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July 31, 2008

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CHRISTIAN W. MARCELLI, OF COUNSEL  
(LICENSED IN NEW YORK ONLY)

ROBERT M. C. ROSE, (1924-2006)

**VIA HAND DELIVERY**

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
08 JUL 31 PM 4:44  
COMMISSION CLERK

RE: Docket No.: 080502-TC; Petition of ITS Telecommunications Systems, Inc., for approval of the Transfer of Controlling Stock Interest in ITS Telecommunications Systems, Inc.  
Our File No.: 43016.01


Dear Ms. Cole:

Please find enclosed an original and two copies of the following documents:

COM \_\_\_  
ECR \_\_\_  
GCL     
OPC \_\_\_  
RCP     
SSC \_\_\_  
SGA \_\_\_  
ADM \_\_\_  
CLK \_\_\_

1. Petition of ITS Telecommunications Systems, Inc. for approval of transfer of controlling stock interest in ITS Telecommunications Systems, Inc.;
2. Affidavit of Mailing evidencing that notice of intention to file said Petition was mailed to the governing bodies of the counties and municipalities affected, to the public counsel and to the Commission;
3. Affidavit that a legal advertisement was published in the area affected on two separate occasions; and
4. Affidavit of Mailing evidencing that a Commission-approved written notice was mailed to each subscriber in the area affected.

Please do not hesitate to call me at this firm's Longwood office if you have any questions or concerns about this notice.

Very truly yours,  
  
Christian W. Marcelli  
Of Counsel

DOCUMENT NUMBER-DATE

06737 JUL 31 8

FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

Petition For Approval Of Transfer of  
Controlling Stock Interest In  
ITS Telecommunications Systems, Inc.,  
Cancellation of PATS Certificate No. 7551,  
And Waiver of Carrier Selection Requirements

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Docket No. 080502-TC

**PETITION FOR APPROVAL OF TRANSFER  
OF CONTROLLING STOCK INTEREST IN  
ITS TELECOMMUNICATIONS SYSTEMS, INC.,  
CANCELLATION OF PATS CERTIFICATE, AND  
WAIVER OF CARRIER SELECTION REQUIREMENTS**

1. To the extent required by section 364.33, Florida Statutes, ITS Telecommunications Systems, Inc. ("ITS") hereby requests approval of the indirect transfer of control of telecommunications facilities from Postco, Inc. ("Postco") ultimately to Indiantown Utility Company, LLC ("IUC") resulting from the Stock Purchase Agreement (the "Agreement") executed on June 2, 2008. A copy of the Agreement is attached hereto as Exhibit "A".

2. The transaction detailed in the Agreement is a stock transaction and does not affect the ownership or operation of ITS's assets.<sup>1</sup> As such, the transaction will be transparent and seamless to consumers of ITS. ITS will continue to provide service just as it did before the transaction.

3. No transfer of assets or certificates held by ITS will be required by or result from the stock purchase transaction. No tariffs will be amended. No change in control of any kind will

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<sup>1</sup> In addition to ITS Telecommunications Systems, Inc. (holder of Local Exchange Telecommunications Certificate No. 30, Alternative Local Exchange Telecommunications Certificate No. 4873, Pay Telephone Service Certificate No. 7551 and IXC Registration TK 162), the transaction involves the transfer of Arrow Communications, Inc., holder of IXC Certificate No. 3498. No request is made for approval of transfer of such companies and/or certificates that are not required pursuant to Florida Statutes.

occur as to ITS or any of Postco's subsidiaries that are certificated in Florida. As such, ITS will continue to have the requisite managerial, technical and financial ability to provide the services that it currently provides.

4. Upon completion of the transaction, this Commission will retain the same regulatory authority over ITS that it possesses today. As a result, the Commission will be able to ensure high quality service at just and reasonable rates after the closing of the Agreement as it does today.

5. This indirect transfer of control of facilities and operations is in the public interest. ITS was previously controlled by Robert M. Post, Jr., who died in 2007. In connection with wrapping up his estate, the business entities he formerly controlled are being disposed of. The acquisition by IUC of the shares of stock in ITS will not result in any change in management or operation of ITS, and the expertise of existing management will remain in place. IUC has access to extensive resources to fund any needed capital costs of ITS. Buyer will provide to Staff appropriate financial statements upon request. By combining ITS's management approach and regulatory and operational expertise with the financial resources and support of IUC, ITS will continue to have the ability to provide consistent and uninterrupted service to its customers.

6. The proposed transaction does not affect the Commission's powers with respect to the rates and services of the Applicant or the authority of other governmental agencies as to ITS's services or facilities. Thus, the proposed transaction will not have any adverse effect upon ITS or its services.

7. ITS respectfully requests that the Commission give this Application expedited consideration.

#### THE PARTIES

8. ITS Telecommunications Systems Inc. (*i.e.*, ITS) is a Florida corporation certificated by this Commission to provide local exchange services (ILEC Certificate No. 30, ALEC Certificate No. 4873) and pay telephone services (PATS Certificate No. 7551), and is a wholly-owned subsidiary of Postco. ITS's principal business address is 15925 S.W. Warfield Blvd., Indiantown, FL 34956. Although the transaction described herein contemplates the transfer of the majority organizational control of ITS, Section 364.337, Florida Statutes, exempts competitive local exchange telecommunications companies from obtaining approval of the transfer of such certificates. As such, the transfer of such certificate does not require approval, and ITS does not request such approval.

9. Arrow Communications, Inc. ("Arrow") is a Florida corporation certificated by this Commission to provide interexchange telecommunications services (IXC Certificate No. 3498). Although the transaction described herein contemplates the transfer of the majority organizational control of Arrow, Section 364.02(14), Florida Statutes, exempts interexchange telecommunications companies from the requirement of Commission approval for such a transfer of majority organizational control and, as such, no approval is requested. Arrow desires to retain its IXC Certificate and Registration without change or modification in registration, name, operations, tariffs or services offered. The inclusion of Arrow in this Application is merely as a courtesy to notify the Commission of such a transfer.

### REQUIREMENTS FOR APPROVAL OF TRANSFER OF CONTROL

10. Section 364.33, Florida Statutes, grants the Commission authority to approve a transfer of control of telecommunications facilities for the purpose of providing service to Florida customers.

11. Section 364.33 does not apply to competitive local exchange carriers ("CLECs"). Likewise, intrastate interexchange carriers ("IXCs") are exempt from this statutory requirement pursuant to Section 364.02(14)(g), Florida Statutes. Though the transfer of a pay telephone service certificate requires Commission approval, ITS requests cancellation of its PATS Certificate (See Paragraph 22, below).

12. In light of these provisions, this Commission's approval should be required only as to the indirect transfer of control of the facilities and operations of ITS Telecommunications Systems, Inc. with respect to its ILEC certificate.

13. In determining whether to approve a transfer pursuant to Section 364.33, Florida Statutes, the Commission has stated that its review of the public interest includes review of the management, technical and financial capability of the companies within the framework of Chapter 364, Florida Statutes.<sup>2</sup>

### MANAGERIAL, TECHNICAL AND FINANCIAL ABILITY

14. ITS has a seasoned management team with many years of experience in the telecommunications industry. Its customer services staff and the local operating staff are also well experienced in their areas of operations. There are no plans to change either the management team or the customer services staff as a result of the proposed transaction. ITS

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<sup>2</sup> See Order No. PSC-06-0531-PAA-TP, Joint Application for Approval of Indirect Transfer of Control of Facilities Relating to Merger of AT&T Inc. and BellSouth Corporation, Docket No. 060308-TP (issued June 23, 2006).

will continue to be managed and operated by the same officers and personnel that currently run their operations. The Applicant will continue to receive the same support from its corporate parent after the closing of the proposed transaction as they do today. Attached hereto as Exhibit "B" is a list of the officers and managers (and the number of years of experience they have in the industry) that will remain in managerial and technical positions with the newly established holding company.

15. ITS has an experienced technical team that it will maintain, as indicated in Exhibit "B" attached hereto. The subject transaction does not affect the technical capabilities of ITS or any of the telecommunications subsidiaries, and ITS will maintain the same technical capabilities it possesses today. All equipment, buildings, systems, software licenses and other assets owned by and used by ITS in the provision of its service will remain with ITS with no change in status or ownership.

16. Following the transfer of control, ITS will continue to own or have arrangements to use all of the necessary network assets and ordering, provisioning, billing and customer care capabilities required to continue to provide excellent quality telecommunications services.

17. Upon transfer of majority organizational control, ITS will be financially capable of fulfilling all of the requirements of a telecommunications utility. This capability will be unaffected by the change in corporate parent. The post-closing parent company of ITS will possess the financial capability to allow ITS to provide high quality communications services to its consumers. Buyer will provide to Staff appropriate financial statements.

18. The post-closing capital structure of ITS will be substantially similar to its pre-closing capital structure. ITS is unaware of any factors that would make its current capital structure and/or equity ratio unreasonable. Nor is ITS aware of any circumstances that would suggest

that IUC's ability to finance ITS is anything but reasonable to maintain its high level of quality telecommunications services.

19. As noted in Paragraphs 2 and 3, above, this transaction will be completely transparent and seamless to ITS's customers.

