

120162-WS



# HARTMAN LAW FIRM, P.A.

**Daniel W. Hartman**

*Member of the Florida and District of Columbia Bar*



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RECEIVED-FPSC

12 MAY 29 PM 12:59

COMMISSION  
CLERK

May 29, 2012

**Via Hand Delivery**

Florida Public Service Commission  
Office of Commission Clerk  
2540 Shumard Oaks Blvd  
Tallahassee, FL 32399

**RE: Sale Application/Silver Fox Utility Company, LLC  
Water Cert. 524 W and WW Cert. 459S**

Dear Commission Clerk:

Attached hereto please find an Application for Sale of Facilities on behalf of the above referenced utility pursuant to Section 367.071, Florida Statutes. Also attached is a check in the amount of \$1,500 to cover the application fee.

I can be reached at the above address and phone number with any questions.

Sincerely,

Daniel W. Hartman

cc: Client

COM	_____
APA	_____
ECR	<u>  3  </u>
GCL	<u>  1  </u>
RAD	_____
SRC	_____
ADM	_____
OPC	_____
CLK	<u>  1-NG  </u>

DOCUMENT NUMBER 120162-WS

03407 MAY 29 2012

FPSC-COMMISSION CLERK

Hometown Canada, LLLP dba Arbor Oaks Mobile  
881 Sneath Lane, Suite 110,  
San Bruno CA 94066

Southern Commerce Bank  
5650 Breckenridge Park Drive Suite 110,  
Tampa FL 33610 813-621-2080

008007

05/09/2012

\$ 1,500.00

ONE THOUSAND FIVE HUNDRED DOLLARS AND 00/100\*\*\*\*\*

Florida Public Service Commission

*[Handwritten Signature]*

MEMO:

*[Handwritten Signature]*  
AUTHORIZED SIGNATURE

⑈ 800 7 ⑈



APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER  
OF CERTIFICATE OR FACILITIES

(Pursuant to Section 367.071, Florida Statutes)

TO: Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

The undersigned hereby makes application for the sale,  
assignment or transfer of (all or part) of Water Certificate No.  
524W and/or Wastewater Certificate No. 459S or facilities in  
Pasco County, Florida, and submits

the following information:

**PART I** APPLICANT INFORMATION

A) The full name (as it appears on the certificate), address  
and telephone number of the applicant:

Silver Fox Utility Company, LLC  
Name of utility

(813) 788-1356 (813) 779-8658  
Phone No. Fax No.

36323 Arbor Oaks Drive  
Office street address

Zephyrhills FL 33541-2031  
City State Zip Code

\_\_\_\_\_  
Mailing address if different from street address

\_\_\_\_\_  
Internet address if applicable

PSC/ECR 007 (Rev. 2/91)

RECEIVED ELECTRICITY

03407 MAY 29 2007

FPSC-COMMISSION CLERK

B) The name, address and telephone number of the person to contact concerning this application:

Daniel W. Hartman, Esq. (850) 386-4242  
Name Phone No.  
207 W. Park Ave., Suite A  
Street address  
Tallahassee FL 32301  
City State Zip Code

C) The full name (as it will appear on the certificate), address and telephone number of the buyer:

Hometown Canada Utility, Inc.  
Name of utility  
(650) 589-8757 (650) 589-7453  
Phone No. Fax No.  
33782 Marshall Road  
Office street address  
Abbotsford, BC V2S 1L1, CANADA XX XX  
City State Zip Code  
36323 Arbor Oaks Drive, Zephyrhills, FL 33541-2031  
Mailing address if different from street address

Internet address if applicable

D) Indicate the organizational character of the buyer: (circle one)

Corporation      Partnership      Sole Proprietorship

Other: \_\_\_\_\_  
(specify)

E) The date and state of incorporation or organization of the buyer:

Date of Incorporation: February 17, 2012  
Florida

F) If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheet if necessary).

Mr. Gratio Tsang, President, Treasurer, Secretary  
33782 Marshall Road  
Abbotsford, BC V2S 1L1, Canada, X X X

G) If the buyer is not a corporation, list the names, titles, and addresses of all persons owning an interest in the organization. (Use additional sheet if necessary.)

N/A

**PART II FINANCIAL AND TECHNICAL INFORMATION**

A) Exhibit 1 - A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

N/A

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- C) Exhibit 2 - A copy of the contract for sale and all auxiliary or supplemental agreements, which shall include, if applicable:

- (1) Purchase price and terms of payment.
- (2) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (a) Customer deposits and interest thereon;
- (b) Any guaranteed revenue contracts;
- (c) Developer agreements;
- (d) Customer advances;
- (e) Debt of the utility; and
- (f) Leases.

- D) Exhibit N/A - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

- E) Exhibit 3 - A statement describing the financing the purchase.

- F) Exhibit N/A - A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

G) Exhibit 4 - The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. \_\_\_\_\_ Identify all adjustments made to update this rate base (or net book value) to the date of the proposed transfer.

H) Exhibit N/A - A statement setting forth the reasons for the inclusion of an acquisition adjustment, if one is requested. (An acquisition adjustment results when the purchase price of the utility differs from the original cost calculation.)

I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

David Bollinger (239) 571-7551  
Name Phone No.  
4436 Brynwood Dr.  
Street address  
Naples FL 34119  
City State Zip Code

J) Exhibit N/A - If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.

K) Exhibit 5 - A statement from the buyer that is has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

L) Exhibit 6 - A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental

Protection (DEP)

If the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them.

**PART III NOTICE OF ACTUAL APPLICATION**

A) Exhibit 7 - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Office of Commission Clerk;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.



B) Exhibit 8 - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

C) Exhibit 9 - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

**PART IV FILING FEE**

Indicate the filing fee enclosed with the application:

750.00 (for water) and 750.00 (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be **\$750.**
- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500.**
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be **\$2,250.**
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be **\$3,000.**

**PART V      OTHER**

- A) Exhibit 10 - Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.
- B) Exhibit 11 - The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems. **Sample tariff(s) are attached.**
- C) Exhibit 12 - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

**PART VI      AFFIDAVIT**

I Daniel W. Hartman (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.


BY:   
Applicant's Signature

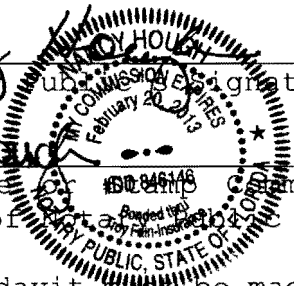
Daniel W. Hartman  
Applicant's Name (Typed)

Attorney in fact  
Applicant's Title \*

Subscribed and sworn to before me this 29<sup>th</sup> day in the month of May in the year of 2012 by Daniel W. Hartman who is personally known to me  or produced identification

\_\_\_\_\_  
Type of Identification Produced

  
Notary Public Signature  
Nancy Hough  
Print, Type or Commissioned  
Name of Notary Public, State of Florida



\* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

## **EXHIBIT "1"**

The Silver Fox Utility system currently provides central sewer and potable water services to the residents of the Arbor Oaks mobile home park. The services currently provided consist of 89 ERCs for Sewer and 166 ERCs for potable water service. The residents of the park rely on the services provided by the Utility to provide potable water and sanitary sewer to their homes. These services contribute to the health safety and welfare of the residents and community.

The technical expertise and licensure relied upon by the Buyer shall be provided by licensed operators from Florida Environmental Solutions, Inc., c/o Richard Graziano, 11909 Pasco Trails Blvd., Springhill, FL 34610, ph – 727-243-0618, which is a utility contractor with several licensed plant operators. The utility shall continue to utilize the services of the existing customer services manager and administrator with experience in billing and managing the Timberwood system. Hometown Canada Utility, Inc. enjoys adequate financial backing through its sole owner Dr. Gratio Tsang. Financial information reflecting the substantial financial ability of the Buyer is attached to this application as part of this composite Exhibit "1." The Buyer stands ready to fulfill all of the contractual and regulatory commitments, obligations and representations of the Seller with regard to utility matters.

## **EXHIBIT "2"**

Attached as Composite Exhibit "2" are two copies of the Agreement of Purchase and Sale. Together the copies contain all of the requisite signatures of the parties. Paragraph 11 (A-B) of the Agreement deal with the transfer of the instant utility system and contain the statement required by Rule.

7/3/11

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "**Agreement**") is made and entered into, effective as of the latest date set forth on the signature page below, (the "**Effective Date**"), by and between **SILVER FOX REAL ESTATE HOLDINGS, LTD**, a Florida limited partnership, and Silver Fox Utility Company, LLC (the "**Sellers**") and **Gratio Tsang**, and/or assigns (the "**Buyer**"), with respect to the following:

Seller is the owner of that certain real property known as **Arbor Oaks Mobile Home Park, 36323 Arbor Oaks Dr., Zephyrhills, Pasco County, Florida 33541**, including but not limited to **157** completed mobile home spaces (the "**Real Property**") and all personal property owned by the Seller used in the operation of said Real Property as a mobile home park, including, without limitation, all equipment, furniture and furnishings, garden equipment, pool equipment, signs, promotional materials, and other personal property relating to the operation of the Property, delivered free and clear (the "**Personal Property**") collectively referred to with the Real Property as the "**Property**") Mobile homes owned by Seller are not included. Personal property owned by the tenants' homeowners' association, or Park maintenance personnel are not included. The Real Property is legally described as:

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

NOW THEREFORE, the parties hereto agree, covenant, represent, and warrant as follows:

1. **AGREEMENT TO PURCHASE AND SELL.** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller, the Property for a total consideration of **US\$5,600,000** in cash from the proceeds of Buyer's equity and assumption of the existing note & mortgage loan, with an approximate balance of **US\$3,150,000** (the "**Existing Indebtedness**"), and on the terms and conditions set forth in this Agreement.

2. **ESCROW-DEPOSITS.** The parties hereto agree to open an escrow with **Sierra Title Insurance Company ("Escrow Holder")**, located at **419 SW SR 247, Ste. 109, Lake City, FL 32025**, to effectuate this transaction. Within three business days of mutual execution hereof, Buyer shall deposit **US\$500,000** as earnest money with the Escrow Holder (the "**Earnest Money Deposit**"). The Earnest Money Deposit shall be invested in an interest bearing account, with interest to accrue for the benefit of the Buyer. The Earnest Money Deposit shall be refundable to Buyer, until the satisfaction and/or waiver of Buyer's contingencies set forth in Paragraph 4 herein. Thereupon, the Earnest Money Deposit shall be a non-refundable payment and shall be applied to the purchase price at Closing, except in the event of (i) Seller default, (ii) Buyer's subsequent termination of this Agreement pursuant to an express right of termination set forth in this Agreement, or (iii) a failure of any Buyer condition to closing, then in either such events, such Earnest Money Deposit shall be promptly refunded to Buyer. This Agreement shall constitute Escrow and Closing instructions to Escrow Holder who shall also act as Closing Agent and Title Insurer for this transaction.

3. **CLOSING.** The Closing shall occur on or before 15 days after the satisfaction of the last of the contingencies set forth in Paragraph 4 (A through D) (the "**Closing**") or sooner by mutual written agreement. Buyer has right to extend the Closing for up to 15 days if, on or before five (5) days prior to the contemplated date of Closing, Buyer notifies Seller in writing of Buyer's election to extend.

A. At or prior to the Closing, Buyer shall deliver to the Closing Agent:

i. a wire transfer for the cash portion of the consideration less Buyer's Earnest Money Deposit and the interest earned thereon, increased by all prorations and adjustments in Seller's favor and decreased by all prorations and adjustments in Buyer's favor together with all of the Buyer's share of the costs and charges of the Closing.

RB 7/12/11

B. Three business days prior to Closing, Seller shall deliver to the Escrow Holder:

i. a Warranty Deed conveying marketable title to the Property executed and acknowledged by Seller in recordable form subject only to the "Permitted Exceptions" described below (the "Warranty Deed");

ii. an ALTA Extended Coverage Title Insurance Policy, to be provided at Seller's expense, (the "**Title Policy**") issued by the Title Insurer insuring title vested in Buyer in the amount of the purchase price of the Property subject only to (a) the lien for real property taxes for the current tax year not then due and payable; (b) the First Mortgage securing the existing loan assumed by Buyer; (c) those covenants, conditions and restrictions, easements, and rights of way of record approved by Buyer pursuant to Paragraph 4.B. below (the "**Permitted Exceptions**");

iii. an affidavit in accordance with Internal Revenue Code 1445 certifying that Seller is not a foreign person subject to the withholding rules of the Foreign Investment in Real Property Tax Act, (the "**Affidavit**");

iv. a Bill of Sale and General Assignment conveying the Personal Property and all intangible rights relating to the operation, maintenance, repair, development and use of the Real Property, including, without limitation, all development rights, entitlements, tradenames, trademarks, telephone numbers, names, including, without limitation, the name "**Arbor Oaks Mobile Home Park**", logos and other intangible rights relating to or appurtenant to the Real Property to Buyer (the "**Bill of Sale**");

v. an Assignment of Leases and Rental Agreements assigning to Buyer all of the leases and rental agreements for the Property (along with original copies for each space) executed by Seller (the "Assignment of Leases"), and a current rent roll certified by Seller as being accurate and complete including a list of tenant deposits and prepaid and delinquent rents (the "**Rent Statement**");

vi. an Assignment of Service Contracts assigning to Buyer all of service, operating, maintenance, laundry, cable television, telephone, and other contracts affecting the Property (collectively, the "**Service Contracts**") which buyer elects to assume;

vii. an affidavit stating that no work has been performed on the Property that would entitle any person or entity to record against the Property any mechanic's or materialman's lien except for persons or entities who have been fully paid and who have released all claims;

viii. an affidavit in compliance with the statutory requirements of §723.071, Fla. Stat.;

vii. such other documents as may be reasonably required by the Title Insurer or Escrow Holder to complete the transaction pursuant to this Agreement.

