBER-DATE

12923 OCT 10 8

FPSC-RECORDS/REPORTING

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS: That **ARBOR OAKS I, L.L.C., a Delaware limited liability company, as to an undivided fifty percent (50%) interest and ARBOR OAKS II, L.L.C., a Delaware limited liability company, as to an undivided fifty percent (50%) interest, as Tenants in Common**, parties of the first part, for and in consideration of the sum of Ten (\$10.00) Dollars lawful money of the United States, to it paid by **MINK ASSOCIATES I, LLC, a Florida limited liability company**, party of the second part, the receipt whereof is hereby acknowledged, has sold, and delivered, and by these presents does sell and deliver unto the said party of the second part, its successors and assigns, all right, title and interest of the parties of the first part in and to the following goods and chattels:

1. All inventory, fixtures, furniture, equipment, machinery, appliances and all other personal and intangible property owned by the Seller and contained on, located at or used in connection with the operation of the property known as Arbor Oaks Mobile Home Park, Pasco County, Florida, the legal description of which is attached hereto as Exhibit "A" and made a part hereof, including without limitation, all personal property set forth in Exhibit "B" attached hereto and made a part hereof.
2. All plans and specifications, including, without limitation, all site plans, engineering plans, drawings, surveys, maps, and plans and specifications prepared in connection with the above-described real property.
3. All permits, licenses, certificates of use and occupancy (or their equivalent), zoning and governmental applications and approvals relating to the above-described real property and the improvements thereon.
4. Any and all development and construction contracts, engineering, architectural and surveying agreements, utilities agreements and rights, maintenance and service contracts, the name "Arbor Oaks Mobile Home Park" and all other fictitious names and tradenames, telephone numbers, warranties and guarantees, personal property and leases therefor, which pertain or relate in any manner to the above-described property, or any portion thereof, and the improvements.

TO HAVE AND TO HOLD the same unto the said party of the second part, its successors and assigns forever. The undersigned warrants that all personal property set forth in Exhibit "B" attached hereto and made a part hereof is owned by the undersigned free and clear of all liens, encumbrances and title retention devices and the undersigned will warrant and defend the same against the lawful claims and demands of all persons claiming by, through or under Grantor, but against none other. The party of the second part acknowledging by its acceptance of said property that it is accepting title to the property in its "as-is" condition.

IN WITNESS WHEREOF, the parties of the first part have caused this instrument to be duly executed this 13th day of March, 2000.

Witnesses:

ARBOR OAKS I, L.L.C., a Delaware limited liability company

By: Marilyn G. Wallach
Marilyn G. Wallach, as authorized agent

Thomas Bartolucci
Print Thomas Bartolucci

Betty J. Roddenberry
Print Betty J. Roddenberry

ARBOR OAKS II, L.L.C., a Delaware limited liability company

By: Marilyn G. Wallach
Marilyn G. Wallach, as its Sole Member

Thomas Bartolucci
Print Thomas Bartolucci

Betty J. Roddenberry
Print Betty J. Roddenberry

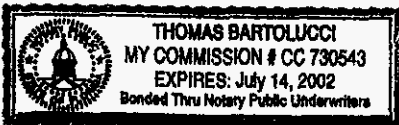
STATE OF FLORIDA
COUNTY OF Indian River

The foregoing instrument was acknowledged before me this 13th day of March, 2000, by Marilyn G. Wallach, as authorized agent for Arbor Oaks I, L.L.C., a Delaware limited liability company and Marilyn G. Wallach, as Sole Member of Arbor Oaks II, L.L.C., a Delaware limited liability company

who are personally known to me,
 who has produced _____ as identification

and who did take an oath, and who acknowledged before me that they executed the same freely and voluntarily for the purposes therein expressed on behalf of the company.

(Notary Seal)



I:\RSW\WALLACH\ArborOaks\Bill of Sale.wpd

Thomas Bartolucci
NOTARY PUBLIC
Print Thomas Bartolucci
State of Florida at Large (Seal)
My Commission Expires:

EXHIBIT "A"

Tracts 22, 27, 28, 37 and 38, of ZEPHYRHILLS COLONY COMPANY LANDS, Section 9, Township 26 South, Range 21 East, according to map or plat thereof as recorded in Plat Book 1, page 55, of the public records of Pasco County, Florida.