20. All of the above facts demonstrate that ITS will maintain the requisite managerial, technical and financial capabilities to fully support its operations subsequent to the transfer of majority organizational control. As such, this Commission should find that the requested approval for transfer is within the public interest.

#### REQUEST FOR WAIVER OF CARRIER SELECTION RULES

21. To the extent necessary under Rule 25-4.118, Florida Administrative Code, ITS requests a waiver of such carrier selection requirements or, in the alternative, a determination that Rule 25-4.118 does not apply when a transfer of majority organizational control does not affect the name or structure of the carrier and/or service providers involved. As noted in Paragraphs 2, 3 and 19, this transaction is transparent and seamless to customers, and as such, carrier selection requirements should be waived or ruled inapplicable.

#### CANCELLATION OF CERTIFICATE NO. 7551 FOR PAY TELEPHONE SERVICE

22. Pursuant to Rule 25-24.514(2), ITS requests the voluntary cancellation of its PATS Certificate No. 7551. The regulatory assessment fees are current and none are further due at the time of this Petition. ITS requests this cancellation because it no longer provides any pay telephone services.

#### CONCLUSION

For the foregoing reasons, ITS has demonstrated that the transfer of majority organizational control as a result of the Stock Purchase Agreement, Request for Waiver of

Carrier Selection Rules and voluntary cancellation of ITS's PATS certificate are in the public interest.

Respectfully submitted on this 31st  
day of July, 2008, by:

Rose, Sundstrom & Bentley, LLP  
2180 W. SR-434, Suite 2118  
Longwood, FL 32779  
Telephone: (407) 830-6331  
Facsimile: (407) 830-8522  
[mfriedman@rsbattorneys.com](mailto:mfriedman@rsbattorneys.com)

By:

  
MARTIN S. FRIEDMAN



Exhibit "A"

Stock Purchase Agreement

**STOCK PURCHASE AGREEMENT**

**BETWEEN**

**FIRST POINT REALTY HOLDINGS, LLC**

**AND**

**POSTCO, INC.**

**REGARDING THE SALE OF STOCK OF**

**INDIANTOWN COMPANY, INC.**

**ITS TELECOMMUNICATIONS SYSTEMS, INC.**

**And**

**ARROW COMMUNICATIONS, INC.**

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## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2008, by and between FIRST POINT REALTY HOLDINGS, LLC, a Delaware limited liability company ("Buyer"), and POSTCO, INC., a Florida corporation ("Seller").

### RECITALS

A. Seller owns One Hundred Percent (100%) of the outstanding shares of stock in Indiantown Company, Inc., a Florida corporation ("Indiantown"), ITS Telecommunications Systems, Inc., a Florida corporation ("ITS") and Arrow Communications, Inc., a Florida corporation ("Arrow"), (all jointly referred to as "Subsidiaries")

B. Buyer desires to purchase One Hundred Percent (100%) of the shares of Stock of Subsidiaries from Seller (the "Acquired Stock"), and Seller desires to sell the Acquired Stock, upon the terms and subject to the conditions set forth herein.

C. The parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

### SECTION 1

#### DEFINITIONS

1.1 Definitions. In this Agreement:

1.1.1 "Acquired Stock" shall mean the One Hundred Percent (100%) of the shares of the Stock that Buyer desires to purchase from the Seller for sole ownership of the Subsidiaries.

1.1.2 "Agreement" shall mean this Stock Purchase Agreement.

1.1.3 "Arrow Communications, Inc." shall mean that Florida corporation holding Interexchange Telecommunications Certificate of Public Convenience and Necessity No. 3498, issued by the Florida Public Service Commission.

1.1.4 "Balance Sheet Date" shall mean December 31, 2007.

1.1.5 "Buyer" shall mean First Point Realty Holdings, LLC, a Delaware limited liability company, its successors and/or assigns.

1.1.6 "Buyer's Representative" shall mean David G. King, Jr., in his capacity as the representative of the Buyer.

1.1.7 "Closing" shall mean the consummation of the transactions contemplated by this Agreement.

1.1.8 "Closing Date" shall mean the date upon which the Closing occurs.

1.1.9 "Contracts" shall mean, when described as being those of or applicable to any person or entity, any and all contracts, agreements, franchises, understandings, arrangements, leases, licenses, registrations, authorizations, easements, servitudes, rights of way, mortgages, bonds, notes, guaranties, liens, indebtedness, approvals or other instruments to which the Subsidiaries are a party or to which or by which a subsidiary or the Property of a subsidiary is subject or bound, excluding any Permits.

1.1.10 "Environmental Claim" shall mean any claims, liabilities, investigations, litigation, administrative proceedings, whether pending or threatened, or judgments or orders relating to any Hazardous Substances.

1.1.11 "Environmental Law" shall mean any federal, state, territorial, local or foreign statute, law, rule, regulation, ordinance, code, policy (compliance with which is required by law or if the failure to comply therewith would be reasonably foreseeable to result in adverse administrative action) or rule of common law in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the delivery of public drinking water, the environment or Hazardous Substances.

1.1.12 "Financial Statements" shall mean any or all of the financial statements, including balance sheets and related statements of income and statements of changes in financial position and the accompanying notes thereto, of the Subsidiaries prepared in accordance with generally accepted accounting principles consistently applied, except as may be otherwise provided herein.

1.1.13 "Governmental Authority" shall mean any nation or country, including, but not limited to, the United States, and any commonwealth, territory or possession thereof and any political subdivision or unit of government of any of the foregoing, including, but not limited to, courts, departments, commissions, boards, bureaus, agencies, ministries or other instrumentalities.

1.1.14 "Hazardous Substances" shall mean any and all (i) chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "hazardous air pollutants," "pollutants," "contaminants," "toxic chemicals," "toxics," "hazardous chemicals," "extremely hazardous substances," "regulated substances" or "pesticides" as defined as such in any applicable Environmental Law, (ii) radioactive materials, asbestos-

containing materials, urea formaldehyde foam insulation, and radon in harmful quantities or concentration that are regulated by any Governmental Authority having jurisdiction in the location of such materials, and (iii) other chemical, material or substances, exposure to which is prohibited, limited or regulated by any Governmental Authority having jurisdiction in the location of such substances on the basis of potential hazards.

1.1.15 "Indemnified Party" shall mean, for purposes of Section 14.1.4, a party making a claim for indemnity under Sections 9.2 or 9.3.

1.1.16 "Indemnifying Party" shall mean, for purposes of Section 14.1.4, the party against whom a claim for indemnity is asserted under Sections 9.2 or 9.3.

1.1.17 "Indiantown Company, Inc." shall mean that Florida corporation holding Certificate Numbers 387-W and 331-S issued by the Florida Public Service Commission, authorizing it to provide water and wastewater service in Martin County, Florida, and holder of a Franchise from Martin County for its refuse and roll-off container operations.

1.1.18 "ITS Telecommunications Systems, Inc." shall mean the Florida corporation holding Local Exchange Telecommunications Certificate No. 30, Alternative Local Exchange Telecommunications Certificate No. 4873, Pay Telephone Certificate No. 7551, and IXC Registration Code TK 162, all issued by the Florida Public Service Commission.

1.1.19 "Knowledge" shall mean, with respect to the Seller, the actual knowledge of the shareholder of Postco, Inc., including information furnished by employees of the Seller and the Subsidiaries to such shareholder.

1.1.20 "Legal Requirements" shall mean, when described as being applicable to any person or entity, any and all laws (statutory, judicial or otherwise), ordinances, regulations, judgments, orders, directives, injunctions, writs, decrees or awards of, and any Contracts with, any Governmental Authority, in each case as and to the extent applicable to such person's or entity's business, operations or properties.

1.1.21 "Permits" shall mean any and all permits, legal status, approvals, orders or other authorizations under any Legal Requirement or otherwise granted by any Governmental Authority.

1.1.22 "Permitted Liabilities" shall mean the liabilities of the Subsidiaries reflected in Exhibit "1.1.21" attached hereto.

1.1.23 "Properties" shall mean any and all properties and assets (real, personal or mixed, tangible or intangible) owned or used by the Subsidiaries.

1.1.24 "Purchase Price" shall mean the price that Buyer shall pay to Seller for the Acquired Stock.

1.1.25 "Securities Laws" shall mean applicable federal or state securities laws,

and the rules and regulations promulgated thereunder.

1.1.26 "Seller" shall mean Postco, Inc., a Florida corporation.

1.1.27 "Seller's Representative" shall mean David A. Ralicki, in his capacity as the representative of Seller.

1.1.28 "Tax" or "Taxes" shall mean any foreign, federal, state or local tax assessment or other governmental charge.

1.1.29 "Tax Returns" shall mean all returns and reports, including, without limitation, information and withholding returns and reports.

1.1.30 "Transfer Documents" shall mean a warranty from the Seller as to its shares of Acquired Stock that it is authorized and empowered to transfer such Acquired Stock and that same are free and clear of all liens, security interests, claims, restrictions and encumbrances, duly endorsed in blank for transfer or accompanied by duly executed stock powers in blank or assignments to Buyer in substantially the form attached hereto as Exhibit "3.3.1".

