



February 27, 2026

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: New Docket No. 2026 _____
Petition to Establish Rate Base Value of Acquired System Using Alternative
Procedure by Sunshine Water Services Company

Dear Mr. Teitzman:

Attached for filing on behalf of Sunshine Water Services Company is the Direct
Testimony of Seán Twomey and Exhibit No. ST-1.

Thank you for your assistance with this matter.

(Document 2 of 8)

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Jeffry Wahlen'.

J. Jeffry Wahlen

JJW/dk
Attachments

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **SEÁN TWOMEY**

5
6 **Q.** Please state your name, address, occupation and employer.

7
8 **A.** My name is Seán Twomey. My business address is 200
9 Weathersfield Avenue, Altamonte Springs, Florida 32714.
10 I am Senior Vice President, Nexus Water Group, Inc., and
11 President of Sunshine Water Services Company ("SWS" or
12 the "Company").

13
14 **Q.** Please describe your duties and responsibilities as
15 President of SWS.

16
17 **A.** I am responsible for all aspects of the Company's
18 activities including safety, customer service,
19 operations, finance, business development, health,
20 environmental compliance, and government and regulatory
21 affairs.

22
23 **Q.** Please provide a brief outline of your educational
24 background and business experience.

25

1 **A.** I earned a Bachelor of Engineering, Process, and Chemical
2 Engineering degree from University College in Cork,
3 Ireland in 2005. I also earned a Master of Business
4 Administration degree from the University of Calgary,
5 Haskayne School of Business, in 2015.

6
7 I began my career working for a manufacturing company,
8 Alps Electric, in Japan in 2005 and began working in the
9 water and wastewater industry in 2008 as a project
10 engineer for Corix Water Systems. I have worked in the
11 water and wastewater industry since 2008 in positions of
12 increasing responsibility and assumed my current position
13 in 2023. A copy of my resume is included as Document No.
14 1 of my Exhibit No. ST-1.

15
16 **Q.** What are the purposes of your prepared direct testimony
17 in this proceeding?

18
19 **A.** The purposes of my direct testimony are to: (1) describe
20 SWS and the Placid Lakes utility system ("Placid Lakes
21 System"); (2) explain the Company's proposed acquisition
22 of the assets of the Placid Lakes System ("Transaction");
23 (3) show how the Company has complied with the new
24 statutory process for establishing fair market value
25 ("FMV") of the Placid Lakes System as its rate base value

1 for future ratemaking purposes; and (4) explain why the
2 Transaction and the Company's proposed rate base
3 valuation are in the public interest. Throughout my
4 testimony, I will introduce each of the witnesses
5 submitting prepared direct testimony to support the
6 Company's petition in this proceeding.

7
8 **Q.** Have you prepared an exhibit supporting your prepared
9 direct testimony?

10
11 **A.** Yes. Exhibit No. ST-1 was prepared under my direction and
12 supervision. The contents of this exhibit were derived from
13 the business records of the Company and are true and correct
14 to the best of my information and belief. My exhibit
15 consists of 5 documents, as follows:

16 Document No. 1 Resume of Seán Twomey

17 Document No. 2 Map of SWS's Existing Water and
18 Wastewater Systems in Florida

19 Document No. 3 Map of SWS's Existing Water and
20 Wastewater Systems in Highlands
21 County, Florida.

22 Document No. 4 Map of Placid Lakes' Existing Water and
23 Wastewater Systems in Highlands
24 County, Florida.

25 Document No. 5 Asset Purchase Agreement between SWS

1 and Placid Lakes (the "APA")

2
3 **I. Sunshine Water Services Company and Placid Lakes Utility**
4 **System**

5 **Q.** Please describe Sunshine Water Services Company.

6
7 **A.** SWS is a water and wastewater utility certificated by the
8 Florida Public Service Commission ("FPSC" or the
9 "Commission") and is regulated by the Commission under
10 Chapter 367, Florida Statutes.

11
12 The Company provides potable water and wastewater services
13 to over 35,000 and 30,000 customers, respectively, in 10 of
14 Florida's 67 counties.

15
16 SWS is permitted to produce more than fourteen million
17 gallons per day of drinking water.

18
19 SWS is a wholly owned subsidiary of Nexus Regulated
20 Utilities, LLC ("Nexus"). Nexus is an indirectly owned
21 subsidiary of Nexus Water Group, Inc., headquartered in
22 Sugar Land, Texas.

23
24 **Q.** What is the Company's net book value?

25

1 **A.** SWS's net book value as of December 31, 2024 is
2 approximately \$195,393,737.

3
4 **Q.** Where does SWS provide utility service in Florida?