INVENTORY LIST FOR ARBOR OAKS MOBILE HOME PARK

2/23/2000

OFFICE

- 1 Round Table with 6 Chairs
- 3 Wall Pictures
- 1 Credenza
- 2 Bulletin Boards
- 1 Candy Dish
- 1 Glass Flower Pot with Flower Arrangement

INNER OFFICE

- 1 Desk with Chair
- 2 Filing Cabinets (2-Drawer)
- 1 Canon Copier
- 1 Image Writer Printer
- 1 Macintosh LC II Computer
- 1 Telephone/Answering Machine
- 1 Calculator
- 1 Wall Mirror
- 1 Bulletin Board
- 1 Large Book Shelf, 1 Small Book Shelf
- Miscellaneous Small Items

GARAGE

- 1 Gas Blower
- 1 Gas Hedge Clipper
- Miscellaneous Hand Tools
- 1 Six Passenger EZ Go Golf Cart

CLUBHOUSE DINING ROOM

- Hot Point Range
- Whirlpool Microwave Oven
- 2 Century Fire Extinguishers
- 21 Folding Tables
- 3 Wall Pictures
- Craftmaster Hot Water Heater

POOL AREA

- 2 Gliders (6 Ft.)
- 11 Chaise Loungers
- 3 Small Round Tables
- 12 Deck Chairs
- 1 Picnic Table

LAUNDRY ROOM /CLOSET

- Red Devil Vacuum Cleaner
- 60 Gallon Rudd Electric Hot Water Heater
- Amtool "Well-X-Tool" irrigation well pumping system
- 16 Shuffle Board Sticks, 4 Sets of Pucks, and 9 Putters

194 Letter Lock Mail Boxes

- 8 Package Lock Mail Boxes
- 1 Swing Glider (6 Ft.)

**99-YEAR LEASE AGREEMENT
FOR
WATER AND WASTEWATER TREATMENT FACILITIES**

THIS LEASE for water and wastewater treatment facilities (the "Lease") is made and entered into as of this ____ day of March, 2000, by and between Arbor Oaks I, LLC, a Delaware limited liability company, and Arbor Oaks II, LLC, a Delaware limited liability company, (hereinafter referred to as the "Seller"), and Mink Associates I, LLC, a Florida limited liability company, (hereinafter referred to as the "Buyer").

WITNESSETH:

WHEREAS, Seller and Buyer have entered into a Purchase and Sale Agreement (the "Agreement") for purchase and sale dated September 10, 1999, as amended by addendum dated January 2, 2000, relating to all of that certain parcel of land lying and being situated in Pasco County, Florida, together with certain improvements, rights, interest and other properties (collectively, the "Property"), including, but not limited to, a Public Service Commission ("PSC") certificated utility known as Timberwoods Utilities (the "Utility"), consisting of a potable water well and a wastewater treatment plant; and

WHEREAS, notwithstanding the Agreement, Buyer cannot purchase the Utility without the approval (the "Approval") of the PSC pursuant to an application (the "Application") filed with the PSC for the sale, assignment or transfer of the Utility to Buyer; and

WHEREAS, the continued, uninterrupted operation of the Utility, subsequent to the sale of the Property from Seller to Buyer, is essential to the uninterrupted operation of the mobile home park located on the Property; and

WHEREAS, Seller and Buyer desire to close the purchase and sale of the Property (except for the Utility) prior to Approval; and

WHEREAS, to assure the continuing operation of the Utility and to ensure compliance with all rules and regulations of the PSC, Seller and Buyer have entered into this Lease; and

WHEREAS, pursuant to this Lease, Seller and Buyer have agreed to enter into a 99-year lease for that portion of the Property upon which the Plant is located so that Seller may continue operating the Plant subsequent to the date of sale of the Property; and

WHEREAS, Seller and Buyer agree that Seller shall be responsible for the continued operation of the Utility until Approval by the PSC of transfer of the Utility to Buyer, or connection of the mobile home park water and wastewater system to a municipal or other PSC certificated utility, or expiration of the Lease term, whichever first occurs,

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The above recitals are true and correct and are hereby incorporated herein by this reference.

Timberwoods Utilities
99-year Lease Agreement for Wastewater Treatment Facility

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2. Seller's Covenant to Assist in Transfer. Seller covenants to use its best efforts to cooperate with Buyer in the transfer of the Utility to Buyer pursuant to the Agreement and this Lease, provided, however, that Seller shall not be required to incur any expense with respect to the transfer.