## SECTION 2

### SALE AND PURCHASE OF ACQUIRED STOCK

#### 2.1 Sale and Purchase of Acquired Stock.

2.1.1 The Closing. On the terms and subject to the conditions of this Agreement, at the Closing referred to in Section 3.1 herein, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept delivery of the Acquired Stock, free and clear of any and all liens, mortgages, adverse claims, charges, security interests, encumbrances or other restrictions or limitations except Permitted Liabilities.

2.1.2 Documents. To effect the transfers contemplated in Section 2.1.1, at the Closing, the Seller shall deliver or cause to be delivered to Buyer, against payment therefore in accordance with Section 2.2 hereof, stock certificates representing the Acquired Stock, accompanied by stock powers duly executed in blank and otherwise in form acceptable to Buyer.

2.2 Payment for Acquired Stock. As payment in full for the Acquired Shares, Buyer shall pay the Purchase Price of Eleven Million Dollars (\$11,000,000.00) as provided in this Section. The Purchase Price shall be increased by the amount of "Current Assets" shown on the final audited financial statements of the Subsidiaries as of December 31, 2007, and the Purchase Price shall be decreased by the amount of the "Current Liabilities" shown on the final audited financial statements of the Subsidiaries as of December 31, 2007.

Within forty-eight hours of the signing of this Agreement, Buyer shall pay a deposit in the amount of One Million Dollars (\$1,000,000) (the "Deposit"), which shall be held by the law firm

of Rose, Sundstrom & Bentley, LLP. The Deposit shall be credited to the Purchase Price at Closing. As a condition to Closing, the Deposit and the balance of the Purchase Price shall be paid and payable by Buyer into the trust account of Seller's Representative by wire transfer of immediately available funds in accordance with wiring instructions to be provided to Buyer at least two business days prior to the Closing Date.

2.3 Excluded Assets. Indiantown and ITS currently hold shares of the common stock of the First Bank and Trust Company of Indiantown, and marketable securities in an investment account with A.G. Edwards. The parties acknowledge and agree that the sale of the Subsidiaries specifically excludes (i) the common stock of First Bank and Trust Company of Indiantown held by Indiantown and ITS, and (ii) the investment accounts with A.G. Edwards held by Indiantown and/or ITS (collectively, the "Excluded Assets"). The Buyer acknowledges that the Robert M. Post, Jr. Revocable Trust of 1999 plans to purchase the common stock of First Bank and Trust Company of Indiantown from Indiantown and ITS prior to or at Closing, and distribute the proceeds from such sale to Seller, which shall distribute such sales proceeds to the holders of the common stock of Seller.

### SECTION 3

#### THE CLOSING

3.1 Closing. The Closing shall be held at 11:00 a.m. Eastern Time on or before thirty (30) days after receipt of the Governmental Approvals provided for in Section 8.3 of this Agreement, at a location in Martin County, Florida, or at such other time and location mutually agreed upon by the parties. The Closing shall be deemed completed as of 11:59 p.m. Eastern Time on the night of the Closing Date.

3.2 Deliveries by Buyer. At or prior to Closing, Buyer shall deliver to Seller's Representative:

3.2.1 Purchase Price. For redelivery to Seller, the Purchase Price required to be paid by Buyer at Closing as provided in Section 2.2 herein.

3.2.2 Certificate. A certificate executed by an authorized officer of Buyer, on behalf of Buyer, to the effect that the conditions set forth in Section 8.1.2 have been satisfied.

3.3 Deliveries by Seller. At or prior to the Closing, the Seller shall deliver to Buyer's Representative:

3.3.1 Acquired Stock Certificates. Certificates representing the Acquired Stock, duly endorsed in blank for transfer, or with appropriate stock powers in blank attached [*with Transfer Documents in substantially the form attached hereto as Exhibit "3.3.1"*]

3.3.2 Certificates. Certificates executed by the Seller to the effect that the conditions set forth in Section 8.2.2 have been satisfied.

3.4 Deliveries by the Subsidiaries. At or prior to the Closing, the Subsidiaries shall deliver to Buyer's Representative and Seller's Representative:

3.4.1 Resignations. The resignations of all of the officers and directors of the Subsidiaries.

3.4.2 Certificates. Certificates executed by the Subsidiaries to the effect that the conditions set forth in Section 8.2.2 have been satisfied.

3.5 Termination in Absence of Closing.

3.5.1 Termination by any Party. Unless terminated pursuant to Section 3.5.2, if the Closing has not occurred by the close of business on October 31, 2008, any party hereto may thereafter terminate this Agreement by written notice to the other parties hereto without liability of or to any party to this Agreement or any shareholder, director, officer, employee or representative of such party unless the Closing does not occur as a result of (i) such party's willful breach of the provisions of this Agreement or (ii) the failure of such party to perform its obligations under this Section 3 on the Closing Date even though all of the conditions to such party's obligations set forth in Section 8 have been satisfied or waived in writing by the Closing as provided in Section 3.1; provided, however, that the provisions of Sections 11.3, 12.5 and 12.7 shall survive any termination; provided further, however, that any termination pursuant to this Section 3.5.1 shall not relieve any party hereto who was responsible for Closing having not occurred as described in clauses (i) or (ii) above of any liability for such party's (a) willful breach of the provisions of this Agreement or (b) the failure of such party to perform its obligations under this Section 3 on the Closing Date even though all of the conditions to such party's obligations set forth in Section 8 have been satisfied or waived in writing by the Closing as provided in Section 3.1. This termination date shall be extended if necessary to obtain the Governmental approvals provided for in Section 8.3, in which case such termination date shall be thirty (30) days after receipt of all such Governmental approvals.

3.5.2 Termination by Buyer. Buyer shall have the right to terminate this Agreement without liability of or to any party by so notifying Seller at any time within sixty (60) days after the date first above written if, in Buyer's sole discretion, the due diligence investigation of Buyer reveals any matter that changes in a material manner the terms of this Agreement; provided, however, that the provisions of Sections 11.3, 12.5 and 12.7 shall survive any such termination, otherwise the parties shall have no further liability hereunder. In the event the Buyer elects to terminate this Agreement within this sixty day period, the Deposit shall be refunded to the Buyer. If the Buyer does not elect to terminate this Agreement within this sixty day period, the Deposit shall be non-refundable except in the event of the Seller's breach of this Agreement.



## SECTION 4

### REPRESENTATIONS AND WARRANTIES OF SELLER AND THE SUBSIDIARIES

Seller and the Subsidiaries hereby represent and warrant to Buyer that:

4.1 Corporate Existence and Qualification. Subsidiaries are corporations duly organized, validly existing and in good standing under the laws of the State of Florida. The Subsidiaries have the corporate authority to own, manage, lease and hold their Properties and to carry on their businesses as and where such Properties are presently located and such businesses are presently conducted, and neither the character of the Subsidiaries' Properties nor the nature of the Subsidiaries' businesses require any subsidiary to be duly qualified to do business as a foreign corporation in any jurisdiction other than the State of Florida. The Subsidiaries do not have any subsidiaries, participate in any partnership or joint venture, or own any outstanding capital stock of any other corporation.

4.2 Corporate Documents. The stock and minute books of the Subsidiaries that will be made available to Buyer for review contain a complete and accurate record of all shareholders of the Subsidiaries. The Subsidiaries shall furnish to Buyer true and complete copies of the articles of incorporation and bylaws for the Subsidiaries as currently in effect.

4.3 Capitalization and Ownership. The Stock of each Subsidiary consists solely of 385,100 shares of Common Stock [ \$1.00 par value per share]. The Stock is owned beneficially and of record by the Seller free and clear of any and all liens, mortgages, adverse claims, charges, security interests, encumbrances or other restrictions or limitations whatsoever [unless otherwise disclosed herein]. All of the Stock is duly authorized, validly issued, fully paid and nonassessable and was not issued in violation of (i) any preemptive or other rights of any person or entity to acquire securities of the Subsidiaries or (ii) any Securities Laws. Except as expressly set forth in Exhibit "4.3", there are no outstanding subscriptions, options, convertible securities, rights (preemptive or other), warrants, calls or agreements relating to the Stock of the Subsidiaries.

4.4 No Default or Consents. Except as otherwise set forth in Exhibit "4.4" attached hereto, neither the execution and delivery of this Agreement nor the carrying out of any of the transactions contemplated hereby will (i) violate or conflict with any of the terms, conditions or provisions of the articles of incorporation or bylaws of the Subsidiaries; (ii) violate any *Legal Requirements applicable to the Subsidiaries*; (iii) violate, conflict with, result in a breach of, constitute a default under (whether with or without notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or give any other party the right to terminate, any Contract or Permit applicable to the Subsidiaries; (iv) result in the creation of any lien, charge or other encumbrance on the Stock or Properties of the Subsidiaries; or (v) require the Subsidiaries to obtain any waiver, consent, action, approval or authorization of, or registration, declaration, notice or filing with, any private non-governmental third party.

4.5 No Proceedings. No suit, action or other proceeding is pending or has been threatened before any Governmental Authority seeking (i) to restrain the Subsidiaries or prohibit

their entry into this Agreement or prohibit the Closing, or (ii) damages against Seller or the Subsidiaries or its Properties as a result of the consummation of this Agreement.

4.6 Financial Statements. True and correct copies of the audited Financial Statements of the Subsidiaries for the years ended December 31, 2002, 2003, 2004, 2005 and 2006, the unaudited Financial Statements of the Subsidiaries for the year ended December 31, 2007 (and audited when available), Financial Statements for each month in 2008 as they become available, and said Financial Statements present fairly the financial condition of the Subsidiaries for the dates or periods indicated thereon.