5
6 **A.** A map showing the location of the Company's water and
7 wastewater systems in Florida is included in my Exhibit No.
8 ST-1 as Document No. 2. A more detailed map of the Company's
9 existing water and wastewater systems in Highlands County,
10 Florida is included in my Exhibit No. ST-1 as Document No.
11 3.

12
13 **Q.** Please describe the Placid Lakes System.

14
15 **A.** Placid Lakes is a Class B water utility that has been
16 assigned Commission Company Code WU193 and holds
17 Certificate No. 401-W. Placid Lakes provides potable water
18 service to approximately 2,250 customers in Highlands
19 County, Florida. Placid Lakes also operates a wastewater
20 system serving approximately 18 customers in Highlands
21 County.

22
23 The Placid Lakes wastewater system is currently exempt from
24 regulation by the Commission because it serves fewer than
25 100 customers. A map of the Placid Lakes water and

1 wastewater systems in Highlands County, Florida is included
2 in my Exhibit No. ST-1 as Document No. 4.

3
4 **II. The Proposed Transaction**

5 **Q.** Has SWS entered into an agreement to purchase Placid Lakes'
6 water and wastewater assets in Highlands County, Florida?

7
8 **A.** Yes. A copy of the APA, dated December 17, 2025, is included
9 in my Exhibit No. ST-1 as Document No. 5.

10
11 **Q.** Is the closing of the Transaction contemplated in the APA
12 subject to any conditions?

13
14 **A.** The APA contains standard commercial conditions for closing
15 and three regulatory conditions relevant to this
16 proceeding. The Placid Lakes closing is contingent on three
17 Commission approvals:

18
19 (1) Approval of the transfer of Commission certificate No.
20 401-W (water) from Placid Lakes to SWS;

21
22 (2) Approval to amend SWS's wastewater certificate in
23 Highlands County (Certificate No. 347-S) to include the
24 exempt wastewater assets of Placid Lakes in Highland
25 County; and

1
2 (3) Approval in this proceeding of the Company's petition
3 under Section 367.0811, Florida Statutes, to establish
4 \$5,750,000 as the FMV rate base of the Placid Lakes System
5 ("FMV Petition").
6

7 **III. Fair Market Value Petition**

8 **Q.** What has been the Commission's general practice for
9 establishing the rate base of an acquired utility system
10 on the purchasing Company's books and records?
11

12 **A.** Historically, the Commission has required a purchasing
13 utility to the record acquired utility assets on the
14 purchasing Company's books and records at the net book
15 value (depreciated historic cost) of the acquired
16 utility. In some cases, the purchase price of the acquired
17 utility's assets was greater than net book value, which
18 made it difficult for the acquiring utility to earn a
19 fair and reasonable return on its purchase price. If it
20 could meet certain conditions, the purchasing utility
21 could petition the Commission for an acquisition
22 adjustment that would increase the rate base value of the
23 acquired utility's assets on the purchasing utility's
24 books.
25

1 **Q.** Does Florida law provide an alternative method for
2 establishing the rate base value of the assets of an
3 acquired utility?
4

5 **A.** Yes. In 2023, the Florida Legislature adopted a law that
6 has been codified in Section 367.0811, Florida Statutes,
7 that provides a mechanism for a purchasing utility to
8 establish fair market value as the rate base value for
9 the assets acquired from another utility. I'll refer to
10 this statute as the "Fair Market Value Statute" or "FMV
11 Statute." The Commission adopted Rule 25-30.0372, Florida
12 Administrative Code ("FMV Rule"), to implement the FMV
13 Statute.
14

15 **Q.** Why did the Legislature enact the FMV Statute?
16

17 **A.** Based on Subsection 367.0811(1), it appears that the
18 purpose of the FMV Statute is to promote consolidation
19 efforts with water and wastewater utility systems,
20 encourage economies of scale, provide better access to
21 lower material and supply costs and better access to
22 capital, to improve water and wastewater utility
23 infrastructure, and to promote public health and the
24 overall quality of service for water and wastewater
25 customers in Florida. Granting the Company's petition in

1 this proceeding will accomplish these goals as described
2 further below.

3
4 **Q.** What benefits does the FMV statute enable for the State?

5
6 **A.** The FMV Statute provides a solution to the issues
7 prevalent in the water and wastewater industry by
8 facilitating acquisitions and consolidation of water and
9 sewer utilities. There are numerous small water utilities
10 in Florida and around the United States that have
11 significant infrastructure needs and increasing
12 regulatory compliance requirements, which puts pressure
13 on the owners and their customers to finance large
14 investments to maintain compliance for the long term. With
15 limited governmental funding available, rising operating
16 costs, and a shrinking workforce of qualified operating
17 professionals, small water and sewer utilities are left
18 with limited options. There are also utilities that, while
19 they may currently be able to operate adequately, they
20 may actually be considered "non-viable" as a long-term
21 operator of the utility system. These utilities need to
22 acknowledge and address the looming burden of weathering
23 the challenges in the industry. The FMV Statute provides
24 an avenue for these utilities to transition to a larger,
25 better resourced utility to manage the coming needs for

1 their system.