C. At the Closing, the Closing Agent shall:

i. prorate as of the Closing date with Buyer to be credited for the date of Closing, each of the following:

a. current and non delinquent property taxes for the current year; provided that if tax and assessment figures are not available for the current year, then the proration of taxes and assessments shall be based on 100% of the corresponding figures for the prior year and the parties hereto agree to reprorate taxes as of the issuance of the tax and assessment figures for the year of the closing. The parties hereto agree that the provisions of this paragraph shall survive the Closing;

b. All revenues and expenses incident to the operation of the Property shall be prorated per diem as of the Closing Date, with Seller being entitled to the revenues and responsible for expenses accruing on and before the Closing Date. All receipts from the Property, including rent, which have been paid to Seller and are allocable to the period after Closing shall be credited to Buyer at Closing, and the cash payable at Closing shall be decreased accordingly. All receipts from the Property, including rent, which are allocable to the period as of the Closing and which have not been received by Seller on the Closing Date shall be determined and adjusted between Seller and Buyer as of the Closing Date; provided, however, that Buyer shall not be obligated to make any payment or give any credit to Seller on account of or by reason of any rental or other payments which are unpaid as of the Closing Date, but shall be required merely to turn over to Seller its share of the same if, as and when received by Buyer, provided that Buyer shall have no obligation to institute suit to collect same. In the event that Buyer receives checks payable to Seller with respect to the Property for any amounts due and owing after the Closing Date, Buyer shall be entitled to apply only the portion of such check to such amounts due after the Closing Date and shall immediately remit the balance to Seller. All payments of rent received after the Closing Date shall be applied first to the balance of any unpaid rent accruing prior to the Closing Date, and then to the balance of any unpaid rents accruing after the Closing Date. Seller shall be entitled to pursue any right or remedy available at law or in equity against any tenant for any unpaid rent due Seller. Seller and Buyer, as appropriate, and if requested in writing by the other, agree to prepare a written account or reconciliation regarding any amounts received by either, pursuant to this paragraph, and forward such accounting or reconciliation to the other in a timely fashion.

c. in the event Buyer elects to assume any Service Contracts, then the payment(s) thereon;

d. credit Buyer and charge Seller with tenant security and other deposits;

e. all accrued but unpaid interest on the Existing Indebtedness shall be prorated as of the Closing date.

ii. deliver to Seller the cash portion of the consideration less Seller's share of closing costs & fees plus prorations and adjustments in the Seller's favor;

iii. deliver to Buyer the Title Policy (or cause the actual policy to be delivered to Buyer within fifteen (15) business days), the Bill of Sale, the Assignment of Leases, and the Affidavits.

D. Closing Costs. The parties agree to pay the costs of closing, related fees, and charges as follows:

<u>Buyer</u>	<u>Seller</u>
Doc Stamps on Mortgage and Note	Doc Stamps on Deed
Intangible Tax on Note	
Recording of Mortgage	Recording of Deed
Title Search and Title Insurance Premium	

E. Buyer Closing Conditions. Buyer's obligations under this Agreement are expressly subject to the timely fulfillment of each of the following conditions (each a "**Buyer Closing Condition**") on or before the Closing Date: (1) Title Insurer is unconditionally prepared to issue the Owner's Title Policy; (2) Seller's representations and warranties in this Agreement being true and correct in all material respects as of the date of this Agreement and as of the Closing date; (3) No material change having occurred or be threatened with respect to the Property which would adversely affect the findings made during the contingency periods set forth in Paragraph 4 below which Seller has not cured prior to the Closing date; (4) Seller having timely



performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by Seller on or before the Closing; and (5) Buyer's receipt of Lender's Approval and execution by Seller and Lender of such documents and instruments as are required by Lender to evidence Lender's Approval and Buyer's assumption of the Existing Indebtedness and the Existing Loan Documents.

Each Buyer Closing Condition is solely for the benefit of Buyer and may be waived in whole or in part by Buyer by written notice to Seller in Buyer's sole and absolute discretion. If any Buyer Closing Condition has not been satisfied or waived by Buyer in writing by the Closing Date, then in addition to all other rights and remedies of Buyer, Buyer shall have the right to terminate this Agreement, whereupon the Earnest Money Deposit shall be promptly returned to Buyer

4. **CONTINGENCIES.** Buyer's obligation to purchase the Property is contingent upon the written fulfillment and/or Buyer's written waiver of each of the following contingencies, each in Buyer's sole and absolute discretion:

A. Buyer's written approval or satisfaction within thirty (30) business days after the Effective Date of this Agreement of the following:

i. a physical examination of the Property, including but not limited to access to all improvements, Seller-owned structures, mechanical and utility systems, environmental audit, wood-destroying organisms report, and if work and/or repairs are recommended in the report, Seller shall either complete all such work and/or repairs prior to the Closing or credit the Purchase Price at Closing with the amount required to perform such work and/or repairs, which amount shall not exceed \$5,000;

ii. a review of Seller's books and records and income and expense reports for the past two (2) fiscal years and year-to-date;

iii. review of all leases, Service Contracts, park prospectuses, current property tax bills, copy of Seller's insurance policy for the Property, copies of notices from governmental offices received over the past two years, copies of all licenses, certificates and permits relating to the Property, copies of all prior inspection reports in Seller's possession;

iv. a current Rent Statement (showing space number, rents, vacant spaces, prepaid rents, discounts/concessions, security and other deposits, delinquencies, move-in date and lease expiration date) certified by Seller as accurate, correct and complete; a list of tenants who have given notice to vacate to Seller or the on-site management personnel, and a list of mobile homes that are rental homes or sublet and of notes on homes, if any.

v. an inventory of the Personal Property to be transferred by Bill of Sale at Closing;

vi. a list of rent increases and other increases in financial obligations imposed upon the residents of the Property for the past three years along with the copy of the notification of each increase;

vii. Seller's existing survey (the "**Existing Survey**") of and owner's title policy for the Property;

viii. Seller's existing Phase I environmental assessment report (the "**Existing Phase I**") for the Property;

ix. the note, the deed of trust or mortgage and all other documents, instruments and agreements evidencing or securing the Existing Indebtedness & all modifications thereto (collectively, the "**Existing Loan Documents**");

x. such other documents as may be reasonably requested by Buyer.

Seller agrees to provide Buyer with access to the Property, records, and materials to conduct such inspections and testing. Except as otherwise set forth in this Agreement, all inspections and testing shall be conducted at Buyer's sole cost and expense. Any and all documents and/or information identified above to be provided by Seller to Buyer shall be received by Buyer within ten days of the Effective Date of this Agreement. Buyer shall have the right to extend the Inspection Period and the Closing by one day for each day beyond said time period that Buyer is not in receipt of the identified documents and/or information.

B. Title. Within ten (10) days after mutual execution of this Agreement, Escrow Agent shall cause to be delivered to the Buyer a Commitment for Title Insurance, provided by Escrow Holder/Closing Agent, together with copies of all liens, easements, claims, encumbrances, rights-of-way, encroachments, reservations, restrictions, and any other matters affecting the Subject Property. Buyer shall have ten (10) days from the receipt of the foregoing in which to examine the Commitment for Title Insurance and to specify to Seller in writing, those items which are title objections. Seller, at Seller's sole cost and expense, shall use all reasonable efforts to correct or remove said title objections (or agree to cause same to be remedied with Seller's proceeds at the Closing) and deliver within 10 days of Buyer's written notification of such exceptions, an amended Commitment reflecting the correction or deletion of same. If Seller is unable to cure the objections to Buyer's satisfaction, Buyer shall have the option to proceed with the purchase as outlined in this Agreement, subject to the condition of title deliverable, or in the alternative, shall have the right to refuse to proceed with the purchase as outlined herein, and upon notification of Seller of said election, Escrow Holder shall promptly return to Buyer, Buyer's Earnest Money Deposit, along with any accrued interest, and this contract shall become null and void. In all events and regardless of whether Buyer disapproves such exceptions, on or before the Closing, Seller shall be obligated to discharge all monetary liens and encumbrances of liquidated amounts other than current, non delinquent taxes which affect all or any portion of the Property & the Existing Indebtedness.

C. Survey. Buyer may, at Buyer's option and expense, elect to obtain a new ALTA survey of the Property or an update to the Existing Survey (such new or updated survey, the "**New Survey**"). Buyer shall have ten (10) days from the receipt of the last of the Existing Survey and the New Survey, if obtained, in which to examine same and to specify to Seller in writing, those items which are survey objections. Any encroachments and other disapproved matters reflected in the Existing Survey or New Survey shall be treated in the same manner as a title defect in the paragraph 4B directly above, and be remedied in the same manner. In the event that Buyer elects not to obtain the New Survey, Seller shall execute and deliver to Buyer and Title Insurer with a "no changes" survey affidavit in the form customarily required by the Title Insurer.

D. Buyer's receipt of the Lender's Approval (as defined below) from the first mortgage lender within thirty (30) days after the expiration of the contingency period in Paragraph 4.A. above, to assume the Existing Indebtedness. Buyer understands there may be a one percent (1%) assumption fee due to lender to assume the loan. As used herein, the term "**Lender's Approval**" shall mean Buyer's receipt of Lender's written approval of the transfer of the Property to Buyer and assumption of the Existing Indebtedness by Buyer in a form satisfactory to Buyer in its sole discretion, together with such modifications to the existing loan documents as may be required by Buyer, as evidenced by Lender's unconditional written approval of the transaction and finalization of the consent, assumption and modification documents to be executed at Closing. Buyer may, at Buyer's option and expense, elect to obtain a new Phase I Environmental Report or update the Existing Phase I as part of this contingency, and Buyer shall approve or disapprove of the Existing Phase I and/or any new or updated report within the time allotted in this section.

In the event that Buyer disapproves any of the above contingencies, Escrow Holder will promptly return to Buyer, Buyer's Earnest Money Deposit, along with any accrued interest, and this Agreement shall become null and void.

5. RIGHT OF FIRST REFUSAL: Seller's obligation to sell the Property is contingent upon the mobile home park homeowners' association (the "Association") not exercising its statutory right of first refusal pursuant to §723.071, Florida Statutes on or before August 12, 2011. In the event the Association submits a contract for purchase and sale of the Property matching the material terms and conditions of this Agreement within the right of first refusal period the Buyer shall have the option, at its sole discretion, of either terminating this Agreement and receiving a refund of its Escrow Money Deposit, or continuing this Agreement as a "back-up" contract, in which case, all time periods shall be tolled and extended until the date the Association either closes on the purchase of the Property or terminates its contract. If the Association purchases the Property then this Agreement shall terminate on the date of closing of the sale to the Association and the Buyer shall receive a refund of its Escrow Money Deposit.

6. POSSESSION. Possession of the Property shall be delivered to Buyer at Closing subject to the rights of tenants in possession pursuant to leases set forth on the Rent Statement.

7. COVENANTS, REPRESENTATIONS & WARRANTIES.

A. Seller hereby covenants, represents and warrants as follows:

i. Seller will maintain the Property in its present physical and operating condition, through and until the date of Closing, and will carry on its business activities in connection with the Property diligently and in substantially the same manner as such activities have previously been carried out by Seller and Seller shall not make or institute any unusual or novel methods of operations that vary materially from those used by Seller as of the date of this Agreement;

ii. there are no existing water problems or underground soil problems on the Property other than those as disclosed in writing by Seller to Buyer during Buyer's inspection period in Paragraph 4.A;

iii. there are no legal or condemnation proceedings against all or any part of the Property; Seller has no knowledge of any potential legal or condemnation proceeding against all or any part of the Property, and Seller has no knowledge of any notices, violations, or other proceedings (including requiring work, repair, or other action) relating to the Property, legal, governmental, or otherwise;

iv. Seller will assign to the Buyer at Closing, the name "**Arbor Oaks Mobile Home Park**" to the extent of Seller's right thereto; and Seller agrees to take the steps necessary to allow the Buyer to assume the present telephone numbers and listings used by the Mobile Home Park;

v. There are no other leases or Service Contracts between Seller and any third parties affecting the Property except for those delivered to Buyer pursuant to Paragraph 4.A above, and each of the leases and Service Contracts delivered to Buyer is valid and enforceable in accordance with its terms, and is presently in full force and effect, and no party is in default on any of its obligations under said leases (except as may be set forth on the Rent Statement) or Service Contracts. Seller has not received, and is not entitled to any advance payment, bonus, credit, fee or other consideration incurred or paid by any party in connection with said leases (except as may be set forth on the Rent Statement) or any Service Contract which will survive the Closing. The Rent Statement is true, complete and correct;

vi. prior to the Closing, (i) Seller shall enter into no new leases or occupancy agreements (or amend any existing leases or occupancy agreements) other than the form of lease attached to the mobile home park P3 prospectus approved by the Florida Department of Business and Professional Regulation without the Buyer's prior written consent; and (ii) Seller shall not, without the prior written consent of Buyer, enter into any contracts of a continuing nature (or any renewal of the Service Contracts) for services, supplies or materials affecting the Property, that cannot be canceled on or prior to the Closing

without the payment of any premium or penalty. As of the Closing, Seller shall, at Seller's sole costs and expense, terminate all Service Contracts which Buyer has elected not to assume;

vii. the Property (and all leases affecting the Property) is in compliance with all requirements of the mobile home park statutes of the State of Florida, all city, county, and other local rules, regulations and ordinances; the Mobile Home Park Prospectus(es) is/are current and is/are approved by the Department of Business Regulation ("DBR"); Seller has no knowledge of any resident complaints filed with the DBR, other than those disclosed in writing to Buyer; Seller's prior rent increases have been instituted in compliance with Chapter 723;

viii. all utility and mechanical systems are in good working order and not in need of repair or replacement, are adequate for the functions they are required to perform, and are in normal working order and condition as of the Closing;

ix. the financial information provided by the Seller is true, correct and complete and presents fairly in all material respects the financial information contained therein as of the dates thereof, and there is nothing omitted from such financial information that would materially and/or adversely affect the meaning or interpretation of such financial information or the condition or results of operations of the Property;

x. there has been no production, storage, transport, treatment, spillage, infiltration, or disposal upon the Property of any toxic or hazardous substances including asbestos; Seller shall hold Buyer harmless from any claims, penalties, costs, and losses incurred by the existence of the foregoing which Seller knew existed on the Property prior to the Closing;

xi. notice of right of an offer the park owner intends to consider has been delivered pursuant to Chapter 723 of the Florida Statutes; and the mobile home park home owner's association ("HOA") of the park (if an HOA has been formed pursuant to Chapter 723) has not given notice of its intention to exercise its right of first refusal in accordance with Section 723.071(1), Fla. Stat.;

xii. All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or agency or other party is required. The individuals executing this Agreement and instruments referenced herein on behalf of Seller and the partners, officers or trustees of Seller, if any, have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not result in any breach of the terms, conditions or constitute a default under any instrument or obligation to which Seller is now a party, or by which Seller may be bound or affected, or violate any order writ, injunction or decree of any court in any litigation to which Seller is a party.

xiii. Seller shall be solely responsible for and shall pay the following items which accrue prior to the Closing: (a) all trade obligations of the Property; and (b) all sales tax, social security, payroll taxes, unemployment and workmen's compensation and all accrued vacation pay incident to these personnel at the Property employed by Seller, if any.

xiv. Buyer may offer employment, effective immediately after Closing, to employees of the Property. As of Closing, Seller shall terminate the existing property management and leasing agreement and terminate or cause the termination of, the employment of all such employees hired by Buyer and pay them all accrued wages and benefits, including vacation accruals, which may be due as a result thereof.

xv. Upon execution of this Agreement, Seller shall contact the holder (the "Lender") of the Existing Indebtedness and request that the Lender work with the Buyer on the proposed assumption thereof. Seller shall cooperate with Buyer regarding the loan assumption process, including, without limitation, promptly executing and/or providing any documents that are reasonably requested by Buyer and/or the Lender in connection therewith. At Closing, Seller shall execute and deliver to Buyer and Lender the loan assumption documents required by Lender.

xvi. Seller has delivered to Buyer true, correct and complete copies of all Existing Loan Documents, and all of such Existing Loan Documents are in full force and effect. Seller is not in default under any of the Existing Loan Documents, nor has any event occurred which with the giving of notice or passing of time or otherwise, would constitute a default thereunder. The Existing Loan Documents represent the complete agreement between Seller and Lender as to all rights, liabilities and obligations of Seller and Lender with respect to the Existing Indebtedness.