3. Seller's Covenant to Comply. Seller affirmatively covenants that to the best of its knowledge it has complied in the past with all applicable rules, regulations and ordinances that relate to the Utility, including, without limitation, those of the PSC and the State of Florida, and that it will continue to comply with such rules, regulations and ordinances throughout the term of the Lease, including, without limitation, the payment of all fees and assessments incurred for the period prior to the date of this Lease.

4. Operation of Plant During Lease Term. During the term of this Lease, the Seller shall be, subject to the terms of this Lease, responsible for the continued operation of the Utility, including the responsibility for paying all costs and fees, including, but not limited to, maintenance costs, expenses, taxes, insurance and other obligations relating to the Utility, subject to the provisions of paragraph 8 hereinafter.

5. Property Subject to Lease. Buyer shall lease the property underlying the Utility's wells, distribution system, and wastewater treatment plant to Seller under this Lease so that Seller may continue operating the Utility during the term of the Lease. The leased property is identified on Exhibit "A" attached hereto (the "Leased Property").

6. Term of Lease. The term of this Lease shall commence on the date set forth above and continue until the date of Approval or for a period of ninety-nine (99) years from the date hereof or until the connection of the Property to a municipal or other PSC certificated utility, whichever first occurs ("Lease Term").

7. Lease Rental Rates. Buyer shall pay to Seller a lease rental rate of Ten Dollars (\$10.00) each year for the entire term of this lease.

8. Utility Expenses and Revenues. During the term of the Lease, Buyer shall reimburse Seller or, at Seller's option, directly pay for all costs of the Utility, including, but not limited to, all compliance costs, costs of transfer of PSC certificate, insurance premiums, maintenance costs, permits, taxes, and other expenses and obligations incurred in connection with or related to the Utility. Correspondingly, Seller shall assign to Buyer all revenues derived from the operation of the Utility, including without limitation, sewage charges, water fees, taps permit fees, connection fees and rents. Buyer shall collect such revenues directly from its tenants in the mobile home park located on the Property. In the event repairs to the Utility's physical plant are required, Seller shall send written notice thereof to Buyer and Buyer shall effect such repairs in a cost effective and expedient manner. Buyer agrees to indemnify and hold Seller harmless from any and all liability for the ownership and operation of the Utility until one of the conditions in paragraph 13 is met.

9. Reports, Billings and Fees. Buyer and Seller agree to cooperate with and assist one another with respect to all reports, billings, fees and all other matters reasonably necessary to properly operate the Utility in accordance with all applicable rules, regulations and laws, including without limitation, applying for necessary rate increases.

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10. Establishing of Escrow. The parties hereto establish an escrow for the purpose of receiving, holding and disbursing the Transfer Documents, (as defined below) and the Escrow Funds, (as defined below), pursuant to this Agreement.

11. Transfer Documents. At Closing of the Agreement, Seller shall deliver to Escrow Agent the Bill of Sale and Assignment attached hereto as Exhibit "B", the Application form attached hereto as Exhibit "C", and other documents which transfer the ownership of the Utility from Seller to Buyer (the "Transfer Documents").

12. Escrow Funds. At Closing of the Agreement, Buyer shall deliver to Escrow Agent the amount of \$20,000.00 (the "Escrow Funds"), which represents a deposit to partially secure Buyer's performance under this Agreement.

13. Release of Transfer Documents. The Transfer Documents deposited with Escrow Agent shall only be released upon the earlier of (i) Approval, or (ii) expiration of the Lease, or (iii) connection of the Property to the Pasco County Sewer System or other PSC certificated system, in which event Escrow Agent shall if subprovision (i) above is satisfied, deliver the Transfer Documents to Buyer or if either subprovision (ii) or (iii) above is satisfied, deliver the Transfer Documents to the party taking title to the Utility.

14. Escrow Agent and Disbursements from Escrow. Jonathan James Damonte, Chartered, 12110 Seminole Blvd., Largo, Florida 33778, is to serve as the Escrow Agent pursuant to the terms and conditions of this Lease. All instructions to Escrow Agent shall be in writing and signed by Seller and Buyer.