2 The historical process in the State for system transfers
3 did not provide sufficient incentive for small system
4 owners to proactively sell their system before issues lead
5 to system malfunctions and the inherent risks of
6 operational failure. Potential buyers were not
7 incentivized to pay more than book value for the system,
8 and the small system owner was not incentivized to accept
9 what was typically a low or well supported value for a
10 struggling system. The FMV Statute resolved this dilemma
11 by providing a clear and structured process where
12 independent valuation experts calculate a reasonable and
13 fair value for a utility's water and sewer system assets,
14 subject to approval by the FPSC.

15
16 **Q.** Why is acquisition of small systems like Placid Lakes
17 beneficial to customers and the State?

18
19 **A.** The voluntary sale of water and sewer systems to an
20 experienced utility operator is a proven method to enable
21 needed infrastructure investments and provide greater
22 management expertise to small utility systems. The new
23 statute will allow customers to receive high-quality,
24 reliable water and sewer service provided by expert
25 providers. Regulators, including the Commission, have

1 consistently supported the consolidation of disparate
2 water and sewer utilities, recognizing the benefits to
3 customers, the utility, and its stakeholders in the State.
4 The benefits of consolidation of small utilities into
5 larger ones are consistent with SWS's acquisition of
6 Placid Lakes, including: (1) greater economies of scale
7 for cost sharing among the larger customer base; (2) fewer
8 regulatory filings and reports, which saves
9 administrative costs and resources; and (3) greater
10 access to financial, operational, and technical expertise
11 for the small utility. These benefits will be realized in
12 both the short term - to address immediate needs such as
13 capital investment - and long term, such as maintaining
14 compliance with ever-increasing regulatory standards. The
15 acquisition and consolidation of entities like Placid
16 Lakes into SWS benefits the State as its residents and
17 businesses can limit risks associated with utility
18 service, ensuring reliable and high quality service is
19 available to support a growing State.

20
21 **Q.** What rate base value does SWS request for the utility
22 assets it is acquiring from Placid Lakes?

23
24 **A.** SWS's requested rate base value for the Placid Lakes
25 utility system being acquired under the FMV Statute and

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FMV Rule is \$5,750,000.

This rate base value does not exceed the lesser of the purchase price negotiated between the parties to the acquisition transaction or the average of the three appraisals described below.

This amount has not been adjusted for contribution-in-aid-of-construction or used and useful in serving the public. Incremental to the fair market rate base value are reasonable transaction and closing costs, appraisal costs, and fees incurred by SWS estimated to be approximately \$225,000.

SWS witness Dante DeStefano explains the details of these amounts and how the Company proposes to record them on SWS's books and records in his direct testimony.

Q. Did the Company obtain appraisals of the Placid Lakes System from three appraisers as required by the FMV Statute and FMV Rule?

A. Yes. SWS requested the Commission provide the names of three appraisers, selected at random from the list of qualified experts established by the Commission. SWS then

1 contracted the appraisers and paid for three appraisals
2 of the Placid Lakes System. Each appraiser used the
3 Uniform Standards of Professional Appraisal Practice for
4 his or her work. Each appraisal is supported by direct
5 testimony from the licensed appraiser who performed the
6 appraisal. Their names are Diana Ling, Anthony Festa, and
7 Zachary Wright. The average of the valuations produced by
8 the appraisals is \$6,506,633.

9
10 **Q.** Did the Company retain a licensed engineer to assess the
11 tangible assets of the Placid Lakes System?

12
13 **A.** Yes. SWS and Placid Lakes jointly retained a licensed
14 engineer to assess the tangible assets of the Placid Lakes
15 System ("Assessment"). The Assessment was provided to the
16 three appraisers for use in determining the value of the
17 Placid Lakes utility system. A true and correct copy of
18 the Assessment is included as an exhibit to the direct
19 testimony of Daniel Magro, the engineer who performed the
20 Assessment.

21
22 **Q.** Did the Assessment identify any deficiencies in the Placid
23 Lakes System?

24
25 **A.** Yes. The Assessment identifies the deficiencies and how

1 they could be addressed in a three-year Capital
2 Improvement Plan ("CIP"). The CIP identified 19 specific
3 projects, ten projects are for the water system, and nine
4 are for the wastewater system. Three of the projects are
5 identified as notable due to the compliance requirements
6 and cost to implement.