B. Buyer hereby covenants, represents and warrants as follows:

- i. Buyer is authorized to enter into this agreement;
- ii. the Buyer will assume responsibilities to employees of the Property or Seller only in the event they become newly hired by Buyer after the Closing.

C. All of the representations and warranties of Buyer and Seller set forth in this Agreement shall be true upon the execution of this Agreement, shall be deemed to be repeated at and as of the Closing.

#### 8. DEFAULT-LIQUIDATED DAMAGES.

A. Default by Seller. In the event Seller shall default in its obligation to convey the Property to Buyer pursuant to this Agreement, Buyer may, as its sole and exclusive remedy, either (i) waive such default and to proceed with the Closing; (ii) terminate this Agreement by written notice to Seller and Escrow Holder, in which event the Earnest Money Deposit shall be promptly returned to Buyer and Seller shall promptly reimburse Buyer for all of Buyer's reasonable out-of-pocket expenses incurred by Buyer in connection with this transaction, or (iii) seek to enforce specific performance of this Agreement. Seller shall not be liable to Buyer for punitive, speculative or consequential damages.

B. Default by Buyer. In the event Buyer defaults in its obligation to purchase the Property from Seller pursuant to this Agreement, Seller may, as its sole and exclusive remedy for such breach, terminate this Agreement by written notice to Buyer and Escrow Holder, and upon any such termination Escrow Holder shall immediately deliver the Earnest Money Deposit to Seller, such sum being agreed upon as the amount payable by Buyer to Seller in consideration of Buyer having the option to refuse to purchase the Property without any liability on account of its refusal other than payment of the Earnest Money Deposit.

Each action or claim against Buyer arising hereunder or relating hereto shall be made only against Buyer as a limited liability company, and any liability relating thereto shall be enforceable only against the assets of the limited liability company. Seller shall not seek to pierce the veil of the limited liability company or otherwise seek to impose any liability relating to, or arising from this Agreement against any member, manager, partner, employee, officer, director or affiliate of Buyer. Buyer shall not be liable to Seller for punitive, speculative or consequential damages.

#### 9. RISK OF LOSS; CONDEMNATION

A. The parties hereto agree that the risk of loss with respect to the Property shall pass to Buyer

on the Closing date. In the event of damage to or destruction of the Property prior to the Closing where the cost of repair is reasonably expected to be more than or equal to \$50,000 (a "**Major Casualty**"), Buyer shall have the right, at its option, upon notice to Seller within fifteen (15) days of Seller's notice to Buyer of such Major Casualty but in any event before the Closing, to terminate this Agreement by providing written notice thereof to Seller and Escrow Holder (in which event, the Earnest Money Deposit shall be promptly returned to Buyer), or to proceed with the purchase in accordance with the terms of this Agreement. In the event Buyer elects to so proceed with the purchase contemplated hereby notwithstanding such Major Casualty, Seller agrees to pay over to Buyer any funds available from proceeds of insurance payable by reason of such damage or destruction and any deductible amount. In the event of damage or destruction of the Property prior to the Closing where the cost of repair is reasonably expected to be less than \$50,000, the parties shall proceed with the purchase in accordance with the terms of this Agreement and the Purchase Price shall be reduced by the amount of such cost of repair. In the event of any damage or destruction to the Property prior to the Closing, Seller agrees promptly to notify Buyer of such damage or destruction and such notice shall be accompanied by a description of the nature and extent of insurance coverage applicable to such damage or destruction. Seller shall maintain its present policies of insurance in effect until the Closing.

B. If, at any time prior to the Closing, the Property, or any part thereof, is taken by eminent domain, or if any preliminary steps in any taking by eminent domain of the Property or any part thereof occurs prior to the Closing, Buyer may, at its option, exercised within fifteen (15) days after written notice from Seller of such fact, terminate this Agreement by providing written notice thereof to Seller and Escrow Holder (in which event, the Earnest Money Deposit shall be promptly returned to Buyer). Seller shall notify Buyer in writing of any such taking by eminent domain and all steps preliminary thereto as soon as the same shall occur. In the event Buyer does not elect to terminate this Agreement under such circumstances, Buyer shall be entitled to all proceeds received or to be received from any condemning authority, and Seller shall (i) pay to Buyer at Closing all such proceeds received by Seller, and (ii) assign to Buyer all such proceeds to be thereafter received from any condemning authority, by instrument of assignment in form reasonably acceptable to counsel for Seller and Buyer

10. NOTICE. Any notice or writing given hereunder shall be delivered by a) depositing the notice or writing contained in a sealed envelope, postage prepaid, in the United States Postal System as registered or certified mail with return receipt requested, b) by overnight express carrier, c) via facsimile transmission, or d) in person. Any such notice so sent shall be conclusively deemed delivered to and received by the addressee a) upon receipt, or b) in case of the US mail, forty-eight (48) hours after the deposit, if the foregoing conditions of notice shall have been satisfied, and addressed as follows:

Buyer: Gratio Tsang  
33782 Marshall Rd.  
Abbotsford, BC  
Telephone: (604)853-1388  
Telecopier: (604)853-3777

And to: West Coast Mobile Home Parks  
Attn.: Richard Delaney  
881 Sneath Ln., Ste. 110  
San Bruno, CA 94066  
Telephone: (415)378-8757  
Telecopier: (650)589-7453

Seller: Silver Fox Real Estate Holdings, Ltd.  
4436 Brynwood Dr.  
Naples, FL 34119

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And to: Jonathan James Damonte, Chartered  
12110 Seminole Blvd  
Largo, FL 33778  
Telephone: (727) 586-2889  
Telecopier: (727) 581-0922

And to: James Cook  
Westfield Realty Group  
426 SW Commerce Dr., Ste. 130  
Lake City, FL 32025  
Telephone: (877)871-0808  
Telecopier: (941)827-7977

11. Utility Company.

A. Transfer of Permits and Plants. The operating certificates, personal property, and all other rights and properties of Silver Fox Utility Company, LLC, d/b/a Timberwood Utilities, and presently serving the Property with water and sewer services, is included in the sale of the Property and shall be transferred and assigned to Buyer at time of closing and transfer. Seller and Buyer recognize that the transfer to the Buyer of the permits and certificates ("Permits") permitting the operation of the waste water treatment plant and water plant ("Plants") at the Property requires the approval of the Florida Department of Environmental Protection ("DEP"), and the Florida Public Service Commission ("PSC"). Buyer shall be responsible for applying for the transfer of the Permits and shall apply for such approval as expeditiously as possible and shall diligently and in good faith prosecute such application for the transfer of the Permits and to provide Buyer, at its sole cost and expense, all documents, information and material in its possession necessary for the DEP and PSC to consider the Buyer's application. Buyer shall pay all costs of such transfers. In the event the transaction contemplated herein closes before such approval is obtained, the Buyer shall operate the Plants pending DEP and PSC approval of the transfer of the Permits and the PSC certificates, respectively, at its sole cost and expense. In such case, the Buyer agrees to indemnify, defend and hold harmless Seller, its successors and assigns, from and against any and all claims, penalties, damages, liabilities, actions, causes of action, costs and expenses (including reasonable attorneys' fees), arising out of, as a result of, or as a consequence of (i) the operation of the Plants after the Closing Date, including without limitation, any property damage or injuries to persons, including death, caused thereby, (ii) the failure of the Plants and the operation thereof to comply with all governmental statutes, rules, regulations and ordinances applicable thereto, and (iii) the failure of the Buyer to pay all costs and expenses incurred after Closing in the operation of the Plants. Provided, however, any such losses shall be limited to actual damages. Consequential, special and punitive damages are hereby excluded from this indemnification. Buyer shall maintain appropriate insurance with respect to its operation of the Plants and the Seller shall be included as an additional insured on all such policies until approval of the transfer of the Permits to the Buyer. If a final decision refusing transfer of the Permits to the Buyer is rendered by the DEP or PSC, the Plants will continue to provide water and sewer services to the residents of the Property as they presently do, and the Buyer and Seller shall enter into such agreements as they shall reasonably and mutually determine are necessary to provide water and sewer service to the tenants, with any net profits accruing to the Buyer.

B. Utilities Lease. Upon acceptance of the transfer of Timberwood Utilities to the Buyer by the DEP and PSC, Silver Fox Utility Company, LLC, shall assign to Buyer or its assigns the 99-year lease with respect to the Plants.

12. Seller's 1031 Exchange. The parties agree as follows with respect to any IRS Code Section 1031 Exchanges:

Buyer understands that Seller may designate the Property in connection with an exchange pursuant to the provisions of IRC §1031. In the event the Property is so designated and Seller desires to utilize this Property for an exchange, Buyer agrees to cooperate with Seller to achieve a successful exchange so long as Buyer incurs no costs or liability in connection with said exchange. Seller agrees to indemnify Buyer from all loss, costs and expense incurred by reason of said exchange. This transaction is not contingent upon the success or failure of any such exchange. Buyer shall not be required to take title to other property involved in the exchange.

13. AUTHORITY. Each person executing this Agreement represents and warrants his authority to do so and that by his signature each of the obligations hereunder become binding upon Seller and Buyer.

14. REAL ESTATE FEE: The Purchase/Sale Price herein includes a real estate fee payable by the Seller of the Property in the amount of three percent (3.0%) of the price of the Property. The fee shall be divided equally between West Coast Mobile Home Parks and Westfield Realty Group, and shall be paid through the Closing Agent from Seller's proceeds at the time of settlement or Closing of the transaction.

15. GENERAL PROVISIONS.

A. Good Faith. All parties hereby expressly covenant to deal with each other in good faith regarding all action, decisions, and conduct relating to this agreement.

B. Time of the Essence. Time is hereby expressly made of the essence of this Agreement.

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

D. Construction. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws and judicial decisions of the State of Florida, and is intended by each party hereto to be deemed and construed to have been jointly prepared by the parties; the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this Paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity.

E. Binding on Successors. This Agreement and each and every covenant, condition, and other provisions herein contained shall apply to, be binding upon, and inure to the burden and benefit as may be the case, of the respective heirs, administrators, executors, legal representatives, assigns, successors, and agents of the parties.

F. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and may be modified or amended only by a written instrument executed by all of the parties hereto.

G. Prevailing Party. In the event of any litigation with respect to this Agreement, the party hereto who does not prevail shall be responsible for all costs (e.g., court costs, attorneys' fees including upon appeal(s), damages, etc.) incurred by the prevailing party.

H. Facsimile Copies Acceptable. Buyer and Seller agree that signed facsimile copies shall be binding as though original documents.

I. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels

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of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.

END OF PAGE

SIGNATURE PAGES FOLLOW

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective the date last set forth below.

BUYER:

By:

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_ Date

SELLER: Silver Fox Real Estate Holdings, LLC

By: David Bollinger  
As its: Meng Partner  
David Bollinger  
Print Name and Title

7/12/11  
\_\_\_\_\_ Date

*DB*

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "Agreement") is made and entered into, effective as of the latest date set forth on the signature page below, (the "Effective Date"), by and between SILVER FOX REAL ESTATE HOLDINGS, LTD, a Florida limited partnership, and Silver Fox Utility Company, LLC (the "Sellers") and Gratio Tsang, and/or assigns (the "Buyer"), with respect to the following:

Seller is the owner of that certain real property known as Arbor Oaks Mobile Home Park, 36323 Arbor Oaks Dr., Zephyrhills, Pasco County, Florida 33541, including but not limited to 157 completed mobile home spaces (the "Real Property") and all personal property owned by the Seller used in the operation of said Real Property as a mobile home park, including, without limitation, all equipment, furniture and furnishings, garden equipment, pool equipment, signs, promotional materials, and other personal property relating to the operation of the Property, delivered free and clear (the "Personal Property" collectively referred to with the Real Property as the "Property") Mobile homes owned by Seller are not included. Personal property owned by the tenants' homeowners' association, or Park maintenance personnel are not included. The Real Property is legally described as:

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

NOW THEREFORE, the parties hereto agree, covenant, represent, and warrant as follows:

1. **AGREEMENT TO PURCHASE AND SELL.** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller, the Property for a total consideration of US\$5,800,000 in cash from the proceeds of Buyer's equity and assumption of the existing note & mortgage loan, with an approximate balance of US\$3,150,000 (the "Existing Indebtedness"), and on the terms and conditions set forth in this Agreement.