4.7 Liabilities. Except as otherwise provided in Exhibit "4.7" attached hereto, the Subsidiaries do not have any liabilities or obligations, other than the Permitted Liabilities.

4.8 Accounts Receivable. Except as otherwise provided in Exhibit "4.8" attached hereto, the accounts receivable reflected on the December 31, 2007 Balance Sheets included in the Financial Statements of the Subsidiaries and all accounts receivable arising since the Balance Sheet Dates arose from bona fide transactions in the ordinary course of business, and the goods and services involved have been sold, delivered and performed to the account obligors. Except as otherwise provided in Exhibit "4.8" attached hereto, no such account has been assigned or pledged to any person, firm or corporation, and no defense or set-off to any such account has been asserted by the account obligor or exists.

4.9 Compliance with Laws. Except as otherwise provided in Exhibit "4.9" attached hereto, the Subsidiaries are and have been in compliance in all respects with any and all Legal Requirements applicable to them, other than failures to so comply that would not have a material adverse effect on the businesses, operations, prospects, Properties, securities or financial conditions of the Subsidiaries. Except as otherwise provided in Exhibit "4.9" attached hereto, the Subsidiaries have not received or entered into any citations, complaints, consent orders, compliance schedules or other similar enforcement orders or received any written notice from any Governmental Authority or any other written notice that would indicate that there is not currently compliance with all such Legal Requirements, except for failures to so comply that would not have a material adverse effect on the businesses, operations, prospects, Properties, securities or financial conditions of the Subsidiaries.

4.10 Litigation; Default. Except as otherwise provided in Exhibit "4.10" attached hereto, there are no claims, actions, suits, investigations or proceedings against the Subsidiaries pending or threatened in any court or before or by any Governmental Authority, or before any arbitrator, that will have a material adverse effect (whether covered by insurance or not) on the businesses, operations, prospects, Properties, securities or financial conditions of Seller and the Subsidiaries. Except as otherwise provided in Exhibit "4.10" attached hereto, the Subsidiaries are not in default under, and no condition exists (whether covered by insurance or not) that would (i) constitute a default under, or breach or violation of, any Legal Requirement, Permit or Contract applicable to the Subsidiaries, or (ii) accelerate or permit the acceleration of the performance required under, or give any other party the right to terminate, any Contract applicable to the Subsidiaries, other than defaults, breaches, violations or accelerations that would not have an adverse effect on the business, operations, prospects, Properties, securities or financial condition

of the Subsidiaries.

4.11 Ownership of Properties. Except as otherwise provided in Exhibit "4.11" attached hereto, the Subsidiaries have, and will have as of the Closing Date, legal and beneficial ownership of the Properties, free and clear of any and all liens, mortgages, pledges, adverse claims, encumbrances or other restrictions or limitations whatsoever.

4.12 Insurance. A complete and correct list of all insurance policies and effective dates presently in effect that relate to the Subsidiaries or their Properties is attached hereto as Exhibit "4.12".

4.13 Permits. Except as otherwise provided in Exhibit "4.13" attached hereto, the Subsidiaries have all Permits necessary for the Subsidiaries to own, operate, use and/or maintain their Properties and to conduct their businesses as presently conducted and as expected to be conducted in the future. Except as otherwise provided in Exhibit "4.13" attached hereto, all such Permits are in effect, no proceeding is pending or threatened to modify, suspend or revoke, withdraw, terminate or otherwise limit any such Permits, and no administrative or governmental actions have been taken or threatened in connection with the expiration or renewal of such Permits that could adversely affect the ability of the Subsidiaries to own, operate, use or maintain any of their Properties or to conduct their businesses as presently conducted and as expected to be conducted in the future. Except as otherwise provided in Exhibit "4.13" attached hereto, (i) no violations have occurred that remain uncured, unwaived or otherwise unresolved, or are occurring in respect to any such Permits, and (ii) no circumstances exist that would prevent or delay the obtaining of any requisite consent, approval, waiver or other authorization of the transactions contemplated hereby with respect to such Permits that by their terms or under applicable law may be obtained only after Closing.

4.14 Environmental Matters. To the knowledge of Seller, except as otherwise provided in Exhibit "4.14" attached hereto, there are no Environmental Claims asserted or threatened against the Subsidiaries or relating to any Properties of the Subsidiaries. Neither the Subsidiaries nor any prior owner, lessee or operator of said Properties has caused or permitted Hazardous Substances to be used, generated, reclaimed, transported, released, treated, stored or disposed of in a manner that could form the basis for an Environmental Claim against the Subsidiaries. Except as otherwise provided in Exhibit "4.14" attached hereto, the Subsidiaries have not assumed any liability of any person or entity for cleanup, compliance or required capital expenditures in connection with any Environmental Claim. Except as otherwise provided in Exhibit "4.14" attached hereto, no Hazardous Substances are or were stored or otherwise located, and no underground storage tanks or surface impoundments are or were located, on the Properties owned, leased or used by the Subsidiaries or on adjacent parcels of real property, and no such part of such real property or any part of such adjacent parcels of real property, including the groundwater located thereon, is presently contaminated by Hazardous Substances.

SECTION 5  
REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller hereby represents and warrants to Buyer that:

5.1 Authority, Approval and Enforceability. Seller has all requisite corporate power and authority to enter into this Agreement and all other documents to be entered into by Seller in connection with the consummation of the transactions contemplated hereby and to perform its obligations hereunder and thereunder. Seller has all requisite authority and capacity to enter into this Agreement and all other documents to be entered into by Seller in connection with the consummation of the transactions contemplated hereby. *This Agreement and all other documents entered into by Seller in connection with the consummation of the transactions contemplated hereby have been duly authorized, executed and delivered on behalf of Seller and, assuming due authorization, execution and delivery by Buyer, constitutes a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except that (i) such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and (ii) the remedy of specific performance and injunction and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.*

5.2 Articles of Incorporation and Bylaws. The performance of this Agreement in accordance with its terms will not violate the articles of incorporation or bylaws of the Seller.

5.3 No Misleading Statement; Full Disclosure. To the knowledge of the Seller, the representations and warranties of the Seller contained in this Agreement and all other documents and information furnished to Buyer and its representatives in connection with the transaction contemplated by this Agreement do not and will not include any untrue statement of material fact and do not omit to state any material fact necessary to make the statements made not misleading. *There is no fact known to Seller or within the knowledge of Seller that materially or adversely affects, or in the future would materially and adversely affect the business, operations, cash flow, affairs, prospects, properties or assets or the condition (financial or otherwise) of the Subsidiaries that has not been disclosed in this Agreement, or in the documents, instruments, agreements, papers or other written statements or certificates furnished to Buyer for use in connection with this Agreement and the transactions contemplated hereby. No representation, warranty or covenant of Seller contained in this Agreement, or any other written statement or certificate delivered by Seller's signatories hereto pursuant to this Agreement or in connection with the transactions contemplated herein, contains or will contain any untrue statement of material fact or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. Any intermediary involved in this transaction shall be compensated by Seller.*

SECTION 6  
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller that:

6.1 Corporate Existence and Qualification. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the corporate authority to own, manage, lease and hold its properties and to carry on its business as and where such properties are presently located and such business is presently conducted. Buyer is duly qualified to do business and is in good standing as a foreign limited liability company in each of the jurisdictions where the character of its properties or the nature of its business requires it to be so qualified.

6.2 Authority, Approval and Enforceability. This Agreement has been duly executed and delivered by Buyer, and Buyer has all requisite power and legal capacity to execute this Agreement and all other documents to be entered into by Buyer in connection with the consummation of the transactions contemplated hereby and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and all other documents entered into by Buyer in connection with the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by all corporate action necessary on behalf of Buyer. This Agreement and all other documents to which Buyer is a party constitutes or, upon execution and delivery, will constitute the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, except that such enforcement may be limited by general equitable principles or by applicable bankruptcy, insolvency, moratorium or similar laws and judicial decisions from time to time in effect that affect creditors' rights generally.

6.3 No Defaults or Consents. Except as otherwise provided in Exhibit "6.3" attached hereto, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein (i) violate or conflict with any of the terms, conditions or provisions of Buyer's articles of incorporation or bylaws, (ii) violate any Legal Requirements applicable to Buyer, (iii) violate, conflict with, result in a breach of, constitute a default under (whether with or without notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or give any other party the right to terminate, any contract or Permit applicable to Buyer, or (iv) result in the creation of any lien, charge or other encumbrance on the shares of capital stock or any property of Buyer.

6.4 Availability of Funds. Buyer has available and will have available on the Closing Date sufficient funds to pay the Purchase Price and otherwise enable it to consummate the transactions contemplated by this Agreement and all other documents to be entered into by Buyer in connection with the consummation of the transactions contemplated hereby and to perform its obligations hereunder and thereunder.

6.5 No Proceedings. No suit, action or other proceeding is pending or, to Buyer's knowledge, threatened before any Governmental Authority seeking to restrain Buyer or prohibit its execution of this Agreement or prohibit the Closing, or seeking damages against Buyer or its properties as a result of the consummation of this Agreement or any other documents to be entered into by Buyer in connection with the consummation of the transactions contemplated hereby.