7
8 The projects are more fully described in Mr. Magro's
9 direct testimony and in the CIP he prepared to address
10 the deficiencies. SWS will implement the CIP as described
11 in the Assessment and Mr. Magro's direct testimony.

12
13 **Q.** What is the estimated cost of implementing the three-year
14 plan?

15
16 **A.** The estimated cost of the three-year CIP is approximately
17 \$2.13 million. These improvements, recommended by a
18 Professional Engineer, are required in the next several
19 years to maintain an appropriate level of service to
20 customers. With these capital improvements, which SWS
21 will be able to make, Placid Lakes' facilities will
22 continue to depreciate, become less reliable, and
23 eventually fail. By SWS completing these projects within
24 a few years of ownership, customers will receive a prompt
25 tangible benefit that improves service and reliability.

1 The Company will save the customers money by not delaying
2 needed improvements and solving the issues later at
3 inflationary costs. The costs will in time become part of
4 SWS's consolidated rate base, thus reducing rate shock
5 for the Placid Lakes's relatively small number of
6 customers while maintaining or improving the existing
7 level of service. Exhibit D to the Petition details the
8 difference in rate impacts Placid Lakes customers would
9 see as a stand-alone system versus consolidated with SWS,
10 once the improvements are undertaken and is discussed
11 further in the direct testimony of SWS witness DeStefano.

12
13 **Q.** What did the Assessment find regarding the Florida
14 Department of Environmental Protection wastewater
15 treatment facility permit?

16
17 **A.** The Assessment, completed July 7, 2025, found that the
18 Florida Department of Environmental Protection permit had
19 expired, and a renewal application for the wastewater
20 treatment facility operating permit was overdue and had
21 not been submitted.

22
23 **Q.** Since the completion of the engineering assessment, has
24 the overdue permit been renewed?

25

- 1 **A.** Yes. Permit No. FLA014350 was issued on September 15,
2 2025, and has an expiration date of September 14, 2030.
3
- 4 **Q.** What rates and charges does the Company propose to be in
5 effect for former Placid Lakes customers after the
6 Transaction closes and becomes effective?
7
- 8 **A.** The Company will maintain the existing rates effective at
9 the time of closing for Placid Lakes customers. Current
10 rates are shown in Schedule 4 of Petition Exhibit D, which
11 is Document No. 1 in Exhibit No. DD-1. As discussed by
12 Mr. DeStefano and shown in Schedule 4, the Company expects
13 to continue using index filings annually for the water
14 system - as Placid Lakes has done in recent years - and
15 eventually will pursue consolidation of Placid Lakes into
16 SWS's water and sewer rates in a future proceeding.
17
- 18 **Q.** Has SWS prepared an analysis of the five-year projected
19 rate impact of the Transaction on the customers of the
20 Placid Lakes System?
21
- 22 **A.** Yes. SWS prepared an analysis of the five-year projected
23 rate impact of the Transaction on the customers of the
24 Placid Lakes utility system using Commission Form PSC 1035
25 (03/24) ("Rate Impact Analysis").

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The Company's Rate Impact Analysis considered (a) the cost efficiencies expected to result from the Transaction and (b) the effect of using the FMV Statute and FMV Rule to establish rate base value will have on Placid Lakes customer rates compared to the cost method in Section 367.081, Florida Statutes. A copy of the Rate Impact Analysis is included as Exhibit D, Schedules 1 to 5 in the Petition, and in Document No. 1 of Exhibit No. DD-1.

Q. What does the five-year projected Rate Impact Analysis show?

A. The Rate Impact Analysis shows, and the Cumulative Present Value of the Revenue Requirement ("CPVRR") reflected therein supports projections for base facility charges, gallonage charges, and billing determinants for residential and general service customers during the five-year period. The analysis demonstrates that, after continuing annual index filings for the next three years, the projected consolidation with SWS water and sewer rates would result in lower volumetric charges with higher fixed charges. At the average customer water usage of 3,555 gallons, a 5/8" residential water bill would decline from the current \$31.72/month to \$28.42/month in 2029. At the

1 average customer sewer usage of 4,592 gallons, a 5/8"
2 residential sewer bill would also decline from the current
3 \$139.50/month to \$88.44/month in 2029.

4
5 Mr. DeStefano explains the development of the five-year
6 Rate Impact Analysis further in his prepared direct
7 testimony. He also describes the journal entries for SWS
8 anticipated to result from the acquisition of Placid
9 Lakes, in conformance with the 1996 NARUC Uniform System
10 of Accounts.

11
12 **Q.** Is SWS proposing a rate stabilization plan?