2. **ESCROW-DEPOSITS.** The parties hereto agree to open an escrow with Sierra Title Insurance Company ("Escrow Holder"), located at 419 SW SR 247, Ste. 109, Lake City, FL 32025, to effectuate this transaction. Within three business days of mutual execution hereof, Buyer shall deposit US\$500,000 as earnest money with the Escrow Holder (the "Earnest Money Deposit"). The Earnest Money Deposit shall be invested in an interest bearing account, with interest to accrue for the benefit of the Buyer. The Earnest Money Deposit shall be refundable to Buyer, until the satisfaction and/or waiver of Buyer's contingencies set forth in Paragraph 4 herein. Thereupon, the Earnest Money Deposit shall be a non-refundable payment and shall be applied to the purchase price at Closing, except in the event of (i) Seller default, (ii) Buyer's subsequent termination of this Agreement pursuant to an express right of termination set forth in this Agreement, or (iii) a failure of any Buyer condition to closing, then in either such events, such Earnest Money Deposit shall be promptly refunded to Buyer. This Agreement shall constitute Escrow and Closing Instructions to Escrow Holder who shall also act as Closing Agent and Title Insurer for this transaction.

3. **CLOSING.** The Closing shall occur on or before 15 days after the satisfaction of the last of the contingencies set forth in Paragraph 4 (A through D) (the "Closing") or sooner by mutual written agreement. Buyer has right to extend the Closing for up to 15 days if, on or before five (5) days prior to the contemplated date of Closing, Buyer notifies Seller in writing of Buyer's election to extend.

A. At or prior to the Closing, Buyer shall deliver to the Closing Agent:

i. a wire transfer for the cash portion of the consideration less Buyer's Earnest Money Deposit and the interest earned thereon, increased by all prorations and adjustments in Seller's favor and decreased by all prorations and adjustments in Buyer's favor together with all of the Buyer's share of the costs and charges of the Closing.

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**B. Three business days prior to Closing, Seller shall deliver to the Escrow Holder:**

i. a Warranty Deed conveying marketable title to the Property executed and acknowledged by Seller in recordable form subject only to the "Permitted Exceptions" described below (the "Warranty Deed");

ii. an ALTA Extended Coverage Title Insurance Policy, to be provided at Seller's expense, (the "Title Policy") issued by the Title Insurer insuring title vested in Buyer in the amount of the purchase price of the Property subject only to (a) the lien for real property taxes for the current tax year not then due and payable; (b) the First Mortgage securing the existing loan assumed by Buyer; (c) those covenants, conditions and restrictions, easements, and rights of way of record approved by Buyer pursuant to Paragraph 4.B. below (the "Permitted Exceptions");

iii. an affidavit in accordance with Internal Revenue Code 1445 certifying that Seller is not a foreign person subject to the withholding rules of the Foreign Investment in Real Property Tax Act, (the "Affidavit");

iv. a Bill of Sale and General Assignment conveying the Personal Property and all intangible rights relating to the operation, maintenance, repair, development and use of the Real Property, including, without limitation, all development rights, entitlements, tradenames, trademarks, telephone numbers, names, including, without limitation, the name "Arbor Oaks Mobile Home Park", logos and other intangible rights relating to or appurtenant to the Real Property to Buyer (the "Bill of Sale");

v. an Assignment of Leases and Rental Agreements assigning to Buyer all of the leases and rental agreements for the Property (along with original copies for each space) executed by Seller (the "Assignment of Leases"), and a current rent roll certified by Seller as being accurate and complete including a list of tenant deposits and prepaid and delinquent rents (the "Rent Statement");

vi. an Assignment of Service Contracts assigning to Buyer all of service, operating, maintenance, laundry, cable television, telephone, and other contracts affecting the Property (collectively, the "Service Contracts") which buyer elects to assume;

vii. an affidavit stating that no work has been performed on the Property that would entitle any person or entity to record against the Property any mechanic's or materialman's lien except for persons or entities who have been fully paid and who have released all claims;

viii. an affidavit in compliance with the statutory requirements of §723.071, Fla. Stat.;

vii. such other documents as may be reasonably required by the Title Insurer or Escrow Holder to complete the transaction pursuant to this Agreement.

**C. At the Closing, the Closing Agent shall:**

i. prorate as of the Closing date with Buyer to be credited for the date of Closing, each of the following:

a. current and non delinquent property taxes for the current year; provided that if tax and assessment figures are not available for the current year, then the proration of taxes and assessments shall be based on 100% of the corresponding figures for the prior year and the parties hereto agree to reprorate taxes as of the issuance of the tax and assessment figures for the year of the closing. The parties hereto agree that the provisions of this paragraph shall survive the Closing;

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b. All revenues and expenses incident to the operation of the Property shall be prorated per diem as of the Closing Date, with Seller being entitled to the revenues and responsible for expenses accruing on and before the Closing Date. All receipts from the Property, including rent, which have been paid to Seller and are allocable to the period after Closing shall be credited to Buyer at Closing, and the cash payable at Closing shall be decreased accordingly. All receipts from the Property, including rent, which are allocable to the period as of the Closing and which have not been received by Seller on the Closing Date shall be determined and adjusted between Seller and Buyer as of the Closing Date; provided, however, that Buyer shall not be obligated to make any payment or give any credit to Seller on account of or by reason of any rental or other payments which are unpaid as of the Closing Date, but shall be required merely to turn over to Seller its share of the same if, as and when received by Buyer, provided that Buyer shall have no obligation to institute suit to collect same. In the event that Buyer receives checks payable to Seller with respect to the Property for any amounts due and owing after the Closing Date, Buyer shall be entitled to apply only the portion of such check to such amounts due after the Closing Date and shall immediately remit the balance to Seller. All payments of rent received after the Closing Date shall be applied first to the balance of any unpaid rent accruing prior to the Closing Date, and then to the balance of any unpaid rents accruing after the Closing Date. Seller shall be entitled to pursue any right or remedy available at law or in equity against any tenant for any unpaid rent due Seller. Seller and Buyer, as appropriate, and if requested in writing by the other, agree to prepare a written account or reconciliation regarding any amounts received by either, pursuant to this paragraph, and forward such accounting or reconciliation to the other in a timely fashion.

c. In the event Buyer elects to assume any Service Contracts, then the payment(s) thereon;

d. credit Buyer and charge Seller with tenant security and other deposits;

e. all accrued but unpaid interest on the Existing Indebtedness shall be prorated as of the Closing date.

ii. deliver to Seller the cash portion of the consideration less Seller's share of closing costs & fees plus prorations and adjustments in the Seller's favor;

iii. deliver to Buyer the Title Policy (or cause the actual policy to be delivered to Buyer within fifteen (15) business days), the Bill of Sale, the Assignment of Leases, and the Affidavits.

D. Closing Costs. The parties agree to pay the costs of closing, related fees, and charges as follows:

<u>Buyer</u>	<u>Seller</u>
Doc Stamps on Mortgage and Note	Doc Stamps on Deed
Intangible Tax on Note	
Recording of Mortgage	Recording of Deed
Title Search and Title Insurance Premium	

E. Buyer Closing Conditions. Buyer's obligations under this Agreement are expressly subject to the timely fulfillment of each of the following conditions (each a "Buyer Closing Condition") on or before the Closing Date: (1) Title insurer is unconditionally prepared to issue the Owner's Title Policy; (2) Seller's representations and warranties in this Agreement being true and correct in all material respects as of the date of this Agreement and as of the Closing date; (3) No material change having occurred or be threatened with respect to the Property which would adversely affect the findings made during the contingency periods set forth in Paragraph 4 below which Seller has not cured prior to the Closing date; (4) Seller having timely

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performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by Seller on or before the Closing; and (5) Buyer's receipt of Lender's Approval and execution by Seller and Lender of such documents and Instruments as are required by Lender to evidence Lender's Approval and Buyer's assumption of the Existing Indebtedness and the Existing Loan Documents.

Each Buyer Closing Condition is solely for the benefit of Buyer and may be waived in whole or in part by Buyer by written notice to Seller in Buyer's sole and absolute discretion. If any Buyer Closing Condition has not been satisfied or waived by Buyer in writing by the Closing Date, then in addition to all other rights and remedies of Buyer, Buyer shall have the right to terminate this Agreement, whereupon the Earnest Money Deposit shall be promptly returned to Buyer

4. **CONTINGENCIES.** Buyer's obligation to purchase the Property is contingent upon the written fulfillment and/or Buyer's written waiver of each of the following contingencies, each in Buyer's sole and absolute discretion:

A. Buyer's written approval or satisfaction within thirty (30) business days after the Effective Date of this Agreement of the following:

i. a physical examination of the Property, including but not limited to access to all improvements, Seller-owned structures, mechanical and utility systems, environmental audit, wood-destroying organisms report, and if work and/or repairs are recommended in the report, Seller shall either complete all such work and/or repairs prior to the Closing or credit the Purchase Price at Closing with the amount required to perform such work and/or repairs, which amount shall not exceed \$5,000;

ii. a review of Seller's books and records and income and expense reports for the past two (2) fiscal years and year-to-date;

iii. review of all leases, Service Contracts, park prospectuses, current property tax bills, copy of Seller's insurance policy for the Property, copies of notices from governmental offices received over the past two years, copies of all licenses, certificates and permits relating to the Property, copies of all prior inspection reports in Seller's possession;

iv. a current Rent Statement (showing space number, rents, vacant spaces, prepaid rents, discounts/concessions, security and other deposits, delinquencies, move-in date and lease expiration date) certified by Seller as accurate, correct and complete; a list of tenants who have given notice to vacate to Seller or the on-site management personnel, and a list of mobile homes that are rental homes or sublet and of notes on homes, if any.

v. an inventory of the Personal Property to be transferred by Bill of Sale at Closing;

vi. a list of rent increases and other increases in financial obligations imposed upon the residents of the Property for the past three years along with the copy of the notification of each increase;

vii. Seller's existing survey (the "Existing Survey") of and owner's title policy for the Property;

viii. Seller's existing Phase I environmental assessment report (the "Existing Phase I") for the Property;

ix. the note, the deed of trust or mortgage and all other documents, instruments and agreements evidencing or securing the Existing Indebtedness & all modifications thereto (collectively, the "Existing Loan Documents");

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- x. such other documents as may be reasonably requested by Buyer.

Seller agrees to provide Buyer with access to the Property, records, and materials to conduct such inspections and testing. Except as otherwise set forth in this Agreement, all inspections and testing shall be conducted at Buyer's sole cost and expense. Any and all documents and/or information identified above to be provided by Seller to Buyer shall be received by Buyer within ten days of the Effective Date of this Agreement. Buyer shall have the right to extend the Inspection Period and the Closing by one day for each day beyond said time period that Buyer is not in receipt of the identified documents and/or information.

B. Title. Within ten (10) days after mutual execution of this Agreement, Escrow Agent shall cause to be delivered to the Buyer a Commitment for Title Insurance, provided by Escrow Holder/Closing Agent, together with copies of all liens, easements, claims, encumbrances, rights-of-way, encroachments, reservations, restrictions, and any other matters affecting the Subject Property. Buyer shall have ten (10) days from the receipt of the foregoing in which to examine the Commitment for Title Insurance and to specify to Seller in writing, those items which are title objections. Seller, at Seller's sole cost and expense, shall use all reasonable efforts to correct or remove said title objections (or agree to cause same to be remedied with Seller's proceeds at the Closing) and deliver within 10 days of Buyer's written notification of such exceptions, an amended Commitment reflecting the correction or deletion of same. If Seller is unable to cure the objections to Buyer's satisfaction, Buyer shall have the option to proceed with the purchase as outlined in this Agreement, subject to the condition of title deliverable, or in the alternative, shall have the right to refuse to proceed with the purchase as outlined herein, and upon notification of Seller of said election, Escrow Holder shall promptly return to Buyer, Buyer's Earnest Money Deposit, along with any accrued interest, and this contract shall become null and void. In all events and regardless of whether Buyer disapproves such exceptions, on or before the Closing, Seller shall be obligated to discharge all monetary liens and encumbrances of liquidated amounts other than current, non delinquent taxes which affect all or any portion of the Property & the Existing Indebtedness.

C. Survey. Buyer may, at Buyer's option and expense, elect to obtain a new ALTA survey of the Property or an update to the Existing Survey (such new or updated survey, the "New Survey"). Buyer shall have ten (10) days from the receipt of the last of the Existing Survey and the New Survey, if obtained, in which to examine same and to specify to Seller in writing, those items which are survey objections. Any encroachments and other disapproved matters reflected in the Existing Survey or New Survey shall be treated in the same manner as a title defect in the paragraph 4B directly above, and be remedied in the same manner. In the event that Buyer elects not to obtain the New Survey, Seller shall execute and deliver to Buyer and Title Insurer with a "no changes" survey affidavit in the form customarily required by the Title Insurer.

D. Buyer's receipt of the Lender's Approval (as defined below) from the first mortgage lender within thirty (30) days after the expiration of the contingency period in Paragraph 4.A. above, to assume the Existing Indebtedness. Buyer understands there may be a one percent (1%) assumption fee due to lender to assume the loan. As used herein, the term "Lender's Approval" shall mean Buyer's receipt of Lender's written approval of the transfer of the Property to Buyer and assumption of the Existing Indebtedness by Buyer in a form satisfactory to Buyer in its sole discretion, together with such modifications to the existing loan documents as may be required by Buyer, as evidenced by Lender's unconditional written approval of the transaction and finalization of the consent, assumption and modification documents to be executed at Closing. Buyer may, at Buyer's option and expense, elect to obtain a new Phase I Environmental Report or update the Existing Phase I as part of this contingency, and Buyer shall approve or disapprove of the Existing Phase I and/or any new or updated report within the time allotted in this section.

In the event that Buyer disapproves any of the above contingencies, Escrow Holder will promptly return to Buyer, Buyer's Earnest Money Deposit, along with any accrued interest, and this Agreement shall become null and void.

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5. **RIGHT OF FIRST REFUSAL:** Seller's obligation to sell the Property is contingent upon the mobile home park homeowners' association (the "Association") not exercising its statutory right of first refusal pursuant to §723.071, Florida Statutes on or before August 12, 2011. In the event the Association submits a contract for purchase and sale of the Property matching the material terms and conditions of this Agreement within the right of first refusal period the Buyer shall have the option, at its sole discretion, of either terminating this Agreement and receiving a refund of its Escrow Money Deposit, or continuing this Agreement as a "back-up" contract, in which case, all time periods shall be tolled and extended until the date the Association either closes on the purchase of the Property or terminates its contract. If the Association purchases the Property then this Agreement shall terminate on the date of closing of the sale to the Association and the Buyer shall receive a refund of its Escrow Money Deposit.

6. **POSSESSION.** Possession of the Property shall be delivered to Buyer at Closing subject to the rights of tenants in possession pursuant to leases set forth on the Rent Statement.