6.6 Purchase for Investment Purposes. Buyer acknowledges that the Acquired Stock has not been registered or otherwise qualified under any applicable Securities Laws, including

the Securities Act of 1933, as amended, or qualified or registered under any state securities law. Buyer is purchasing the Acquired Stock for its own account and not as a nominee or agent for any individual or other entity and not with a view to sell or otherwise distribute the Acquired Stock.

## SECTION 7

### OBLIGATIONS PRIOR TO CLOSING

From the date of this Agreement through the Closing:

7.1 Buyer's Access to Information and Properties. During normal business hours, the Subsidiaries shall permit Buyer and its authorized employees, agents, accountants, legal counsel and other representatives to have reasonable access to the books, records, employees, counsel, accountants, engineers and other representatives of the Subsidiaries at all times reasonably requested by Buyer for the purpose of conducting an investigation of the Subsidiaries' financial condition, corporate status, operations, prospects, business and Properties. The Subsidiaries shall make available to Buyer for examination and reproduction all documents and data of every kind and character relating to the Subsidiaries in possession or control of, or subject to reasonable access by the Subsidiaries and the Seller including, without limitation, all files, records, data and information relating to the Properties (whether stored in paper, magnetic or other storage media) and all agreements, instruments, contracts, assignments, certificates, orders and amendments thereto. During normal business hours, the Subsidiaries shall allow Buyer reasonable access to, and the right to inspect, the Properties.

7.2 The Subsidiaries' Conduct of Business and Operations. The Subsidiaries shall keep Buyer advised as to all material operations and proposed material operations relating to the Subsidiaries. Except as to distributions or sales of Excluded Assets, and distributions of proceeds of the sales of Excluded Assets, the Subsidiaries shall (i) conduct their business in the ordinary course including, but not limited to, completing improvements to the wastewater treatment plant to produce reuse quality water and procure telephone switching and router equipment (provided however, that the Seller's net proceeds shall not be affected by cash or increased indebtedness used to procure telephone switching and router equipment), (ii) use reasonable efforts to keep available the services of present employees, (iii) carry on its business diligently and in substantially the same manner as has been carried on prior to this Agreement, (iv) pay or cause to be paid all costs and expenses including, but not limited to, insurance premiums, incurred in connection therewith in a manner consistent with past practice, (v) use reasonable efforts to keep all Contracts listed or required to be listed in Exhibit "\_\_\_" in full force and effect, (vi) comply with all covenants contained in all such material Contracts, (vii) maintain in full force until the Closing Date insurance policies substantially equivalent to those in effect on the date hereof, and (viii) comply in all material respects with all applicable Legal Requirements.

7.3 New Transactions. Between the date of this Agreement and the Closing, the Subsidiaries will not (i) enter into any legally binding contract, commitment or transaction not in the usual or ordinary course of business without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed more than five (5) days; (ii) waive or

compromise any right or claim, or cancel, without full payment, any note, loan or other such obligation without first informing Buyer, (iii) modify, amend, cancel or terminate any of its significant and material Contracts without promptly notifying Buyer, (iv) engage in any activities or transactions material to its business outside the ordinary course of business, or (v) enter into any transaction or make any commitment that could result in any of the representations, warranties or covenants of the Subsidiaries or the Seller contained in this Agreement not being true and correct after the occurrence of such transaction or event.

7.4 Notice Regarding Changes. The Subsidiaries and Seller shall promptly inform Buyer, in writing, of any material change in facts and circumstances that could render any of the representations and warranties made herein by Seller or the Subsidiaries inaccurate or misleading if such representations or warranties had been made upon the occurrence of the fact or circumstance in question.

7.5 Ensure Conditions Met. Seller and the Subsidiaries shall use reasonable efforts to cause the conditions to Buyer's obligations at Closing to be satisfied on or before the Closing Date.

## SECTION 8

### CONDITIONS TO SELLER'S AND BUYER'S OBLIGATIONS

8.1 Conditions to Obligations of Seller. The obligations of the Seller to carry out the transactions contemplated by this Agreement are subject, at the option of Seller, to the satisfaction or waiver by Seller of the following conditions:

8.1.1 Necessary Corporate Action. Buyer shall have furnished Seller with a certified copy of all necessary corporate action on its behalf approving its execution, delivery and performance of this Agreement.

8.1.2 Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing as if such representation and warranties were made at and as of the Closing, except for changes contemplated by the terms of this Agreement, and Buyer shall have performed and satisfied in all material respects all covenants and agreements required by this Agreement to be performed and satisfied by Buyer at or prior to the Closing.

8.1.3 No Proceedings. As of the Closing Date, no suit, action or other proceeding (excluding any such matter initiated by or on behalf of the Subsidiaries or the Seller) shall be pending or threatened before any Governmental Authority seeking to restrain Seller or the Subsidiaries or prohibit the Closing or seeking damages against Seller or the Subsidiaries as a result of the consummation of this Agreement.

8.1.4 Opinion of Counsel. Seller shall have received the opinion of Rose, Sundstrom & Bentley, LLP, counsel to Buyer, dated as of the Closing Date, in form and substance reasonably satisfactory to Seller, to the effect of Sections 6.1 through 6.6. In rendering

such opinion, Rose, Sundstrom & Bentley, LLP may rely as to factual matters on certificates of officers and directors of Buyer and on certificates of governmental officials.

8.2 Conditions to Obligations of Buyer. The obligations of Buyer to carry out the transactions contemplated by this Agreement are subject, at the option of Buyer, to the satisfaction or waiver by Buyer of the following conditions:

8.2.1 Necessary Corporate Action. Seller shall have furnished Buyer with a certified copy of all necessary judicial action approving the execution, delivery and performance of this Agreement.

8.2.2 Representations and Warranties. All representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing as if such representation and warranties were made at and as of the Closing, except for changes contemplated by the terms of this Agreement, and the Seller shall have performed and satisfied in all material respects all covenants and agreements required by this Agreement to be performed and satisfied by it at or prior to the Closing.

8.2.3 No Proceedings. As of the Closing Date, no suit, action or other proceeding (excluding any such matter initiated by or on behalf of the Subsidiaries or the Seller) shall be pending or threatened before any Governmental Authority seeking to restrain Seller and the Subsidiaries or prohibit the Closing or seeking damages against Seller or the Subsidiaries as a result of the consummation of this Agreement.

8.2.4 Opinion of Counsel for Seller. Buyer shall have received the opinion of McCarthy, Summers, Bobko, Wood, Sawyer & Perry, P.A., counsel to Seller, dated as of the Closing Date, addressed to Buyer and in form and substance reasonably satisfactory to Buyer, to the effect of Sections 5.1 through 5.3. In rendering such opinion, McCarthy, Summers, Bobko, Wood, Sawyer & Perry, P.A., may rely as to factual matters on certificates of officers and/or directors of the Subsidiaries and of Seller and on certificates of governmental officials.

8.2.5 Opinion of Counsel for the Subsidiaries. Buyer shall have received the opinion of McCarthy, Summers, Bobko, Wood, Sawyer & Perry, P.A., counsel to the Subsidiaries, dated as of the Closing Date, addressed to Buyer and in form and substance reasonably satisfactory to Buyer, to the effect of Sections 4.1 through 4.14. In rendering such opinion, McCarthy, Summers, Bobko, Wood, Sawyer & Perry, P.A., may rely as to factual matters on certificates of officers, directors and shareholders of Seller and the Subsidiaries and on certificates of governmental officials.

8.2.6 Financial Matters. Except as to matters disclosed to and consented to by Buyer, since the Balance Sheet Dates and up to and including the Closing there shall not have been any (i) change in the business, operations, prospects or financial condition of the Subsidiaries that has had a material adverse effect on their businesses, operations, prospects, Properties, securities or financial condition, or (ii) damage, destruction or loss to the Subsidiaries (whether or not covered by insurance) that has had a material adverse effect on their businesses, operations, prospects, Properties, securities or financial condition.



8.2.7 Due Diligence. Buyer shall have completed its due diligence investigation, and the results thereof shall not have revealed that any representations of the Subsidiaries or Seller set forth herein are untrue or incorrect in any material respect or otherwise be reasonably unsatisfactory to Buyer. This condition shall expire, and become null and void, unless Buyer notifies Seller of its intent to terminate this Agreement in accordance with Section 3.5.2.

8.3 Governmental Approvals. The operations of the Subsidiaries are subject to the regulatory jurisdiction of various governmental entities. Indiantown's water and wastewater systems are subject to the jurisdiction of the Florida Public Service Commission and approval of a transfer is required pursuant to Section 367.071, Florida Statutes. Indiantown's refuse and roll-off container operations are subject to the jurisdiction of Martin County and approval of a transfer is required pursuant to its Franchise Agreement. ITS Telecommunications Systems, Inc., and Arrow Communications, Inc., are both subject to the jurisdiction of the Florida Public Service Commission and approval of a transfer is required pursuant to Section 364.345, Florida Statutes. Within thirty (30) days of execution of this Agreement, Seller shall cause to be filed the appropriate applications for approval of the transfers contemplated herein. Closing shall be contingent upon such regulatory approvals.