15. General Provisions of Escrow.

a. Instructions to Escrow Agent. This Lease shall constitute full and complete instructions to Escrow Agent regarding the disbursements of the Funds held in Escrow pursuant hereto.

i. Duties Limited to Instructions. Except as specifically provided herein, Escrow Agent shall have no duty to know or determine the performance or non-performance of any term or condition of any contract or agreement between Seller and Buyer, and the duties and responsibilities of Escrow Agent are limited as provided in this Lease.

ii. Indemnification of Escrow Agent. Should any litigation arise out of or in connection with this Lease or the Agreement, then Seller or Buyer, whichever is the non-prevailing party, shall pay on demand, as well as indemnify and hold Escrow Agent harmless from and against, all costs, damages, judgments, attorneys' fees, including all court costs, (and including, but not limited to, attorneys' fees incurred in connection therewith), time charged by paralegals or other staff members operating under the supervision of an attorney, and other costs incurred in enforcing this Lease or the Agreement, including expenses, obligations, and liabilities of any kind or nature incurred in such litigation, whether incurred at trial or on appeal; and Escrow Agent is hereby given a lien upon all rights, titles and interests of such non-prevailing party and all its escrowed papers and other property and monies deposited in this escrow, to protect its rights and to indemnify reimbursement under this Lease or the Agreement.

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iii. Fees. Escrow Agent shall charge no fee in connection herewith, except as provided under this Agreement.

b. Liability of Escrow Agent.

i. Limitation of Liability - Buyer & Seller. In no event shall Escrow Agent be liable either to Seller or Buyer, or their respective heirs, successors, assigns or legal representatives, for any act or failure to act by Escrow Agent pursuant to this Lease or the Agreement, except for gross negligence, fraud or willful malfeasance.

ii. Limitation of Liability- Third Parties. In performing any of its duties hereunder, Escrow Agent shall not incur any liability to anyone for any damages, losses or expenses, (except for gross negligence, fraud or willful malfeasance) on any written instrument or instruction provided for in this Escrow Agreement, not only as to its due execution and validity and effectiveness of its provisions, but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Lease or the Agreement. Each of the parties hereto expressly release the Escrow Agent from any and all liability for any act or failure to act hereunder, except for gross negligence, fraud or willful malfeasance.

iii. Termination of Escrow Agent's Duties. Upon disbursement as required by this Lease, this Lease shall be terminated and Escrow Agent shall have no further liability under this Lease.

c. Interpleader. In the event a dispute arises between Seller and Buyer, sufficient in the discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender into the registry or custody of the Circuit Court of Pasco County, Florida all money or property in its hands under this Lease, together with such legal pleadings as it deems appropriate, and thereupon be discharged from all further duties and liabilities under this Lease as Escrow Agent and shall thereupon be entitled to represent Buyer in any and all proceedings. Seller acknowledges that Escrow Agent is a law firm which has represented Buyer in connection with this transaction; and Seller consents to such continued representation, including representation of Buyer in any disputes which might arise in connection with this Lease, the transactions contemplated hereby, the Property, or matters related to any of the foregoing.

16. Default. In the event Buyer has not obtained Approval by December 31, 2000, then Seller designates **Jonathan James Damonte, Chartered** to complete Approval. Buyer shall pay all costs of Approval, including **Jonathan James Damonte Chartered's** fees, who shall have the right to have the Escrow Funds applied to its fees and the costs of obtaining Approval. Any balance of the Escrow Funds remaining after Approval shall be returned to the Buyer.

17. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Florida.

18. Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns (including, without limitation, the mortgagee owning and holding the mortgage

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encumbering the Property, if it succeeds to Buyer's interest and to the extent permitted by law, via foreclosure or deed-in-lieu of foreclosure).

19. Severability. It is the intent of this Lease to comply with all applicable rules, regulations and ordinances of the Board of County Commission, Pasco County, the State of Florida and all applicable agencies thereof. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

In Witness Whereof, the parties hereto have set their hands and seals to this Lease as of the day and year first above written.

WITNESSES:

Arbor Oaks I, LLC,
a Delaware limited liability company

By: _____

Arbor Oaks II, LLC,
a Delaware limited liability company

By: _____

"Seller"

Mink Associates II, LLC,
a Florida limited liability company

By: _____

"Buyer"

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cumbering the Property, if it succeeds to Buyer's interest and to the extent permitted by law, via foreclosure or deed-in-lieu of foreclosure).