7. **COVENANTS, REPRESENTATIONS & WARRANTIES.**

A. Seller hereby covenants, represents and warrants as follows:

i. Seller will maintain the Property in its present physical and operating condition, through and until the date of Closing, and will carry on its business activities in connection with the Property diligently and in substantially the same manner as such activities have previously been carried out by Seller and Seller shall not make or institute any unusual or novel methods of operations that vary materially from those used by Seller as of the date of this Agreement;

ii. there are no existing water problems or underground soil problems on the Property other than those as disclosed in writing by Seller to Buyer during Buyer's inspection period in Paragraph 4.A;

iii. there are no legal or condemnation proceedings against all or any part of the Property; Seller has no knowledge of any potential legal or condemnation proceeding against all or any part of the Property, and Seller has no knowledge of any notices, violations, or other proceedings (including requiring work, repair, or other action) relating to the Property, legal, governmental, or otherwise;

iv. Seller will assign to the Buyer at Closing, the name "Arbor Oaks Mobile Home Park" to the extent of Seller's right thereto; and Seller agrees to take the steps necessary to allow the Buyer to assume the present telephone numbers and listings used by the Mobile Home Park;

v. There are no other leases or Service Contracts between Seller and any third parties affecting the Property except for those delivered to Buyer pursuant to Paragraph 4.A above, and each of the leases and Service Contracts delivered to Buyer is valid and enforceable in accordance with its terms, and is presently in full force and effect, and no party is in default on any of its obligations under said leases (except as may be set forth on the Rent Statement) or Service Contracts. Seller has not received, and is not entitled to any advance payment, bonus, credit, fee or other consideration incurred or paid by any party in connection with said leases (except as may be set forth on the Rent Statement) or any Service Contract which will survive the Closing. The Rent Statement is true, complete and correct;

vi. prior to the Closing, (i) Seller shall enter into no new leases or occupancy agreements (or amend any existing leases or occupancy agreements) other than the form of lease attached to the mobile home park P3 prospectus approved by the Florida Department of Business and Professional Regulation without the Buyer's prior written consent; and (ii) Seller shall not, without the prior written consent of Buyer, enter into any contracts of a continuing nature (or any renewal of the Service Contracts) for services, supplies or materials affecting the Property, that cannot be canceled on or prior to the Closing



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without the payment of any premium or penalty. As of the Closing, Seller shall, at Seller's sole costs and expense, terminate all Service Contracts which Buyer has elected not to assume:

vii. the Property (and all leases affecting the Property) is in compliance with all requirements of the mobile home park statutes of the State of Florida, all city, county, and other local rules, regulations and ordinances; the Mobile Home Park Prospectus(es) is/are current and is/are approved by the Department of Business Regulation ("DBR"); Seller has no knowledge of any resident complaints filed with the DBR, other than those disclosed in writing to Buyer; Seller's prior rent increases have been instituted in compliance with Chapter 723;

viii. all utility and mechanical systems are in good working order and not in need of repair or replacement, are adequate for the functions they are required to perform, and are in normal working order and condition as of the Closing;

ix. the financial information provided by the Seller is true, correct and complete and presents fairly in all material respects the financial information contained therein as of the dates thereof, and there is nothing omitted from such financial information that would materially and/or adversely affect the meaning or interpretation of such financial information or the condition or results of operations of the Property;

x. there has been no production, storage, transport, treatment, spillage, infiltration, or disposal upon the Property of any toxic or hazardous substances including asbestos; Seller shall hold Buyer harmless from any claims, penalties, costs, and losses incurred by the existence of the foregoing which Seller knew existed on the Property prior to the Closing;

xi. notice of right of an offer the park owner intends to consider has been delivered pursuant to Chapter 723 of the Florida Statutes; and the mobile home park home owner's association ("HOA") of the park (if an HOA has been formed pursuant to Chapter 723) has not given notice of its intention to exercise its right of first refusal in accordance with Section 723.071(1), Fla. Stat.;

xii. All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or agency or other party is required. The individuals executing this Agreement and instruments referenced herein on behalf of Seller and the partners, officers or trustees of Seller, if any, have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not result in any breach of the terms, conditions or constitute a default under any instrument or obligation to which Seller is now a party, or by which Seller may be bound or affected, or violate any order writ, injunction or decree of any court in any litigation to which Seller is a party.

xiii. Seller shall be solely responsible for and shall pay the following items which accrue prior to the Closing: (a) all trade obligations of the Property; and (b) all sales tax, social security, payroll taxes, unemployment and workmen's compensation and all accrued vacation pay incident to these personnel at the Property employed by Seller, if any.

xiv. Buyer may offer employment, effective immediately after Closing, to employees of the Property. As of Closing, Seller shall terminate the existing property management and leasing agreement and terminate or cause the termination of, the employment of all such employees hired by Buyer and pay them all accrued wages and benefits, including vacation accruals, which may be due as a result thereof.

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xv. Upon execution of this Agreement, Seller shall contact the holder (the "Lender") of the Existing Indebtedness and request that the Lender work with the Buyer on the proposed assumption thereof. Seller shall cooperate with Buyer regarding the loan assumption process, including, without limitation, promptly executing and/or providing any documents that are reasonably requested by Buyer and/or the Lender in connection therewith. At Closing, Seller shall execute and deliver to Buyer and Lender the loan assumption documents required by Lender.

xvi. Seller has delivered to Buyer true, correct and complete copies of all Existing Loan Documents, and all of such Existing Loan Documents are in full force and effect. Seller is not in default under any of the Existing Loan Documents, nor has any event occurred which with the giving of notice or passing of time or otherwise, would constitute a default thereunder. The Existing Loan Documents represent the complete agreement between Seller and Lender as to all rights, liabilities and obligations of Seller and Lender with respect to the Existing Indebtedness.

B. Buyer hereby covenants, represents and warrants as follows:

i. Buyer is authorized to enter into this agreement;

ii. the Buyer will assume responsibilities to employees of the Property or Seller only in the event they become newly hired by Buyer after the Closing.

C. All of the representations and warranties of Buyer and Seller set forth in this Agreement shall be true upon the execution of this Agreement, shall be deemed to be repeated at and as of the Closing.

#### 8. DEFAULT-LIQUIDATED DAMAGES.

A. Default by Seller. In the event Seller shall default in its obligation to convey the Property to Buyer pursuant to this Agreement, Buyer may, as its sole and exclusive remedy, either (i) waive such default and to proceed with the Closing; (ii) terminate this Agreement by written notice to Seller and Escrow Holder, in which event the Earnest Money Deposit shall be promptly returned to Buyer and Seller shall promptly reimburse Buyer for all of Buyer's reasonable out-of-pocket expenses incurred by Buyer in connection with this transaction, or (iii) seek to enforce specific performance of this Agreement. Seller shall not be liable to Buyer for punitive, speculative or consequential damages.

B. Default by Buyer. In the event Buyer defaults in its obligation to purchase the Property from Seller pursuant to this Agreement, Seller may, as its sole and exclusive remedy for such breach, terminate this Agreement by written notice to Buyer and Escrow Holder, and upon any such termination Escrow Holder shall immediately deliver the Earnest Money Deposit to Seller, such sum being agreed upon as the amount payable by Buyer to Seller in consideration of Buyer having the option to refuse to purchase the Property without any liability on account of its refusal other than payment of the Earnest Money Deposit.

Each action or claim against Buyer arising hereunder or relating hereto shall be made only against Buyer as a limited liability company, and any liability relating thereto shall be enforceable only against the assets of the limited liability company. Seller shall not seek to pierce the veil of the limited liability company or otherwise seek to impose any liability relating to, or arising from this Agreement against any member, manager, partner, employee, officer, director or affiliate of Buyer. Buyer shall not be liable to Seller for punitive, speculative or consequential damages.

#### 9. RISK OF LOSS; CONDEMNATION

A. The parties hereto agree that the risk of loss with respect to the Property shall pass to Buyer

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on the Closing date. In the event of damage to or destruction of the Property prior to the Closing where the cost of repair is reasonably expected to be more than or equal to \$50,000 (a 'Major Casualty'), Buyer shall have the right, at its option, upon notice to Seller within fifteen (15) days of Seller's notice to Buyer of such Major Casualty but in any event before the Closing, to terminate this Agreement by providing written notice thereof to Seller and Escrow Holder (in which event, the Earnest Money Deposit shall be promptly returned to Buyer), or to proceed with the purchase in accordance with the terms of this Agreement. In the event Buyer elects to so proceed with the purchase contemplated hereby notwithstanding such Major Casualty, Seller agrees to pay over to Buyer any funds available from proceeds of insurance payable by reason of such damage or destruction and any deductible amount. In the event of damage or destruction of the Property prior to the Closing where the cost of repair is reasonably expected to be less than \$50,000, the parties shall proceed with the purchase in accordance with the terms of this Agreement and the Purchase Price shall be reduced by the amount of such cost of repair. In the event of any damage or destruction to the Property prior to the Closing, Seller agrees promptly to notify Buyer of such damage or destruction and such notice shall be accompanied by a description of the nature and extent of insurance coverage applicable to such damage or destruction. Seller shall maintain its present policies of insurance in effect until the Closing.

B. If, at any time prior to the Closing, the Property, or any part thereof, is taken by eminent domain, or if any preliminary steps in any taking by eminent domain of the Property or any part thereof occurs prior to the Closing, Buyer may, at its option, exercised within fifteen (15) days after written notice from Seller of such fact, terminate this Agreement by providing written notice thereof to Seller and Escrow Holder (in which event, the Earnest Money Deposit shall be promptly returned to Buyer). Seller shall notify Buyer in writing of any such taking by eminent domain and all steps preliminary thereto as soon as the same shall occur. In the event Buyer does not elect to terminate this Agreement under such circumstances, Buyer shall be entitled to all proceeds received or to be received from any condemning authority, and Seller shall (i) pay to Buyer at Closing all such proceeds received by Seller, and (ii) assign to Buyer all such proceeds to be thereafter received from any condemning authority, by instrument of assignment in form reasonably acceptable to counsel for Seller and Buyer

10. **NOTICE.** Any notice or writing given hereunder shall be delivered by a) depositing the notice or writing contained in a sealed envelope, postage prepaid, in the United States Postal System as registered or certified mail with return receipt requested, b) by overnight express carrier, c) via facsimile transmission, or d) in person. Any such notice so sent shall be conclusively deemed delivered to and received by the addressee a) upon receipt, or b) in case of the US mail, forty-eight (48) hours after the deposit, if the foregoing conditions of notice shall have been satisfied, and addressed as follows:

Buyer:	Grallo Tsang 33782 Marshall Rd. Abbotsford, BC Telephone: (804)853-1368 Telecopier: (804)853-3777
And to:	West Coast Mobile Home Parks Attn.: Richard Delaney 881 Sneath Ln., Ste. 110 San Bruno, CA 94066 Telephone: (415)378-8757 Telecopier: (650)589-7453
Seller:	Silver Fox Real Estate Holdings, Ltd. 4436 Brynwood Dr. Naples, FL 34119

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And to: Jonathan James Damonte, Chartered  
 12110 Seminole Blvd  
 Largo, FL 33778  
 Telephone: (727) 588-2888  
 Telecopier: (727) 581-0922

And to: James Cook  
 Westfield Realty Group  
 428 SW Commerce Dr., Ste. 130  
 Lake City, FL 32025  
 Telephone: (877)871-0808  
 Telecopier: (941)827-7977

11. Utility Company.

A. Transfer of Permits and Plants. The operating certificates, personal property, and all other rights and properties of Silver Fox Utility Company, LLC, d/b/a Timberwood Utilities, and presently serving the Property with water and sewer services, is included in the sale of the Property and shall be transferred and assigned to Buyer at time of closing and transfer. Seller and Buyer recognize that the transfer to the Buyer of the permits and certificates ("Permits") permitting the operation of the waste water treatment plant and water plant ("Plants") at the Property requires the approval of the Florida Department of Environmental Protection ("DEP"), and the Florida Public Service Commission ("PSC"). Buyer shall be responsible for applying for the transfer of the Permits and shall apply for such approval as expeditiously as possible and shall diligently and in good faith prosecute such application for the transfer of the Permits and to provide Buyer, at its sole cost and expense, all documents, information and material in its possession necessary for the DEP and PSC to consider the Buyer's application. Buyer shall pay all costs of such transfers. In the event the transaction contemplated herein closes before such approval is obtained, the Buyer shall operate the Plants pending DEP and PSC approval of the transfer of the Permits and the PSC certificates, respectively, at its sole cost and expense. In such case, the Buyer agrees to indemnify, defend and hold harmless Seller, its successors and assigns, from and against any and all claims, penalties, damages, liabilities, actions, causes of action, costs and expenses (including reasonable attorneys' fees), arising out of, as a result of, or as a consequence of (i) the operation of the Plants after the Closing Date, including without limitation, any property damage or injuries to persons, including death, caused thereby, (ii) the failure of the Plants and the operation thereof to comply with all governmental statutes, rules, regulations and ordinances applicable thereto, and (iii) the failure of the Buyer to pay all costs and expenses incurred after Closing in the operation of the Plants. Provided, however, any such losses shall be limited to actual damages. Consequential, special and punitive damages are hereby excluded from this indemnification. Buyer shall maintain appropriate insurance with respect to its operation of the Plants and the Seller shall be included as an additional insured on all such policies until approval of the transfer of the Permits to the Buyer. If a final decision refusing transfer of the Permits to the Buyer is rendered by the DEP or PSC, the Plants will continue to provide water and sewer services to the residents of the Property as they presently do, and the Buyer and Seller shall enter into such agreements as they shall reasonably and mutually determine are necessary to provide water and sewer service to the tenants, with any net profits accruing to the Buyer.

B. Utilities Lease. Upon acceptance of the transfer of Timberwood Utilities to the Buyer by the DEP and PSC, Silver Fox Utility Company, LLC, shall assign to Buyer or its assigns the 99-year lease with respect to the Plants.

12. Seller's 1031 Exchange. The parties agree as follows with respect to any IRS Code Section 1031 Exchanges:

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Buyer understands that Seller may designate the Property in connection with an exchange pursuant to the provisions of IRC §1031. In the event the Property is so designated and Seller desires to utilize this Property for an exchange, Buyer agrees to cooperate with Seller to achieve a successful exchange so long as Buyer incurs no costs or liability in connection with said exchange. Seller agrees to indemnify Buyer from all loss, costs and expense incurred by reason of said exchange. This transaction is not contingent upon the success or failure of any such exchange. Buyer shall not be required to take title to other property involved in the exchange.