## SECTION 9

### POST-CLOSING OBLIGATIONS

9.1 Further Assurances. Following the Closing, Seller and Buyer shall execute and deliver such documents and take such other action as shall be reasonably requested by any other party hereto to carry out the transactions contemplated by this Agreement.

9.2 Post-Closing Indemnity by Seller. Subject to the provisions of Section 14.1, from and after the Closing, Seller shall indemnify and hold harmless Buyer from and against any and all damages arising out of, resulting from or in any way related to a breach of, or the failure to perform or satisfy, any of the representations, warranties, covenants and agreements made by the indemnifying Seller in this Agreement or in any document or certificate delivered by such Seller at the Closing pursuant hereto.

9.3 Post-Closing Indemnity by Buyer. From and after the Closing, Buyer shall indemnify and hold harmless Seller from and against any and all damages arising out of, resulting from or in any way related to the failure by Buyer to satisfy the Permitted Liabilities, as and when such Permitted Liabilities become due.

9.4 Conflict Waiver. Seller hereby waives any conflict arising out of Buyer retaining any of Seller or Subsidiaries' professionals, such as engineers, accountants or attorneys.

## SECTION 10

### TAX MATTERS

10.1 Representations and Obligations Regarding Taxes. Seller and the Subsidiaries represent and warrant to Buyer as follows:

10.1.1 Tax Returns. All Tax Returns of or relating to any Taxes that are required to be filed on or before the Closing Date by or with respect to the income, business, operations or Properties of the Subsidiaries have been duly and timely filed, and all items of income, gain, loss, deduction and credit or other items required to be included in such Tax Returns have been so included therein. All information provided in such Tax Returns is true, correct and complete, and all Taxes that have become due with respect to the taxable years covered by such Tax Returns have been timely paid in full. No penalty, interest or other charge is or will become due with respect to the late filing of any such Tax Return or late payment of any such Tax, and all withholding Tax requirements imposed on the Utility for all taxable periods through the close of business on the Closing Date have been satisfied in full in all respects.

10.1.2 Proposed Assessments and Audits. There is no claim against the Subsidiaries with respect to any Taxes and no assessment, deficiency or adjustment has been asserted or proposed with respect to any Tax Return of or with respect to the Subsidiaries. The Subsidiaries are not being audited by any taxing authority and have not received any notice from any taxing authority that an audit is threatened or pending.

10.1.3 Extension of Time. There is not in force any extension of time with respect to the date on which any Tax Return of or with respect to the Subsidiaries is due to be or has been filed, or any waivers or agreements by or with respect to the Subsidiaries of or for any extension of time for the assessment or payment of any Tax.

10.2 Indemnification for Taxes. Subject to Section 14.1, the Seller indemnifies Buyer against, and agrees to protect, save and hold harmless Buyer from, any and all claims, damages, deficiencies, losses (including Taxes, interest and penalties) and all expenses, including attorneys' and accountants' fees and disbursements resulting from (i) a claim by any taxing authority for any Taxes of the Subsidiaries allocable to any period ending on or prior to the Closing Date, except to the extent reserved as a liability in the Subsidiaries' Financial Statements (ii) a claim by any taxing authority for any Taxes arising from or occasioned by the sale of the Subsidiaries capital stock pursuant to this Agreement, or (iii) any misrepresentation or breach of any representation, warranty or obligation set forth in this Section 10.

10.3 Regulatory Matters. The above representations and obligations as to tax matters shall also be applicable to the reports required to be filed and fees required to be paid to other Governmental Authorities by Seller and Subsidiaries.

## SECTION 11

### ENFORCEMENT OF AGREEMENT/REMEDIES

11.1 Procedure and Remedy for Breach. If a party breaches this Agreement, the other party shall notify the breaching party of such breach by delivering notice to the breaching party as set forth in this Agreement. Such notice shall identify the breach complained of and request that the breaching party cease and desist from continuing such breach and, if applicable, that the breaching party cure such breach. If the breaching party fails to acknowledge, cease and desist from continuing the activities alleged to be a breach or, if applicable, fails to cure such breach within thirty (30) calendar days after delivery of the written notice, the other party may institute an action to enjoin the breaching party from continuing such breach of this Agreement and shall be entitled to injunctive or other equitable relief without the showing of irreparable harm. The parties hereto stipulate that proof of a breach of this Agreement shall be sufficient for a court of competent jurisdiction to (i) enter an injunction prohibiting the breaching party from continuing such breach of this Agreement, (ii) require a cure of such breach, and (iii) award such other relief as is necessary and consistent to carry out the intent and purpose of this Agreement. In no case shall either party be required to post a bond to secure the injunctive or other equitable relief envisioned herein.

11.2 Rights Cumulative Not Exclusive; Successors and Assigns. The rights of Seller and Buyer as stated throughout this Agreement shall be considered cumulative and no remedy shall be deemed exclusive and such rights shall inure to the benefit of any subsequent successor or assignee of this Agreement.

11.3 Recovery of Litigation Costs. In the event any suit or other legal proceeding is brought for the enforcement of any of the provisions of this Agreement, the parties hereto agree that the prevailing party or parties shall be entitled to recover from the other party or parties upon final judgment on the merits reasonable attorney's fees, including attorney's fees for any appeal, and costs incurred in bringing such action or proceeding.

## SECTION 12

### MISCELLANEOUS

#### 12.1 Limitations on Liability.

12.1.1 Representations and Warranties. The representations, warranties, agreements and indemnities of Seller set forth in this Agreement or in connection with the transactions contemplated hereby shall survive the Closing except as expressly provided in Sections 14.1.2 and 14.1.3.

12.1.2 Procedures for Indemnity Claims. All claims by an Indemnified Party under Sections 9.2 and 9.3 hereof shall be asserted and resolved in accordance with the following provisions. If any claim or demand for which an Indemnifying Party would be liable to an Indemnified Party is asserted against or sought to be collected from such Indemnified Party

would be liable to an Indemnified Party is asserted against or sought to be collected for such Indemnified Party by such third party, said Indemnified Party shall with reasonable promptness notify in writing the Indemnifying Party of such claim or demand stating with reasonable specificity the circumstances of the Indemnified Party's claim for indemnification. After receipt by the Indemnifying Party of such notice, the Indemnifying Party shall, upon the request of the Indemnified Party, defend, manage and conduct any proceedings, negotiations or communications involving any claimant whose claim is the subject of the Indemnified Party's notice to the Indemnifying Party as set forth above, and shall take all actions necessary, including, but not limited to, the posting of such bond or other security as may be required by any Governmental Authority, so as to enable the claim to be defended against or resolved without expense or other action by the Indemnified Party. Upon request of the Indemnifying Party, the Indemnified Party shall, to the extent it may legally do so and to the extent that it is compensated in advance by the Indemnifying Party for any costs and expense thereby incurred, (i) take such action as the Indemnifying Party may reasonably request in connection with such action, (ii) allow the Indemnifying Party to dispute such action in the name of the Indemnified Party and to conduct a defense to such action on behalf of the Indemnified Party, and (iii) render to the Indemnifying Party all such assistance as the Indemnifying Party may reasonably request in connection with such dispute and defense.

12.2 Risk of Loss. Prior to the Closing, the risk of loss of damage to, or destruction of, any and all of the Subsidiaries' assets including, without limitation, the Properties, shall remain with Seller and the Subsidiaries. The risk of loss shall be with Buyer at and subsequent to Closing.

12.3 Entire Agreement; Amendments and Waivers. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between and among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as set forth specifically herein. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

12.4 In Pari Materia. It is agreed by and between the parties hereto that all words, terms and conditions herein contained are to be read in concert, each with the other, and that a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

12.5 Closing Fees and Expenses. Each party shall be responsible for its legal, accounting and other professional fees and costs that it incurs in connection with the preparation, execution and closing of this Agreement. The parties hereto recognize and understand that such fees and costs will be incurred, and all statements for services rendered prior to the Closing hereof shall be satisfied by the appropriate party prior to or within five (5) business days of Closing.

12.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12.7 Governing Law. The provisions of this Agreement and the documents delivered pursuant hereto shall be governed by and construed and enforced in accordance with the rules, regulations and policies of the Florida Public Service Commission and the laws of Martin County and the State of Florida. Each party hereto irrevocably submits to the jurisdiction of the applicable court of the State of Florida, Martin County, in any action or proceeding arising out of or relating to this Agreement, and each party hereby irrevocably agrees that all claims in respect of any such action or proceeding must be brought and/or defended in such court; provided, however, that matters that are under the exclusive jurisdiction of the federal courts shall be brought in such applicable court of the State of Florida, Martin County. Each party hereto consents to service of process by any means authorized by the applicable law of the forum in any action brought under or arising out of this Agreement, and each party irrevocably waives, to the fullest extent each may effectively do so, the defense of an inconvenience forum to the maintenance of such action or proceeding in any such court.

12.8 Notice. Any notice, request, instruction, correspondence or other document to be given hereunder by any party hereto to another shall be in writing and delivered in person, by courier service requiring acknowledgment of delivery or mailed by certified mail, postage prepaid and return receipt requested, or by telecopier, as follows:

Buyer: FIRST POINT REALTY HOLDINGS, LLC  
230 Park Avenue, Suite 955  
New York, NY 10169  
ATTN: David G. King, Jr.