13
14 **A.** No. Consistent with Rule 25-30.0372, the Company is not
15 proposing a rate stabilization plan because the
16 acquisition will not result in a significant individual
17 increase, that is in excess of 15 percent over the current
18 rates of the utility system being acquired, in the rates
19 charged to Placid Lake customers during the five-year
20 period analyzed for the Rate Impact Analysis.

21
22 **IV. Public Interest**

23 **Q.** Are the Transaction and the Company's proposed FMV rate
24 base value in the public interest?

1 **A.** Yes. SWS's proposed rate base value for the Placid Lakes
2 utility system is \$5,750,000, which is approximately 2.9%
3 percent of SWS's net book value as described above. SWS
4 is part of a large utility holding company with access to
5 capital through collateralized notes, private placement
6 offerings, and bank credit agreements. Placid Lakes has
7 historically accessed capital through developer provided
8 equity and bank loans. SWS has greater access to capital
9 than Placid Lakes.

10

11 **Q.** Is the Transaction an "arms-length transaction"?

12

13 **A.** Yes. The acquisition of Placid Lakes System by SWS as
14 reflected in the Agreement is an arm's length transaction
15 and is in the public interest because it will:

16

17 (a) improve the quality and reliability of water
18 service provided to Placid Lakes' customers;

19

20 (b) improve Placid Lakes' compliance with regulatory
21 requirements;

22

23 (c) result in customer rate reductions/rate stability
24 for the customers of Placid Lakes over a long-term period;

25

1 (d) generate cost efficiencies; and

2
3 (e) generate economies of scale.

4
5 **Q.** How will the Transaction improve the quality of water
6 service provided to Placid Lakes customers?

7
8 **A.** Customers currently served by Placid Lakes will benefit
9 from the technical and operational advantages of becoming
10 part of a fully integrated nationwide utility. The
11 Company's deeper technical expertise and established
12 operating practices will quickly strengthen the Placid
13 Lakes' monitoring, treatment optimization, and day-to-day
14 water quality controls. Additionally, costs of any
15 improvements made to the system can be spread over a
16 larger customer base and will allow the utility to meet
17 increasingly dynamic water quality standards and fulfill
18 its ongoing investment obligations. Leveraging these
19 advantages will improve the quality of water services
20 provided to Placid Lakes customers.

21
22 **Q.** How will the Transaction improve Placid Lakes' compliance
23 with regulatory requirements?

24
25 **A.** SWS has extensive experience in the regulatory arena and

1 has a proven record of accomplishment of providing
2 essential utility services to thousands of residential
3 and commercial properties. This experience coupled with
4 the advantages of becoming affiliated with Nexus will
5 improve Placid Lakes' compliance with regulatory
6 requirements.

7

8 **Q.** How will the Transaction generate cost efficiencies?

9

10 **A.** As Mr. DeStefano describes in his direct testimony, the
11 Company has identified cost savings in the acquisition of
12 Placid Lakes by utilizing existing SWS personnel and
13 support services resources to operate the Placid Lakes
14 systems. Consolidation allows standardized practices,
15 centralized procurement, and optimized maintenance.
16 Larger operators like SWS offer established platforms,
17 data systems, and asset management strategies that reduce
18 costs.

19

20 **Q.** How will the Transaction generate economies of scale?

21

22 **A.** SWS is positioned to promote economies of scale through
23 the acquisition of Placid Lakes by leveraging its existing
24 operational, administrative, and capital management
25 teams. Economies of scale will be achieved by spreading

1 fixed costs across a larger customer base. Integrating
2 small systems like Placid Lakes into a larger enterprise
3 will reduce customer capital and operating costs.
4

5 **Q.** Will the Transaction improve the infrastructure of the
6 Placid Lakes System?
7

8 **A.** Improved access to capital through SWS and Nexus will
9 allow SWS to engage in much needed improvements to Placid
10 Lakes System as outlined in the CIP and improve the
11 infrastructure of the Placid Lakes System.
12

13 **Q.** Are there any other benefits the Placid Lakes customers
14 would receive as part of the Transaction?
15

16 **A.** Yes, in particular regarding Emergency/Disaster response
17 and Cybersecurity. Florida faces frequent hurricanes,
18 flooding, and other emergencies, making disaster
19 responses a major operations issue. As part of a larger
20 utility, which has resources in States across the country,
21 SWS can deploy crews, equipment, and materials across
22 multiple systems quickly. SWS operates formal emergency
23 operation centers, storm logistics planning, and pre-
24 staging of crews and generators. Mutual aid and
25 coordinated response networks allow utilities to share

1 resources and restore service faster during emergency
2 situations.