13. **AUTHORITY.** Each person executing this Agreement represents and warrants his authority to do so and that by his signature each of the obligations hereunder become binding upon Seller and Buyer.

14. **REAL ESTATE FEE:** The Purchase/Sale Price herein includes a real estate fee payable by the Seller of the Property in the amount of three percent (3.0%) of the price of the Property. The fee shall be divided equally between West Coast Mobile Home Parks and Westfield Realty Group, and shall be paid through the Closing Agent from Seller's proceeds at the time of settlement or Closing of the transaction.

16. **GENERAL PROVISIONS.**

A. **Good Faith.** All parties hereby expressly covenant to deal with each other in good faith regarding all action, decisions, and conduct relating to this agreement.

B. **Time of the Essence.** Time is hereby expressly made of the essence of this Agreement.

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

D. **Construction.** This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws and judicial decisions of the State of Florida, and is intended by each party hereto to be deemed and construed to have been jointly prepared by the parties; the parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this Paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity.

E. **Binding on Successors.** This Agreement and each and every covenant, condition, and other provisions herein contained shall apply to, be binding upon, and inure to the burden and benefit as may be the case, of the respective heirs, administrators, executors, legal representatives, assigns, successors, and agents of the parties.

F. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and may be modified or amended only by a written instrument executed by all of the parties hereto.

G. **Prevailing Party.** In the event of any litigation with respect to this Agreement, the party hereto who does not prevail shall be responsible for all costs (e.g., court costs, attorneys' fees including upon appeal(s), damages, etc.) incurred by the prevailing party.

H. **Facsimile Copies Acceptable.** Buyer and Seller agree that signed facsimile copies shall be binding as though original documents.

I. **Radon Gas.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels

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of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.

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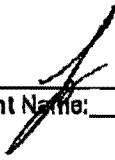
**SIGNATURE PAGES FOLLOW**

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective the date last set forth below.

BUYER:

By:

By:   
Print Name: GABRIEL TSANG

11<sup>th</sup> July 2011  
Date

SELLER: Silver Fox Real Estate Holdings, LLC

By: \_\_\_\_\_  
As its: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

### **EXHIBIT "3"**

The Buyer will be paying cash for the purchase of the system. There will be no third party financing involved in the purchase.



## **EXHIBIT “4”**

The Net Book value of the system as of the date of the proposed transfer is the same value established in the last rate case proceeding in Docket No. 080497-WS with appropriate changes annually for plant improvements as reflected in the annual reports filed with the Public Service Commission.

**EXHIBIT "5"**

The Buyer has obtained and reviewed to its satisfaction all federal income tax returns of the Seller from the date the rate base was last established by the Commission.

## **EXHIBIT "6"**

The Buyer has conducted a detailed inspection of the system and is satisfied with the condition of the system. The system is currently in compliance with all Department of Environmental Protection regulations and those set forth by the Water Management District. The system is not in need of any repairs or improvements. Furthermore, the system is not under a Consent Order or in receipt of any Notice of Violation.

## **EXHIBIT "7"**

Attached please find an Affidavit that the Notice of Actual application was provided in accordance with Section 367.045(1)(a), F.S., and Rule 25-30.030, Florida Administrative Code, by Regular U.S. Mail to the following entities:

1. Local Government Governing Body;
2. Other PSC Utilities in County;
3. The Utility is not within 1 mile of a County Boundary;
4. The Regional Planning Council;
5. The Office of Public Counsel;
6. The Public Service Commission's Office of Commission Clerk;
7. The appropriate Regional office of the Department of Environmental Protection; and
8. The Southwest Florida Water Management District.

**This Exhibit will be late-filed.**

## **EXHIBIT "8"**

Attached please find an Affidavit that the Notice of Actual Application was given in accordance with the Rule 25-30.030, Florida Administrative Code by regular mail or personal delivery to each customer of the system. A customer list is also attached.

**This Exhibit will be late-filed.**

**EXHIBIT "9"**

Attached please find proof of publication of the notice of actual application.

**This Exhibit will be late-filed.**

**EXHIBIT "10"**

Attached please find a legal description of the property upon which the facilities are located and proof of ownership by Buyer.

This instrument prepared by and RETURN TO:

Jonathan James Damonte, Chartered  
12110 Seminole Blvd.  
Largo, FL 33778

**Assignment of Lease**

THIS ASSIGNMENT OF LEASE is made this 14 day of April, 2005, between **Mink Associates, II, LLC**, a Florida limited liability company, d/b/a Timberwoods Utilities, Assignor, and **Silver Fox Utility Company, LLC**, a Florida limited liability company, Assignee, whose post office address 4436 Brynwood Drive, Naples, Florida 34119.

Assignors, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by Assignees, the receipt of which is hereby acknowledged, hereby assign, transfer, set over, and deliver to the Assignees all of the right, title and interest of the Assignors under that certain **99-Year Lease Agreement for Wastewater Treatment Facilities**, dated **August 26, 2002**, recorded in **Official Records Book 5067, Page 72**, Public Records of **Pasco County, Florida**,

To Have And To Hold the same unto the Assignees, their executors, administrators, legal representatives, heirs, distributees, successors and assigns, on and after the date hereof, for all the rest of the term of said lease, subject to the covenants, conditions and limitations therein contained.

In Witness Whereof, the parties hereto have caused these presents to be executed.

Signed, sealed and delivered  
in the presence of:

Mink Associates II, LLC

[Signature]  
Printed Name: LOUI ENGLERT

[Signature]  
Arlene H. Mink, Managing Member

[Signature]  
Printed Name: Christine Proskop

[Signature]  
Gerald D. Ross, Manager

“Assignor”

Silver Fox Utility Company, LLC

Printed Name: \_\_\_\_\_

David Bollinger, Managing Member

“Assignee”

Printed Name: \_\_\_\_\_

STATE OF New York  
COUNTY OF Monroe

The foregoing instrument was acknowledged before me this 14 day of April, 2005, by Arlene H. Mink, as Managing Member of Mink Associates II, LLC, a Florida limited liability company, on behalf of the company. He/she:  is personally known to me or  has produced \_\_\_\_\_ as identification.

[Signature]  
Notary Public

ANNE H. BERNSTEIN  
Notary Public in the State of New York  
MONROE COUNTY  
Commission Expires Feb. 28, 2007



STATE OF New York  
COUNTY OF Monroe

The foregoing instrument was acknowledged before me this 4 day of April, 2005, by Gerald D. Ross, as Manager of Mink Associates II, LLC, a Florida limited liability company, on behalf of the company. He/she:  is personally known to me or  has produced \_\_\_\_\_ as identification.

ANNE H. BERNSTEIN  
Notary Public in the State of New York  
MONROE COUNTY  
Commission Expires Feb. 28, 2007

  
Notary Public

STATE OF FLORIDA

COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2005, by David Bollinger, as Managing Member of Silver Fox Utility Company, LLC, a Florida limited liability company, on behalf of the company. He/she:  is personally known to me or  has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public

B  
R  
FL Public Service Comm  
2540 Shomard Oak Blvd  
Tallahassee, FL 99-YEAR LEASE AGREEMENT  
32399 FOR



Rept: 617868 Rec: 60.00  
DS: 0.00 IT: 0.00  
09/12/02 Dpty Clerk

**WASTEWATER TREATMENT FACILITIES**

This 99-Year Lease for wastewater treatment facilities (the "Lease") is made and entered into between Mink Associates I, LLC, a Florida Limited Liability Company (the "Lessor") and Mink Associates II, LLC, d/b/a Timberwood Utilities, (the Lessee), dated as of the 26th day of August, 2002.

JED PITTMAN, PASCO COUNTY CLERK  
09/12/02 02:27pm 1 of 13  
OR BK 5067 PG 72

**RECITALS**

1. Lessor is the owner of the real property in Pasco County, Florida operated as Arbor Oaks Mobile Home Park located at 36323 Arbor Oaks Drive, Zephyrhills, Florida 33541 (the "Park"). The real property is more particularly described as Tracts 22, 27, 28, 37 and 38 of Zephyrhills Colony Company Lands, Section 9, Township 26 South, Range 21 East, according to the map or plat thereof as recorded in Plat Book 1 at Page 55 of the Public Records of Pasco County, Florida.
2. Lessee is the owner of a transmission and distribution system (the "Water Plant") and a wastewater collection, transmission, treatment and disposal system (the "Wastewater Treatment Plant"). The Water Plant and the Wastewater Treatment Plant are sometimes hereafter collectively referred to as the "Systems". The Systems are located within the boundaries of and service the Park. Lessee's service area is more particularly described as Arbor Oaks Mobile Home Park, Township 26 South, Range 21 East, in Section 9, the SW ¼ of the NE ¼ of the NW ¼ and the S ½ of the SE ¼ of the NE ¼ of the NW ¼ and the N ½ of the N ½ of the SE ¼ of the NW ¼.
3. The real property upon which the wastewater percolation ponds are located and the real property upon which the six 12' diameter tanks that comprise the Wastewater Treatment Plant are located and the real property on which the 8.3' x 8.3' frame shed is located, as depicted in the survey prepared by Simmons & Beall, Inc., license number 6382, dated September 29, 1997, attached hereto as Exhibit "A", will hereafter be referred to as the "Leased Premises". The Leased Premises are located within the Arbor Oaks Mobile Home Park, more particularly described as a rectangular parcel of land 145 feet wide and 210 feet long, bounded on the north by the southern lot lines of lot 68 (50 feet), lot 69 (50 feet) and lot 70 (45 feet); bounded on the south by the northern lot lines of lot 121 (50 feet), lot 122 (45 feet) and lot 123 (50 feet); bounded on the east by the western lot lines of lot 126 (45 feet), lot 127 (50 feet), lot 128 (50 feet) and lot 129 (45 feet) together with the southern most 10 feet of the western lot line of lot 66 and the northern most 10 feet of the western lot line of lot 125; and bounded on the west by the eastern lot lines of lot 130 (93 feet) and lot 157 (97 feet), together with the 20-foot road easement of Arbor Oaks Drive.

4. Lessor has agreed to lease the Leased Premises to Lessee pursuant to a Lease Agreement, the terms of which grant Lessee the right to lease the Leased Premises from Lessor; to grant a separate non-exclusive perpetual easement and rights of way through, under, over, on and across the Parks to patrol, inspect, alter, improve, repair, rebuild, remove, replace, construct, reconstruct, operate and maintain Systems and other attachment, fixtures, equipment, and accessories desirable in connection therewith over, under, through, upon and across the Park at such places, streets, parcels and lots as may be necessary for efficient delivery of utility services to all occupants in the Park, and to assign such existing easements to Lessee as may be necessary for the foregoing purposes.
5. Lessor acknowledges that Lessee is the sole and exclusive provider of water and wastewater utility service to the Park and Lessee acknowledges that it is capable of providing utility services to the residents and the common areas of the Park.
6. Lessor and Lessee desire to set forth herein the terms and conditions under which the Lessee shall be granted the sole and exclusive right to use the Leased Premises to operate and maintain the Systems so that Lessee can continue to provide water and wastewater utility services to the residents of the Park.
7. The Parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this Agreement.

**ACCORDINGLY**, for and in consideration of the sum of Ten (\$10.00) Dollars, the above Recitals and benefits to be derived from the mutual observation of the 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:

1. **AGREEMENT TO LEASE.** Subject to the terms and conditions hereinafter set forth, Lessor hereby demises and leases the Leased Premises exclusively to Lessee and Lessee does hereby hire and take the Leased Premises from Lessor.
2. **TERM.** To have and to hold for a term of ninety-nine (99) years, unless sooner terminated, as provided hereinbelow. The term of this lease shall commence on the date on which the last of the parties executes the Agreement below ("Effective Date") and shall expire ninety-nine (99) years from that date.
3. **RENTAL.** The rent reserved under this Agreement shall be as follows:
  - (a) Annual rental of \$1,200.00 per year, payable in equal monthly installments of \$100.00 per month, payable the first day of each month.

- (b) The annual rental amounts in subparagraph (a) above shall increase based upon the Consumer Price Index (as hereinafter defined) commencing on the thirty-seventh (37) month from the date of this Agreement. Every three (3) years thereafter, rental amounts shall be increased to an amount equal to the increase in the Consumer Price Index which shall be determined every three (3) years and paid at the new rental rate adjusted by the cumulative increase over the prior three (3) years. "Consumer Price Index" shall mean the Consumer Price Index which is presently designed as the United States City Average for All Urban Consumers, All Items, with a base period equaling 100 in 1982-84. In the event the statistics are not available or in the event that publication of the Consumer Price Index is modified or discontinued in its entirety, the adjustment provided for herein shall be made on the basis of an index chosen by Lessor as a comparable and recognized index of the purchasing power of the United States consumer dollar published the United States Department of Labor or other governmental agency.
  - (c) Real estate taxes (both ad valorem taxes and non ad valorem taxes) and special assessments, if any, shall be paid by Lessee.
  - (d) Personal property taxes on the Systems, and necessary license and occupational fees, insurance, repair, maintenance and compliance costs for the Systems shall be paid by Lessee.
4. **CONDITION OF PREMISES.** The Premises are leased subject to any and all conditions that an accurate examination of the Premises would disclose, Lessee agreeing to indemnify Lessor against any and all claims for personal injury or property damage to Lessee's property caused by any defects in the Premises.
5. **SUBORDINATION.** This Lease shall be subject and subordinate at all times to the lien of any mortgage or mortgages, now encumbering the Premises, or which Lessor may at any time place against the Premises. Lessee agrees to execute such documents as may be requested by any mortgagee to evidence the subordination contained herein; provided, however, that as a condition of such subordination, the holder of such mortgage shall be required to agree with Lessee that, notwithstanding the foreclosure of such mortgage, Lessee's occupancy of the Premises shall not be disturbed so long as Lessee is not in default hereunder and attorns to such Mortgagee and agrees to perform all obligations owed to Lessor hereunder for the benefit of such Mortgagee.
6. **REPAIR OF PREMISES.** Lessee will keep the Premises in a clean and sanitary condition during the term of this Lease and any renewal terms, at Lessee's expense, and will comply with all governmental ordinances and directions of proper public officers in connection with such maintenance during the term of this Lease.