19. **Severability.** It is the intent of this Lease to comply with all applicable rules, regulations and ordinances of the Board of County Commission, Pasco County, the State of Florida and all applicable agencies thereof. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

In Witness Whereof, the parties hereto have set their hands and seals to this Lease as of the day and year first above written.

WITNESSES:

Arbor Oaks I, LLC,
a Delaware limited liability company

By: _____

Arbor Oaks II, LLC,
a Delaware limited liability company

By: _____

"Seller"

Mink Associates II, LLC,
a Florida limited liability company

By: Christine Ross

"Buyer"

John M. Stogden
Christine Ross

Received: 3/20/00 7:11PM;

7275810922 -> LUTZ WEBB ET AL: Page 8

Sent By: JJD, Chartered;

7275810922;

Mar-20-00 20:21;

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encumbering the Property, if it succeeds to Buyer's interest and to the extent permitted by law, via foreclosure or deed-in-lieu of foreclosure).

19. Sovereignty. It is the intent of this Lease to comply with all applicable rules, regulations and ordinances of the Board of County Commission, Pasco County, the State of Florida and all applicable agencies thereof. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

In Witness Whereof, the parties hereto have set their hands and seals to this Lease as of the day and year first above written.

WITNESSES:

Arbor Oaks I, LLC,
a Delaware limited liability company

By: Marilyn G. Wallace

Arbor Oaks II, LLC,
a Delaware limited liability company

By: Marilyn G. Wallace

"Seller"

Mink Associates II, LLC,
a Florida limited liability company

By: _____

"Buyer"

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99-year Lease Agreement for Wastewater Treatment Facility

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**EXHIBIT A
TO
99-YEAR LEASE AGREEMENT
FOR
WATER AND WASTEWATER TREATMENT FACILITIES**

The real property upon which each sewage treatment pond is located, the real property which the six 12' diameter holding tanks are located and the real property on which the 8.3' x 8.3' frame shed is located as depicted in that certain survey prepared by _____, professional license number _____ and dated _____.

**EXHIBIT B
BILL OF SALE AND ASSIGNMENT**

Know All Men by These Presents, that **ARBOR OAKS I, LLC, a Delaware limited liability company**, and **ARBOR OAKS II, LLC, a Delaware limited liability company**, for and in consideration of the sum of Ten Dollars (\$10.00), lawful money of the United States to it paid by **MINK ASSOCIATES I, LLC, a Florida limited liability company**, receipt whereof which is hereby acknowledged has assigned, granted, bargained, sold, transferred and delivered, and by these presents does assign, grant, bargain, sell, transfer and deliver unto the **MINK ASSOCIATES I, LLC**, its successors and assigns, the following:

All of the assets, real and personal, tangible and intangible, including, but not limited to, fixtures, inventory, trade name, and all right, title and interest to the extent the same are transferable in the Florida Public Service Commission Certificate and Florida Department of Environmental Protection water distribution system and wastewater treatment facility permits, of **Timberwoods Utilities**, a Florida PSC certificated utility.

To Have And to Hold the same unto said assignees, their successors and assigns forever.

And **Arbor Oaks I, LLC and Arbor Oaks II, LLC**, does and for itself and its successors and assigns covenant to and with the said **Mink Associates I, LLC**, their successors and assigns, it is the lawful owner of said goods, chattels, and equipments, that they are free from all encumbrances; it has good right to sell the same, and that it will warrant and defend the sale of said goods, chattels and equipment hereby made, to **Mink Associates I, LLC**, its successors and assigns, against the lawful claims and demands of all persons or whosoever.

In Witness Whereof the parties hereto have hereunto set their hands and seals this ____ day of March, 2000.

Signed, Sealed and Delivered
in the Presence of:

Arbor Oaks I, LLC
a Delaware limited liability company

By: _____

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this ____ day of March, 2000, by _____, of **Arbor Oaks I, LLC**, a Delaware limited liability company on behalf of the company.

Printed Name: _____
Notary Public

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Signed, Sealed and Delivered
in the Presence of:

Arbor Oaks I, LLC
a Delaware limited liability company

By: _____

STATE OF FLORIDA

COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this ____ day of March, 2000, by _____, of Arbor Oaks I, LLC, a Delaware limited liability company on behalf of the company.

Printed Name: _____

Notary Public