3
4 Additionally, customers will receive the added benefit of
5 stronger cybersecurity capabilities. Larger, consolidated
6 utilities can invest in cybersecurity infrastructure that
7 small systems cannot afford. SWS has access to dedicated
8 IT professionals who operate centralized security
9 operations centers, continuous network monitoring, and
10 incident-response teams. These are resources that are
11 more important now than ever. Consolidation allows
12 uniform policies, secure SCADA systems, network
13 segmentation, and new technologies to be utilized across
14 all newly acquired systems. Tools such as cloud platforms,
15 secure communications, and automated monitoring systems
16 will be implemented to the Placid Lakes system in a cost-
17 effective and efficient manner. Simply put, consolidation
18 of smaller utilities is sound public policy, and the
19 customers of Placid Lakes will benefit if the Transaction
20 is approved.

21
22 **V. Conclusion**

23 **Q.** Please summarize your prepared direct testimony.

24
25 **A.** Approving the Company's FMV Petition will promote

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consolidation of water and wastewater utility systems, encourage economies of scale, provide better access to capital, ensures upgrades to critical utility infrastructure, and improve overall quality of service for Placid Lake's customers.

Q. Does this conclude your prepared direct testimony?

A. Yes, it does.

EXHIBIT

OF

SEÁN TWOMEY

Table of Contents

DOCUMENT NO.	TITLE	PAGE
1	Resume of Seán Twomey	27
2	Map of SWS's Existing Water and Wastewater Systems in Florida	31
3	Map of SWS's Existing Water and Wastewater Systems in Highlands County, Florida	32
4	Map of Placid Lakes' Existing Water and Wastewater Systems in Highlands County, Florida	33
5	Asset Purchase Agreement Between SWS and Placid Lakes	37

SEÁN TWOMEY, MBA, P.ENG

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UTILITY AND ENVIRONMENT LEADER

OPERATIONAL LEADERSHIP | BUSINESS MANAGEMENT | STRATEGIC PLANNING

Trusted leader and strategic manager who acts as the critical link between operations and executive leadership. Positively influences company success through the leadership of people, sound business strategies, operational efficiencies, financial accountability, and environmental awareness.

“Mr. Twomey is a very driven individual, I believe that he has the potential to achieve great success in his business career.....I am not easily impressed but, I can assure you that I was continuously taken back by his abilities and most importantly his unwavering commitment to the success of everyone on the team.”

- Jack T. Bray, Vice President, Lark Construction

LEADERSHIP AND MANAGEMENT EXPERTISE

Core Competencies:

Operational Effectiveness
 Environmental Awareness
 Water and Wastewater Utilities
 Engineering Consultation
 Utility Economic Regulation
 Team Leadership
 Strategy Development
 Employee Engagement
 Performance Management
 Stakeholder Relations
 Continuous Improvement
 Support Services Engagement
 Business Development
 Project Management
 Financial planning/budgeting
 Change Management

- ➔ **Partnered with senior leaders on multiple projects and corporate initiatives**, advising on operational aspects of the project on how it will affect day to day operations now and in the future.
- ➔ **Managing staff across** six geographical regions and keeping turnover of staff under industry average by focusing on culture and team engagement
- ➔ **Developed regulatory strategies** to consolidate rates and make filings more efficient and cost effective.
- ➔ **Developed influential relationships** in order to lead without authority, effectively managing multi-disciplined teams on corporate initiatives.
- ➔ **Managed to double the return** on capital investment over four years by changing the team culture and improving operational effectiveness.

PROFESSIONAL EXPERIENCE

Sunshine Water Services

Dec 2023- Present

Senior Vice President

Provide visionary and strategic leadership and direction to all functions of the Business Unit to achieve customer, investor, regulator and employee satisfaction. Responsible for all facets of the business including culture, operations, finance, business development, health, safety, and environmental compliance, legislative and regulatory matters, brand improvement, stakeholder relationships, and customer engagement and experience.

Corix Group of Companies – Reno, Nevada

Aug 2020- Present

BU President Great Basin Water Company (NV), Bermuda Water Company (AZ) and Canadian Water Utilities

Provide visionary and strategic leadership and direction to all functions of the Business Unit to achieve customer, investor, regulator and employee satisfaction. Responsible for all facets of the business including culture,

SEÁN TWOMEY, MBA, P.ENG | PAGE 2

operations, finance, business development, health, safety, and environmental compliance, legislative and regulatory matters, brand improvement, stakeholder relationships, and customer engagement and experience.

PROFESSIONAL EXPERIENCE, CONTINUED...

Corix Utilities Inc. – Calgary, Alberta **June 2018 – Aug 2020**

Vice President, Operations – Canadian Water Utilities

Responsible for all aspects of Corix owned water and wastewater utilities and 50+ contract utility operations in Canada. Manage critical relationships with regional utility regulators and ensuring the owners get their allowed return on equity invested in the utilities. Managing capital and operating budgets to meet and exceed budget expectations - \$35MM annual operating budget and \$60MM of assets. Develop a team of accountable managers that translates all the ways to the front line staff. Develop and present team updates to senior management at quarterly meetings. Remain Health and Safety focused while driving team efficiencies across the different regions.