7. **NET LEASE.** It is the intent of Lessor and Lessee that this Lease be a "Triple Net Lease", meaning that Lessee shall be responsible for the payment of all insurance, utilities, repairs, maintenance, replacement, sales and use taxes, property taxes and charges and impositions relative to the Premises and/or Lessee's use and occupancy thereof, except that Lessee shall not be responsible for the payment of any mortgages or other liens placed upon the premises by Lessor nor for the payment of any income taxes of Lessor.
8. **ALTERATIONS BY LESSEE.** Lessor agrees that Lessee may make, at its own expense, any alterations, repairs, replacements or additions to the improvements on the Premises, provided:
- (a) Lessee shall perform such alterations, repairs, replacements or additions, in accordance with the statutes, ordinances, rules, regulations and orders of all public or quasi-public authorities having jurisdiction thereof and in accordance with the rules and regulations of the local board of Fire Insurance Underwriters; and,
  - (b) The Premises shall at all times be kept free and clear of all mechanic's, materialmen's, labor or other liens or claims of liens, and Lessee agrees to indemnify and save harmless Lessor from all claims, demands and liability, including damage to person or property arising out of or in connection with any such work; and,

Nothing in this Lease shall be construed as in any way constituting a consent or request by Lessor, expressed or implied, by inference or otherwise, to any contractor, sub-contractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific or general improvement, alteration or repair of or to the Premises or to any buildings or improvements thereon or to any part thereof. Pursuant to Florida Statute §713.10, it is the intent of the parties hereto that Lessor's interest in the Premises shall not be subject to any liens filed because of Lessee's failure to make payments in connection with any buildings or improvements installed or constructed on the Premises.

9. **UTILITIES.** Lessee shall pay for all utility services supplied to the Premises for the benefit of Lessee and shall pay all charges for the collection of refuse from the Premises.
10. **LICENSES, FEES AND TAXES.** Lessee shall pay all state, county, municipal, occupational or other licenses, fees and taxes which may be imposed upon the business or occupation of Lessee conducted on or from the Premises and shall pay any tax imposed by the State of Florida on rentals. Lessee covenants to promptly pay when due all real property taxes and tangible personal property taxes relating to the Premises. If the term hereof shall end before rendition of a tax bill for such year, Lessee will pay to Lessor Lessee's pro-rata portion of such taxes based upon the assessments for the prior year.
11. **USE.** The Premises may be used for any and all legal purposes so long as such use does not change the character of the Premises. Except as hereinafter provided, Lessee shall comply

with all governmental laws, ordinances and regulations applicable to the use of the Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances, in or upon, or connected with, Lessee's use of the Premises. Lessee will not permit the Premises to be used for any purpose or in any manner which would render the insurance thereon void.

In the event Lessee contaminates the Premises or any adjacent property with hazardous waste in connection with its use of the Premises, Lessee agrees to hold harmless and indemnify Lessor, and Lessor's successors and assigns from any and all claims, suits, actions, debts, damages, costs, charges, and expenses, including attorneys' fees, paralegals' fees, legal assistants' fees and costs, and against all liability, losses and damages of any nature whatsoever, that Lessor may at any time sustain by reason of any such contamination.

12. **REPRESENTATIONS OF LESSOR.** Lessor represents that as of the Commencement Date, the Premises complies with all applicable laws, ordinances, statutes, regulations, orders, rules and restrictions relating thereto (the "Applicable Laws"), and that the Premises and the existing and prior uses thereof (including any uses by its former Lessees) has not prior to the Commencement Date and does not currently violate the provisions of any Applicable Laws relating thereto. If the Premises at any time fails to be in compliance with the Applicable Laws based upon the actions or inactions of Lessor prior to the Commencement Date, Lessee shall notify Lessor of such lack of compliance and, within seven (7) days of such notice, Lessor shall take all necessary measures to bring the Premises into compliance with the Applicable Laws.
13. **INSURANCE.** At all times subsequent to the commencement date of the term of this Lease and during the full term, Lessee shall keep the Premises covered, at Lessee's sole cost and expense against claims for personal injury or property damage under a policy of general public liability insurance.

All insurance required to be maintained by Lessee shall be effected by valid and enforceable policies issued by insurers licensed to do business in the State of Florida, countersigned by an agent licensed to do business in Florida and of recognized responsibility satisfactory to Lessor. Within fifteen (15) days after the commencement of the term of this Lease, Lessee shall promptly deliver to Lessor the original policies as specified above and within fifteen (15) days after the premium of each such policy shall become due and payable, such premium shall be paid by Lessee and Lessor shall be furnished with satisfactory evidence of such payment.

All policies of insurance required to be maintained by Lessee shall name Lessee and Lessor as the insureds as their respective interests may appear.

14. **DESTRUCTION BY CASUALTY.** In the event of damage or destruction to the Premises, or any portion thereof, by fire or other cause, Lessee shall have the option to repair or restore

the same, as the case may be, at Lessee's expense, or to terminate this Lease. If termination is elected, the provisions of Section 29 hereof shall become applicable.

15. **CONDEMNATION.** In the event that any portion of the Premises or all of the Premises are taken under condemnation proceedings, or by sale under threat of condemnation, Lessee shall have no right to any portion of the condemnation award, except for Lessee's utility property (as discussed herein). If the portion of the Premises taken is such that Lessee is not materially affected in the conduct of Lessee's business, then this Lease shall continue in full force and effect with no abatement of the obligations of Lessee hereunder as though such property was not taken. If, on the other hand, the taking of a portion of the Premises is such as to materially affect the conduct of Lessee's business, then and in that event, Lessee shall have the right to terminate this Lease, subject to the provisions of an equitable abatement of rent hereunder.
16. **ENTRY UPON PREMISES.** Lessee agrees that Lessor may at any reasonable time or times during the business hours of Lessee, enter upon the Premises for the purpose of inspecting the same, or to make necessary repairs where Lessor is obligated to make such repairs or where Lessee is delinquent in making repairs it is obligated to make.
17. **ASSIGNMENTS AND SUBLETTING.** Lessee shall not sublet the Premises or assign this Lease without the written consent of Lessor, which shall not be unreasonably withheld.

Notwithstanding anything stated above, Lessee shall at all times during the term hereof have the right without having to obtain Lessor's prior approval therefor to assign this Lease or to sublease all or any portion of the Premises to (i) any Affiliate (defined below) of Lessee, any successor entities or persons by virtue of merger, consolidation, liquidation, reorganization or other operation of law; (ii) to the purchaser (or an Affiliate of the purchaser) of any material portion of the assets of Lessee, or any portion of the business conducted by Lessee at the Premises (however, Lessee shall at all times remain responsible for the payment of the Rent hereunder); (iii) any partnership or joint venture in which Lessee or an Affiliate of Lessee is a partner or a joint venturer that actively participates in the business thereof; and (iv) any entity occupying space in the Premises principally for the purpose of providing services to Lessee or its Affiliates. As used in this Lease, the Term "Affiliate" shall mean (i) any person or entity controlling, controlled by or under common control with Lessee, or (ii) any person or entity controlling, controlled by or under common control with Lessee's parent or any subsidiary of any tier of Lessee's parent. "Control" as used herein means the power, directly or indirectly, to direct or cause the direction of the management and policies of the controlled person or entity. The ownership, directly or indirectly, of at least 51% of the voting securities of, or the possession of the right to vote in the ordinary direction of its affairs at least 51% of the voting interest in, any person or entity shall be presumed to constitute such control.

18. **COVENANTS AS TO BREACH AND REMEDIES.** In addition to default by Lessee in any of Lessee's promises or covenants hereunder, either, (a) the appointment of a receiver to take possession of all, or substantially all, of Lessee's property, or (b) a general assignment by Lessee for the benefit of creditors, or (c) any action taken or suffered by Lessee under any insolvency or bankruptcy act, shall also constitute a breach of this Lease by Lessee.

In the event of breach of this Lease by Lessee, if Lessee has not cured such default within 14 days of Lessee's receipt of written notice from Lessor describing such default, or in the event of renunciation of this Lease by Lessee before the expiration of the term hereof, Lessor may:

- (a) Treat this Lease as terminated and resume possession of the Premises, having immediate right of reentry, and may remove all persons and property from the Premises, and may store such property in a public warehouse or elsewhere at the cost of and for the account of Lessee; or
- (b) Lessor may retake possession of the Premises for the account of Lessee and relet the Premises; or,
- (c) Lessor may stand by and do nothing and shall have the right to sue Lessee for any sums or obligations due hereunder.

No such re-entry or taking possession of the Premises by Lessor shall be construed as an election on its part to terminate this Lease, unless written notice of such intention be given to Lessee, or unless the termination thereof be decreed by a court of competent jurisdiction.

In the event Lessee defaults or breaches any of the terms, conditions or promises of Lessee herein contained, and Lessor is put to the necessity of employing an attorney in order to collect any sum or sums of money which may be due by reason of such default, or otherwise take such steps or legal action as may be necessary to enforce such terms, conditions or promises, then Lessee agrees to pay reasonable attorneys' fees, paralegals' fees, legal assistants' fees and court costs and expenses in connection therewith.

19. **PERFORMANCE BY LESSOR OF LESSEE'S OBLIGATIONS.** In the event Lessor shall pay or be compelled to pay a sum of money, or to do any act which requires the payment of any money, by reason of the failure of Lessee to perform one or more of the covenants herein contained to be kept and performed by Lessee, then in such event, the sum or sums so paid by Lessor, together with all interest, expense or obligations incurred by Lessor, shall be considered as additional rent and shall be due and payable from Lessee to Lessor.
20. **NOTICES.** All notices to be given to Lessee shall be given in writing, personally, or by depositing the same in the United States Mails, certified or registered, return receipt requested, postage prepaid and addressed to Lessee at 84 South Main Street, Fairport, New



York 14450. Notices and rental payments hereunder to be given to Lessor shall be given in a like manner and addressed to Lessor at 36323 Arbor Oaks Drive, Zephyrhills, Florida 33541 or such other address as Lessor shall hereafter designate in writing. Notice shall be deemed to have been given upon receipt if given by personal delivery or three (3) days after deposit in the mail if mailed.

21. **WAIVER.** In the event Lessor does not insist on a strict performance of any of the terms and conditions hereof, such shall not be deemed a waiver of the rights or remedies that Lessor shall have to insist upon strict performance of any such terms or conditions in the future or any other conditions and terms of this Lease.
22. **SUCCESSORS AND ASSIGNS.** The conditions and covenants herein contained shall apply to and bind the heirs, successors, personal representatives and assigns, where allowed, of the parties hereto.
23. **INVALIDITY OF ANY PROVISIONS.** If any term, covenant, condition or provision of this Lease shall be held to any extent to be invalid or unenforceable under applicable law, the remaining terms, covenants, conditions and provisions of this Lease shall not be affected thereby but shall remain in full force and effect.
24. **MISCELLANEOUS.** The masculine, feminine or neuter gender, wherever used herein, shall be deemed to include the masculine, feminine and neuter whenever and wherever applicable herein. Whenever the singular is used it shall be deemed to include the plural whenever and wherever applicable herein.
25. **HAZARDOUS SUBSTANCES.** Lessee shall indemnify, protect and hold harmless Lessor and each of its respective subsidiaries from and against all costs and damages incurred by Lessor in connection with the presence, emanation, migration, disposal, release or threatened release of any oil or other petroleum products or hazardous materials or substances on, within, or to or from the Premises as a result of (i) the operations of the Lessee after the Commencement Date and (ii) the activities of third parties affiliated with Lessee or invited on the Premises by Lessee. Lessor shall indemnify, protect and hold harmless Lessee and each of its respective subsidiaries from and against all costs and damages incurred by Lessee in connection with the presence, emanation, migration, disposal, release or threatened release of any oil or other petroleum products or hazardous materials or substances on, within, or to or from the Premises as a result of (i) any activity or action by any party prior to the Commencement Date, (ii) the condition of the Premises prior to the Commencement Date, including any future manifestations of such conditions, or (iii) the activities of Lessor or the activities of any third party not affiliated with Lessee and not invited on the Premises by Lessee. Each party agrees that such party will promptly give written notice to the other party of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Premises and any hazardous substance or environmental law of which such party has actual notice.

26. **REQUIRED STATEMENT.** Florida Statute §404.056(7) requires the following statement to be included in this Lease: **RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.
27. **WAIVER OF JURY TRIAL.** Lessor and Lessee hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other or any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee, Lessee's use or occupancy of the Premises, and/or claim of injury or damage.
28. **RELATIONSHIP OF THE PARTIES.** Nothing herein contained shall be deemed or construed as creating the relationship of principal and agent or of partnership or joint venture between Lessor and Lessee; it being understood and agreed that neither the method of computing rent nor any other provision contained herein nor any acts of Lessor and Lessee shall be deemed to create any relationship between the parties other than that of Lessor and Lessee.
29. **OBLIGATIONS OF LESSEE ON TERMINATION.** Lessee agrees that upon the termination of this Lease for whatever reason, either upon the completion of the term hereof or otherwise, it will, at its sole cost and expense, (i) cause the water and wastewater treatment plants situated on the Premises and all percolation ponds, drainfields and other components of the utility system situated on the Premises (but exclusive of lines and laterals which are underground) to be decommissioned in accordance with all applicable regulations of the Florida Department of Environmental Protection, Sarasota County and any other state or federal agency having jurisdiction; (ii) remove all equipment, fixtures and personalty from any structures on the Premises.
30. **QUIET ENJOYMENT.** Lessor covenants that it now has good title to the Premises, free and clear of all liens and encumbrances. Lessor represents and warrants that it has full right and authority to enter into this Lease and that Lessee, upon paying the rental herein set forth and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Premises for the term hereof without hindrance or molestation from Lessor, subject to the terms and provisions of this Lease.
31. **LIABILITY.**
- (a) Lessee shall be liable to Lessor for and shall indemnify and hold harmless Lessor and Lessor's partners, venturers, directors, officers, agents, employees, invitees, visitors and contractors from all claims, losses, costs, damages or expenses (including but not limited to attorney's fees) resulting or arising or alleged to result or arise from any

and all injuries to or death of any person or damage to or loss of any property caused by any negligence or intentional misconduct of Lessee or Lessee's partners, venturers, directors, officers, agents, employees, or by any breach, violation or non-performance of any covenant of Lessee under this Lease other than any injury or damage arising (or alleged to arise) out of any negligence, intentional misconduct or breach of the term of this Lease by Lessor or Lessor's partners, venturers, directors, officers, agents, or employees. If any action or proceeding should be brought by or against Lessor in connection with any such liability or claim, Lessee, on notice from Lessor, shall defend such action or proceeding, at Lessee's expense, by or through attorneys reasonably satisfactory to Lessor.