With a copy to: Rose, Sundstrom & Bentley, LLP  
2180 W. State Road 434, Suite 2118  
Longwood, FL 32779  
ATTN: Martin S. Friedman, Esquire

Seller: POSTCO, INC.  
c/o Ralicki & Company, CPA  
1541 S.E. Palm Court  
Stuart, Florida 34994  
ATTN: David A. Ralicki

With a copy to: McCarthy, Summers, Bobko, Wood,  
Sawyer & Perry, P.A.  
2400 South Federal Highway, Fourth Floor  
Stuart, Florida 34994  
ATTN: Kenneth A. Norman

Subsidiaries: INDIANTOWN COMPANY, INC.  
ITS TELECOMMUNICATIONS SYSTEMS, INC.  
c/o Ralicki & Company, CPA  
1541 S.E. Palm Court  
Stuart, Florida 34994  
ATTN: David A. Ralicki

ARROW COMMUNICATIONS, INC.  
c/o Ralicki & Company, CPA  
1541 S.E. Palm Court  
Stuart, Florida 34994  
ATTN: David A. Ralicki

Notice given by personal delivery or courier service shall be effective upon actual receipt. Notice given by mail shall be effective five days after deposit with the United States postal service. Notice given by telecopier shall be effective upon confirmation if received during the recipient's normal business hours, or at the beginning of the recipient's next normal business day after receipt if received after the recipient's normal business hours. All notices by telecopier shall be confirmed by the sender promptly after transmission by registered mail or personal delivery. Any party may change any address to which notice is to be given by providing notice as provided above.

12.9 Further Assurances. The parties hereto shall execute and deliver, whether on or after the Closing Date, without additional consideration or expense to the other party such additional documents and shall take such further actions as are reasonably necessary to consummate the transactions contemplated hereby.

12.10 Severability. If any one or more of the provisions of this Agreement or in any other document delivered pursuant hereto 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 provisions of this Agreement or any other such document.

12.11 Headings and Exhibits. The headings of the several Sections herein are inserted for convenience of reference only and are not intended to be a part of or affect the meaning or interpretation of this Agreement. The Exhibits referred to herein are attached hereto and incorporated herein by this reference. Disclosure of a specific item in any one Exhibit shall be deemed restricted only to the Section to which such disclosure specifically relates except where (i) there is an explicit cross-reference to another Exhibit, and (ii) Buyer could reasonably be expected to ascertain the scope of the modification to a representation intended by such cross-reference. For a period of fifteen (15) days after the execution hereof, the Exhibit referenced herein may be added to and amended by Seller with the same effect as if such amendments had been attached hereto at the time of execution hereof.

12.12 References. Whenever required by the context, and as used in this Agreement, the singular number shall include the plural and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identification may require.

References to monetary amounts, specific named statutes and generally accepted accounting principles are intended to be and shall be construed as references to the United States dollars, statutes of the United States of the stated name and United States generally accepted accounting principles, respectively, unless the context otherwise requires.


12.13 Binding Effect; Assignment; Third Parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns, but neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any party hereto without the prior written consent of the other party. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity other than the parties hereto and their respective permitted successors and assigns, any liabilities, duties, rights, benefits or obligations hereunder.


12.14 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

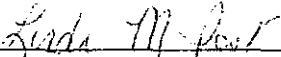
12.15 Brokers. Except for Elliot Paul & Company and Hartmann Real Estate (collectively referred to as the "**Broker**"), Seller and Purchaser warrant and represent to each other that no broker or other person expecting or due a fee or commission related to the transaction herein contemplated was involved in this Agreement. Seller shall be solely responsible for all fees and commissions due to the Broker pursuant to a separate agreement, and Seller hereby represents that Purchaser shall have no liability arising out of or related to commissions and fees due to Broker. Purchaser and Seller shall indemnify each other and hold each other harmless from any loss in the event that the above representations are untrue. These warranties and representations shall survive delivery of the Deed and Closing of this transaction.

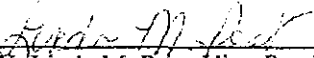
[SIGNATURES CONTAINED ON PAGE 23 HEREOF.]

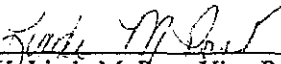
IN WITNESS WHEREOF, this Stock Purchase Agreement has been duly executed by the parties hereto as of the date first above written.

BUYER: FIRST POINT REALTY HOLDINGS, LLC  
  
BY: David G. King, Jr., CEO

SELLER: POSTCO, INC.  
  
BY: Linda M. Post, President

SUBSIDIARIES: ITS TELECOMMUNICATIONS, INC.  
  
BY: Linda M. Post, Vice-President

INDIANTOWN COMPANY, INC.  
  
BY: Linda M. Post, Vice-President

ARROW COMMUNICATIONS, INC.  
  
BY: Linda M. Post, Vice-President



**Exhibit 4.10**  
**Litigation Matters**

There is pending in the Circuit Court of Palm Beach County, Florida certain litigation styled as National Investors Fund, Inc. and South Flora Land Development Corp. v. Linda M. Post, Personal Representative of the Estate of Robert M. Post, Jr., deceased, Robert M. Post, Jr., LLC, Indiantown Company, Inc. and Jeffrey Leslie, Case No. 2008 CA 2149. The allegations in the litigation include, among other things, that Robert M. Post, Jr. violated his fiduciary duties in acquiring title to certain real property and in other actions. Indiantown Company, Inc. is vigorously defending the claims made in this litigation.

**ADDENDUM STOCK PURCHASE AGREEMENT**

THIS ADDENDUM is made this 2 day of June, 2008, to the Stock Purchase Agreement between FIRST POINT REALTY HOLDINGS, LLC, and POSTCO, INC., entered into simultaneously herewith for the purpose of amending Section 3.5.2 to provide for a ninety (90) day due diligence period in lieu of the sixty (60) days provided for in the Stock Purchase Agreement.

IN WITNESS WHEREOF, this Addendum to Stock Purchase Agreement has been duly executed by the parties hereto as of the date first above written.

BUYER: FIRST POINT REALTY HOLDINGS, LLC  
David G. King  
BY: David G. King, Jr., CEO

SELLER: POSTCO, INC.  
Linda M. Post  
BY: Linda M. Post, President

SUBSIDIARIES: ITS TELECOMMUNICATIONS, INC.  
Linda M. Post  
BY: Linda M. Post, Vice-President

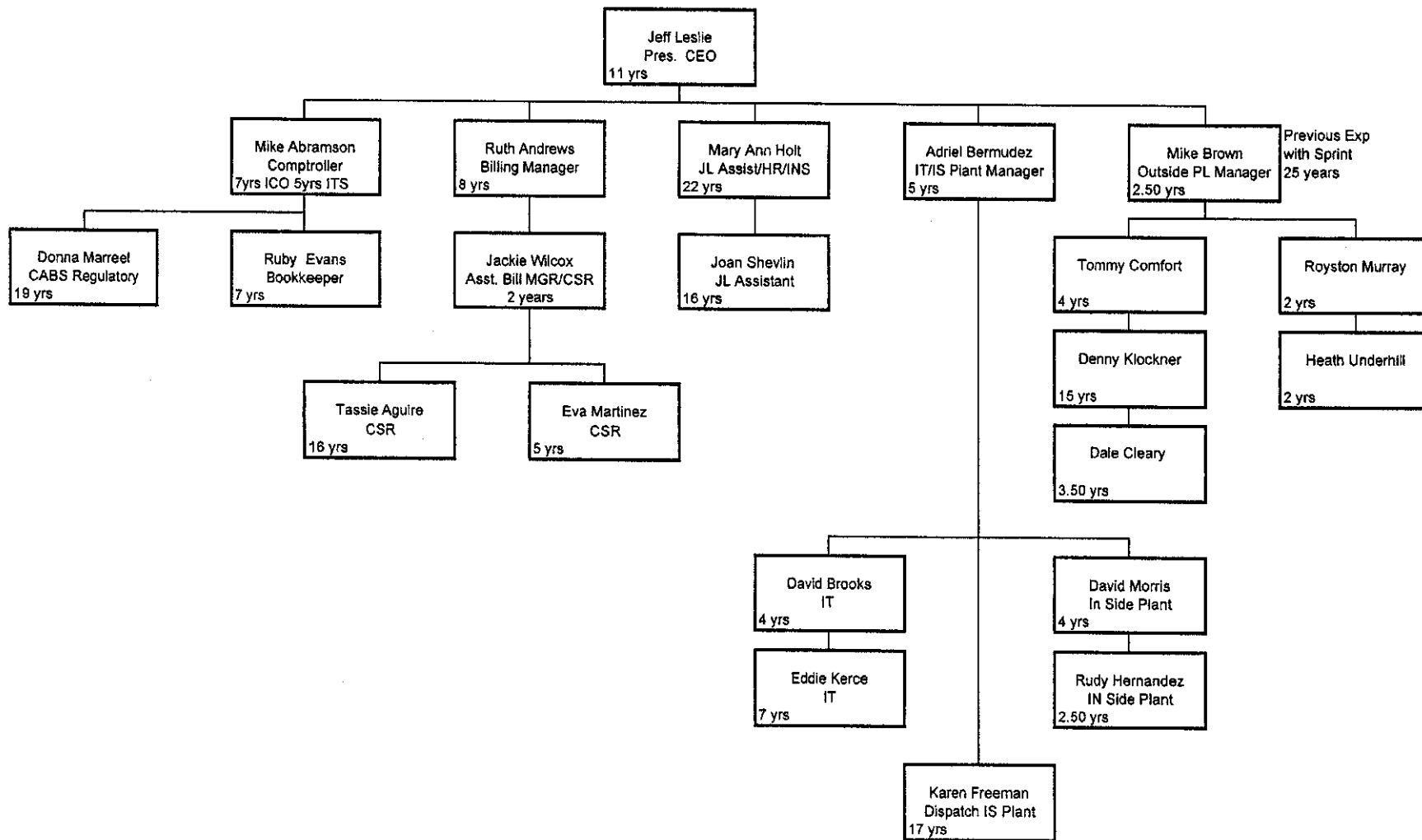
INDIANTOWN COMPANY, INC.  
Linda M. Post  
BY: Linda M. Post, Vice-President