Corix Utilities Inc. – Calgary, Alberta **2016 – 2018**

General Manager, Western Canadian Utilities

Oversee a team of regional managers, engineer’s and administration staff across six different geographical regions in Western Canada. Preparing annual operating and capital budgets and with a team of 85 staff operating up to 70 different facilities. Responsibilities also include identifying opportunities that align with the business strategies, analyzing concept and design options and measuring potential risks for all stakeholders involved. Managing an annual operating budget of \$35MM and Capital assets with a value of \$60MM.

Corix Utilities Inc. – Calgary, Alberta **2014 – 2016**

General Manager, Alberta and Kootenay Operations

Took over an operations team that was dysfunctional and demoralized, over worked, and understaffed. Several staff members were disgruntled with management and spread rumours creating a poisonous environment to work in. Through improved communication, staff empowerment and strong leadership and decision making turned an unprofitable department into a financially viable business unit with improved culture.

- **Reduced staff turnover** by 100%, before taking over as GM the team was fatigued and demoralized, through focus on reducing staff workload, improving compensation and team bonding events the turnover of staff dropped dramatically.
- **Improved operating margins** by using a disciplined approach in reviewing all operating contracts – terminating contracts and developing new business resulted in the team doubling profits
- **Improved support services relationships** – commitment to regularly attending meetings in the corporate head office resulted in improved relationships broke down the “them versus us” mentality
- **Regulatory Body Relationships** – reached out to the environmental regulatory bodies to better understand their roles and requirements of our company and how we can play a bigger part in the industry

Corix Utilities Inc. – Calgary, Alberta **2013 – 2014**

Project Manager – Special Projects

Managed capital projects across Western Canada leaning on the experienced gained from the Dawson City WWTP Project. Worked with operation teams on operational excellence initiatives. Took the lead on regulatory approvals and amendments for plants that Corix owns and/or operates in Alberta and British Columbia.

- **Furthered my understanding** of the operational and regulatory requirements of operating Water and Wastewater facilities.

Corix Water Systems – Dawson City, Yukon Territories **2011 – 2012**

Project Manager – Dawson City WWTP

SEÁN TWOMEY, MBA, P.ENG | PAGE 3

Responsible from 2011 to the completion of the project in 2014 for the Design, Build and Operations of a \$25MM Wastewater Treatment Plant in Dawson City (Yukon Territories). Duties included:

PROFESSIONAL EXPERIENCE, CONTINUED...

- **Ensuring** compliance with safety principles applicable to the project;
- **Coordinating** all design engineering, procurement, and construction activities;
- **Managing** up to fifteen different contracting companies;
- **Assuming** responsibility for all contracts and invoicing, budgeting and forecasting, and scheduling;
- **Managing** up to seventy tradesmen on site;
- **Working in** remote location and during the winter month severe weather conditions

Corix Water Systems – Vancouver, B.C.

2008 – 2011

Project Engineer – Water and Wastewater Treatment

- **Designed Engineered Packages** such as lift stations, booster stations and PRV chambers
- **Managed the full life cycle of the package** from sales through procurement to fabrication, shipping and commissioning in the field.
- **Project management skills refinement:** dealing with many stakeholders such as clients, procurement group, legal, fabrication shop, finance (A/P & A/R) and management

Alps Electric – Furukawa City, Miyagi Province, Japan

2005 – 2007

Research and Development Engineer in Training

Worked as part of a research and development team for a Multi-National manufacturing company, roles and responsibilities included:

- **Troubleshooting** – Identifying manufacturing problems and liaising with various manufacturing groups;
- **Research Project Management** - Planning, implementation and reporting;
- **Continuous** improvement of Japanese communication skills – all work was through Japanese.
- **Analysis** and identification of production problems;
- **Planning** and execution of pilot plant experiments; and,
- **Problem** solving meetings with group members and application of results in manufacturing.