- (b) Lessor shall be liable to Lessee for and shall indemnify and hold harmless Lessee and Lessee's partners, venturers, directors, officers, agents, employees, invitees, visitors and contractors from all claims, losses, costs, damages or expenses (including but not limited to attorney's fees) resulting or arising or alleged to result or arise from any and all injuries to or death of any person or damage to or loss of any property caused by any negligence or intentional misconduct of Lessor or Lessor's partners, venturers, directors, officers, agents, or employees, or by any breach, violation or non-performance of any covenant of Lessor under this Lease other than any injury or damage arising (or alleged to arise) out of any negligence, intentional misconduct or breach of the term of this Lease by Lessee or Lessee's partners, venturers, directors, officers, agents, or employees. If any action or proceeding should be brought by or against Lessee in connection with any such liability or claim, Lessor, on notice from Lessee, shall defend such action or proceeding, at Lessor's expense, by or through attorneys reasonably satisfactory to Lessee.

The parties hereto have executed this Lease the date indicated.

Dated this 26 day of August, 2002

WITNESSES:

Gerard R. Ross  
Christine Prokop

Mink Associates I, LLC, a Florida Limited Liability Company

By: Arlene Mink  
As its: owner

Dated this 26 day of Aug, 2002.

WITNESSES:

Arlene Mink  
Christine Prokop

Mink Associates II, LLC, d/b/a Timberwood Utilities

By: Gerard R. Ross  
As its: manager

GUARANTY OF PERFORMANCE

For valuable consideration, the undersigned irrevocably and unconditionally guarantees to Lessor the full, faithful and punctual performance by Lessee of all of Lessee's covenants and agreements contained in this Lease, or any extensions or renewals thereof, and agrees that any extensions, postponements, either of payment or enforcement, waivers, releases of any rights against any party, or releases of any security shall not affect the undersigned's absolute and unconditional liability hereunder. Demand, notice of default or of nonpayment, and all suretyship defenses whatsoever are hereby waived.

Dated, signed, sealed, and delivered as of the date set forth below.

WITNESSES:

Mink Associates I, LLC, a Florida Limited Liability Company

Gerald D. Ross

By: Arlene Mink

Print Name: GERALD D. ROSS

Print Name: ARLENE MINK  
Its: owner

Christine Prokop

Print Name: Christine Prokop Date of Execution: 8/26/02

Mink Associates II, LLC, d/b/a Timberwood Utilities

Arlene Mink

By: Gerald D. Ross

Print Name: ARLENE MINK

Print Name: GERALD D. ROSS  
Its: Manager

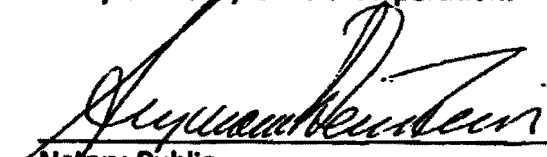
Christine Prokop

Print Name: Christine Prokop Date of Execution: 8/26/02



STATE OF NEW YORK)  
COUNTY OF MONROE) ss.

On the 10 day of SEPT in the year 2002, before me personally Arlene Mink and Gerald Ross, to me known, who, being by me duly sworn, did depose and say that they reside in Monroe County, New York, that they are the owner and manager of MINK ASSOCIATES I, LLC and MINK ASSOCIATES II, LLC, respectfully, and that they signed their names thereto by authority of said corporation.



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Notary Public

SEYMOUR WEINSTEIN  
NOTARY PUBLIC  
COUNTY OF MONROE  
STATE OF NEW YORK  
COMM. EXPIRES 3/30/04

## **EXHIBIT "11"**

Attached are the original and two copies of sample water and wastewater tariff sheets reflecting the name of the new utility, the existing rates and charges and territorial description of the water and wastewater system.

## **LEGAL/TERRITORIAL DESCRIPTION**

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

Dr. Gratio Tsang, President

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Hometown Canada Utility, Inc.

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For wastewater service to all Customers for which no other schedule applies.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$14.02
	3/4"	21.01
	1"	35.03
	1 1/2"	70.07
	2"	112.11
	3"	210.22
	4"	350.34
	6"	700.68

Gallonge Charge per 1,000 gallons \$ 7.47

MINIMUM CHARGE - Applicable Base Facility Charge (BFC)

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for wastewater service, service may then be discontinued.

BASE FACILITY CHARGE - Any customer who requests that service be interrupted for any length of time will pay the Base Facility Charge (BFC) during that period of interruption. Any customer who attempts to circumvent this charge by closing his account (and requesting deposit refund) at the time of temporary departure and then returning several months later as a new customer will be held liable for the BFC during the disconnected months. The payment of the BFC will be made monthly.

EFFECTIVE DATE -

TYPE OF FILING - Sample - Transfer Application

Hometown Canada Utility, Inc.

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For wastewater service for all purposes in private residences and individually metered apartment units.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	All meter sizes	14.02
	Gallage Charge per 1,000 gallons (Maximum charge of 6,000 gallons)	6.26

MINIMUM CHARGE - Applicable Base Facility Charge (BFC)

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for wastewater service, service may then be discontinued.

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EFFECTIVE DATE -

TYPE OF FILING - Sample - Transfer Application

Hometown Canada Utility, Inc.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For water service to all Customers for which no other schedule applies.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$ 8.87
	3/4"	13.32
	1"	22.18
	1 1/2"	44.36
	2"	70.97
	3"	133.08
	4"	221.89
	6"	443.61

Gallorage Charge per 1,000 gallons \$ 6.71

MINIMUM CHARGE - Applicable Base Facility Charge (BFC)

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

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EFFECTIVE DATE -

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Hometown Canada Utility, Inc.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

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BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
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EFFECTIVE DATE -

TYPE OF FILING - Sample - Transfer Application

Hometown Canada Utility, Inc.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The company may charge the following miscellaneous service charges in accordance with the terms state herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist before.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise make satisfactory arrangements to pay the bill.

LATE PAYMENT FEE - This charge may be levied when the water bill is not paid by the due date.

Schedule of Miscellaneous Service Charges

Initial Connection fee	17.46
Normal Reconnection Fee	17.46
Violation Reconnection Fee	17.46
Premises Visit Fee (in lieu of disconnection)	11.65
Late payment	5.81

EFFECTIVE DATE-

TYPE OF FILING- Sample - Transfer Application

Hometown Canada Utility, Inc.

WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The company may charge the following miscellaneous service charges in accordance with the terms state herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

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LATE PAYMENT FEE - This charge may be levied when the water bill is not paid by the due date.

Schedule of Miscellaneous Service Charges

Initial Connection fee	17.05
Normal Reconnection Fee	17.05
Violation Reconnection Fee	Actual Cost (1)
Premises Visit Fee (in lieu of disconnection)	11.35
Late payment	5.68

(1) Actual Cost is equal to the total cost incurred for services.

EFFECTIVE DATE-

TYPE OF FILING- Sample - Transfer Application

Hometown Canada Utility, Inc.

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For wastewater service to all Customers for which no other schedule applies.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$14.02
	3/4"	21.01
	1"	35.03
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	2"	112.11
	3"	210.22
	4"	350.34
	6"	700.68

Gallonge Charge per 1,000 gallons \$ 7.47

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EFFECTIVE DATE -

TYPE OF FILING - Sample - Transfer Application

Hometown Canada Utility, Inc.

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For wastewater service for all purposes in private residences and individually metered apartment units.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	All meter sizes	14.02
	Gallonge Charge per 1,000 gallons (Maximum charge of 6,000 gallons)	6.26

MINIMUM CHARGE - Applicable Base Facility Charge (BFC)

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for wastewater service, service may then be discontinued.

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EFFECTIVE DATE -

TYPE OF FILING - Sample - Transfer Application



Hometown Canada Utility, Inc.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY- Available throughout the area served by the Company.
- APPLICABILITY- For water service to all Customers for which no other schedule applies.
- LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$ 8.87
	3/4"	13.32
	1"	22.18
	1 1/2"	44.36
	2"	70.97
	3"	133.08
	4"	221.89
	6"	443.61

Gallonge Charge per 1,000 gallons \$ 6.71

- MINIMUM CHARGE - Applicable Base Facility Charge (BFC)
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.
- BASE FACILITY CHARGE - Any customer who requests that service be interrupted for any length of time will pay the Base Facility Charge (BFC) during that period of interruption. Any customer who attempts to circumvent this charge by closing his account (and requesting deposit refund) at the time of temporary departure and then returning several months later as a new customer will be held liable for the BFC during the disconnected months. The payment of the BFC will be made monthly.

EFFECTIVE DATE -

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Hometown Canada Utility, Inc.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

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APPLICABILITY- For water service for all purposes in private residences and individually metered apartment units.

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BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$8.87
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EFFECTIVE DATE -

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Hometown Canada Utility, Inc.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The company may charge the following miscellaneous service charges in accordance with the terms state herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist before.

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PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise make satisfactory arrangements to pay the bill.

LATE PAYMENT FEE - This charge may be levied when the water bill is not paid by the due date.

Schedule of Miscellaneous Service Charges

Initial Connection fee	17.46
Normal Reconnection Fee	17.46
Violation Reconnection Fee	17.46
Premises Visit Fee (in lieu of disconnection)	11.65
Late payment	5.81

EFFECTIVE DATE-

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Hometown Canada Utility, Inc.

WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGES

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Schedule of Miscellaneous Service Charges

Initial Connection fee	17.05
Normal Reconnection Fee	17.05
Violation Reconnection Fee	Actual Cost (1)
Premises Visit Fee (in lieu of disconnection)	11.35
Late payment	5.68

(1) Actual Cost is equal to the total cost incurred for services.

EFFECTIVE DATE-

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Hometown Canada Utility, Inc.

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

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- LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$14.02
	3/4"	21.01
	1"	35.03
	1 1/2"	70.07
	2"	112.11
	3"	210.22
	4"	350.34
	6"	700.68

Gallonge Charge per 1,000 gallons \$ 7.47

- MINIMUM CHARGE - Applicable Base Facility Charge (BFC)
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Hometown Canada Utility, Inc.

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For wastewater service for all purposes in private residences and individually metered apartment units.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	All meter sizes	14.02
	Gallonge Charge per 1,000 gallons (Maximum charge of 6,000 gallons)	6.26

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Hometown Canada Utility, Inc.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY- Available throughout the area served by the Company.

APPLICABILITY- For water service to all Customers for which no other schedule applies.

LIMITATIONS- Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD- Monthly

<u>RATE-</u>	<u>Meter Sizes:</u>	<u>Base Facility Charge</u>
	5/8" x 3/4"	\$ 8.87
	3/4"	13.32
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Schedule of Miscellaneous Service Charges

Initial Connection fee	17.46
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EFFECTIVE DATE-

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WASTEWATER TARIFF

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Late payment	5.68

(1) Actual Cost is equal to the total cost incurred for services.

EFFECTIVE DATE-

TYPE OF FILING- Sample - Transfer Application

**EXHIBIT "12"**

Attached please find the Utility's current original Water Certificate No.: 524W and Wastewater Certificate No.: 459S.

**FLORIDA PUBLIC SERVICE COMMISSION**

Certificate Number

459-S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

Silver Fox Utility Company LLC  
d/b/a Timberwood Utilities

Whose principal address is:

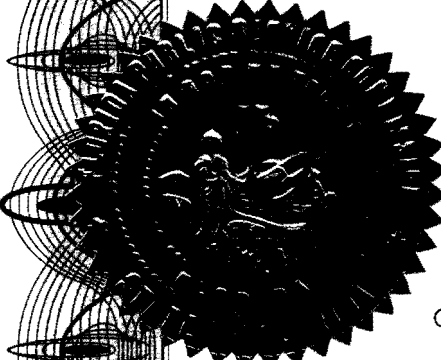
36323 Arbor Oaks Drive  
Zephyrhills, FL 33541-2031

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, canceled or revoked by Orders of this Commission.

ORDER	22392	DOCKET	881003-SU
ORDER	24638	DOCKET	910097-WS
ORDER	25211	DOCKET	910968-WS
ORDER	PSC-98-1388-FOF-WS	DOCKET	971456-WS
ORDER	PSC-01-1167-PAA-WS	DOCKET	001513-WS
ORDER	PSC-01-1167A-PAA-WS	DOCKET	001513-WS
ORDER	PSC-05-0682-FOF-WS	DOCKET	050062-WS
ORDER		DOCKET	

BY ORDER OF THE  
FLORIDA PUBLIC SERVICE COMMISSION



*Blanca S. Bayo*  
Commission Clerk and Administrative  
Services Director

**FLORIDA PUBLIC SERVICE COMMISSION**

Certificate Number

524-W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

Silver Fox Utility Company LLC  
d/b/a Timberwood Utilities

Whose principal address is:

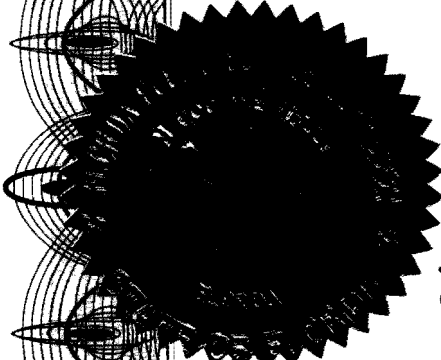
36323 Arbor Oaks Drive  
Zephyrhills, FL 33541-2031

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

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ORDER	25211	DOCKET	910968-WS
ORDER	PSC-98-1388-FOF-WS	DOCKET	971456-WS
ORDER	PSC-01-1167-PAA-WS	DOCKET	001513-WS
ORDER	PSC-01-1167A-PAA-WS	DOCKET	001513-WS
ORDER	PSC-05-0682-FOF-WS	DOCKET	050062-WS
ORDER		DOCKET	

BY ORDER OF THE  
FLORIDA PUBLIC SERVICE COMMISSION



*Blanca S. Lewis*  
Commission Clerk and Administrative  
Services Director