ARROW COMMUNICATIONS, INC.  
Linda M. Post  
BY: Linda M. Post, Vice-President

**Exhibit "B"**

**Officers and Managers to Remain with  
ITS Telecommunications Systems, Inc.**

**ITS TELECOM  
ORGANIZATION CHART**



AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared TRINA L. COLLINS, who, after being duly sworn on oath, did depose on oath and say that she is the secretary to Martin S. Friedman, Esquire, attorney for ITS Telecommunications Systems, Inc., and that on the 17<sup>th</sup> day of July, 2008, she did send by regular U.S. mail, a copy of the notice attached hereto to each of the affected governmental bodies, Office of Public Counsel, and the Public Service Commission.


FURTHER AFFIANT SAYETH NAUGHT.

  
TRINA L. COLLINS

Sworn to and subscribed before me this 31<sup>st</sup> day of July, 2008, by Trina L. Collins, who is personally known to me.



**D. Michele Parks**  
Commission # DD580151  
Expires September 24, 2010  
Bonded Troy Felt - Insurance, Inc. 800-395-7019

  
NOTARY PUBLIC - STATE OF FLORIDA  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

LAW OFFICES  
ROSE, SUNDSTROM & BENTLEY, LLP  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ANSCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
F. MARSHALL DEFENDING  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER  
STEVEN T. MINDEN, P.A.  
CHRISTY H. O'STEEN  
DAREN L. SHIPPY  
WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON  
ROBERT M. C. ROSE (1924-2006)

(850) 877-6555  
FAX (850) 656-1029  
www.rsballoorneys.com

REPLY TO CENTRAL FLORIDA OFFICE

CENTRAL FLORIDA OFFICE  
SANLANDO CENTER  
2180 W. STATE ROAD 434, SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6551  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
BRIAN J. STREET

CHRISTIAN W. MARCELLI, OF COUNSEL  
(LICENSED IN NEW YORK AND)

July 17, 2008

Chairman, Board of County Commissioners,  
Martin County  
2401 S.E. Monterey Road  
Stuart, FL 34996-3397

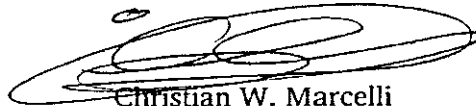
RE: Notice of Intent to File Petition of ITS Telecommunications Systems, Inc. for approval of the transfer of controlling stock interest in ITS Telecommunications Systems, Inc.  
Our File No.: 43016.01

Dear Chairman:

Pursuant to Rule 25-4.005, Florida Administrative Code, and on behalf of ITS Telecommunications Systems, Inc., I am writing to notify you that ITS Telecommunications Systems, Inc., intends to file the attached Petition with the Florida Public Service Commission in the near future. No customers will be affected by this change. I will send an executed copy of the Petition to you when it is filed.

Please do not hesitate to call me at the number shown above if you have any questions or concerns about this notice.

Very truly yours,



Christian W. Marcelli  
Of Counsel

CWM  
Enclosures

LAW OFFICES  
ROSE, SUNDBSTROM & BENTLEY, LLP  
25-48 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

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SANLANDO CENTER  
2180 W. STATE ROAD 434, SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
BRIAN J. STREET

CHRISTIAN W. MARCELLI, OF COUNSEL  
(LICENSED IN NEW YORK ONLY)

July 17, 2008

State of Florida Public Counsel  
c/o The House of Representatives  
The Capitol  
Tallahassee, FL 32399-1300

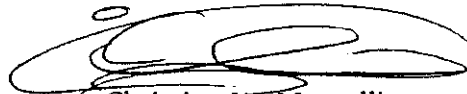
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Our File No.: 43016.01

Dear Sir or Madam:

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Please do not hesitate to call me at the number shown above if you have any questions or concerns about this notice.

Very truly yours,



Christian W. Marcelli  
Of Counsel

CWM/tlc  
Enclosures

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MARTIN S. FRIEDMAN, P.A.  
BRIAN J. STREET

CHRISTIAN W. MARCELLI, OF COUNSEL  
(LICENSED IN NEW YORK ONLY)

July 17, 2008

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

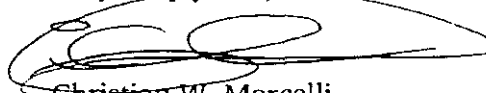
RE: Notice of Intent to File Petition of ITS Telecommunications Systems, Inc. for approval of the transfer of controlling stock interest in ITS Telecommunications Systems, Inc.  
Our File No.: 43016.01

Dear Ms. Cole:

Pursuant to Rule 25-4.005, Florida Administrative Code, and on behalf of ITS Telecommunications Systems, Inc., I am writing to notify you that ITS Telecommunications Systems, Inc., intends to file the attached Petition with the Florida Public Service Commission in the near future. No customers will be affected by this change. I will send an executed copy of the Petition to you when it is filed.

Please do not hesitate to call me at the number shown above if you have any questions or concerns about this notice.

Very truly yours,



Christian W. Marcelli  
Of Counsel

CWM/tlc  
Enclosures



THE PALM BEACH POST  
Published Daily and Sunday  
West Palm Beach, Palm Beach County, Florida

**PROOF OF PUBLICATION**

STATE OF FLORIDA  
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared **Wendy Elliott**, who on oath says that she is **Classified Advertising Manager** of The Palm Beach Post, a daily and Sunday newspaper, published at West Palm Beach in Palm Beach County, Florida; that the attached copy of advertising for a **Notice** in the matter of **Petition** was published in said newspaper in the issues of **July 19, & 20, 2008**. Affiant further says that the said The Post is a newspaper published at West Palm Beach, in said Palm Beach County, Florida, and that the said newspaper has heretofore been continuously published in said Palm Beach County, Florida, daily and Sunday and has been entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she/he has neither paid nor promised any person, firm or corporation any discount rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.


*Wendy Elliott*

Sworn to and subscribed before 21<sup>st</sup> day of July, A.D. 2008

*[Signature]*

Personally known XX or Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

NO. 3001161  
PUBLIC NOTICE  
Notice is hereby given that within the next 30 days, ITS Telecommunications Systems, Inc. intends to petition the Florida Public Service Commission to approve the sale of stock in ITS Telecommunications Systems, Inc. from Postco, Inc. to Indiantown Utility Company, LLC. This application requests approval of a change in ownership. No changes in services, pricing plans, calling plans, rates or other terms requested in this application. ITS Telecommunications Systems, Inc. may be contacted about this notice at (772) 597-3125.  
PUB: The Palm Beach Post  
July 19, & 20, 2008

 Karen M. McLinton  
Commission # DD359566  
Expires NOV 15, 2008  
Bundled from  
Atlantic notarial Co., Inc.

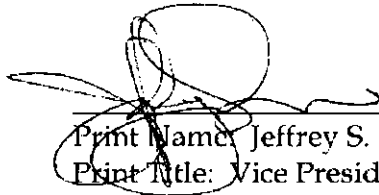
**AFFIDAVIT OF MAILING**

STATE OF FLORIDA


COUNTY OF MARTIN

Before me, the undersigned authority, authorized to administer oaths and take acknowledgements, personally appeared JEFFREY S. LESLIE, who, after being duly sworn on oath, did depose on oath and say that he is the Vice President of Postco, Inc., the sole sharcholder of ITS Telecommunications Systems, Inc., and that on July 23, 2008, he did send by U. S. Mail, a copy of the Public Notice regarding intent to file an application for approval of transfer of controlling stock interest, attached hereto, to all customers of the utility.

FURTHER AFFIANT SAYETH NAUGHT.

  
Print Name: Jeffrey S. Leslie  
Print Title: Vice President

Sworn to and subscribed before me this 23 day of July, 2008, by Jeffrey S. Leslie, who is personally known to me or has produced N/A as identification.

  
Printed Name: Mary Ann Holt  
NOTARY PUBLIC  
My Commission Expires



PUBLIC NOTICE

Notice is hereby given that within the next 20 days, ITS Telecommunications Systems, Inc. intends to petition the Florida Public Service Commission to approve the sale of stock in ITS Telecommunications Systems, Inc. from Postco, Inc. to Indiantown Utility Company, LLC. This application requests approval of a change in ownership.

No changes in services, calling areas, calling plans, rates or bills are requested in this application.

ITS Telecommunications Systems, Inc. may be contacted about this notice at (772) 597-3129.

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