EDUCATION AND PROFESSIONAL DEVELOPMENT

Masters of Business Administration (MBA)

University of Calgary, Haskayne School of Business, 2015

Bachelor of Engineering, Process and Chemical Engineering

University College Cork, Ireland, 2005

Membership/Committees:

Association of Professional Engineers – Yukon Territories, 2011

Association of Professional Engineers – Alberta, 2013

Member of Corix Group of Companies RRSP Committee

Training and Course Topics:

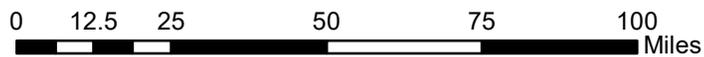
SEÁN TWOMEY, MBA, P.ENG | PAGE 4

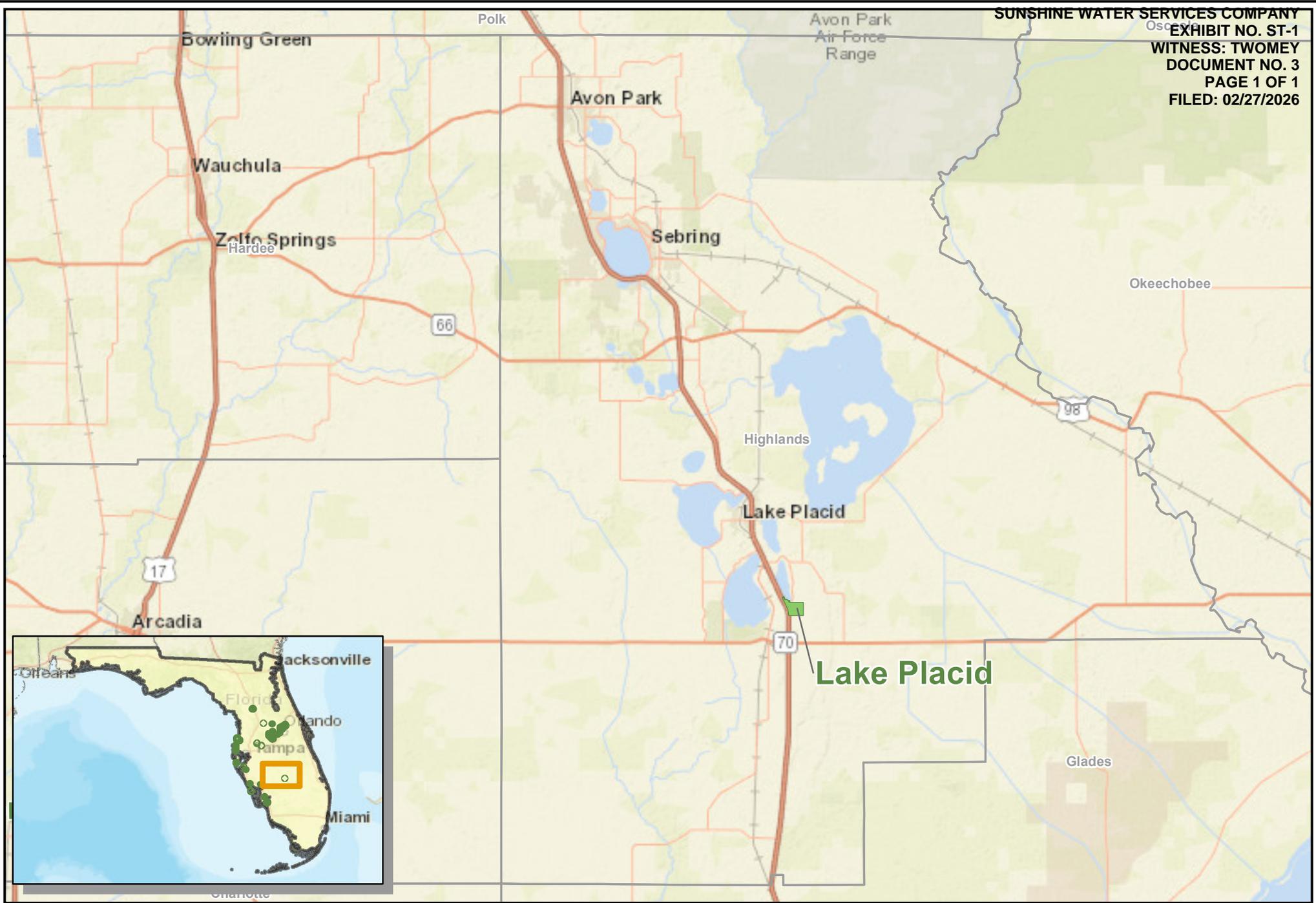
Leadership for Safety Excellence Course (LSE)
Utility Finance And Accounting for Professionals (Financial Accounting Institute)
Leadership Effectiveness Analysis (LEA) 360 (LHH Knightsbridge)
Managing Essentials (LHH Knightsbridge)
Alberta Occupational Health & Safety Legislation Awareness (LEG)
First Aid



Existing SWS CCNs
 (Approximate Boundaries)

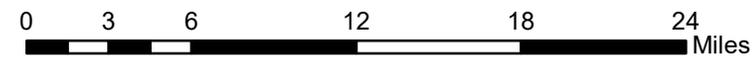
Legend
 SWS CCN

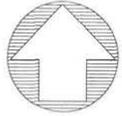




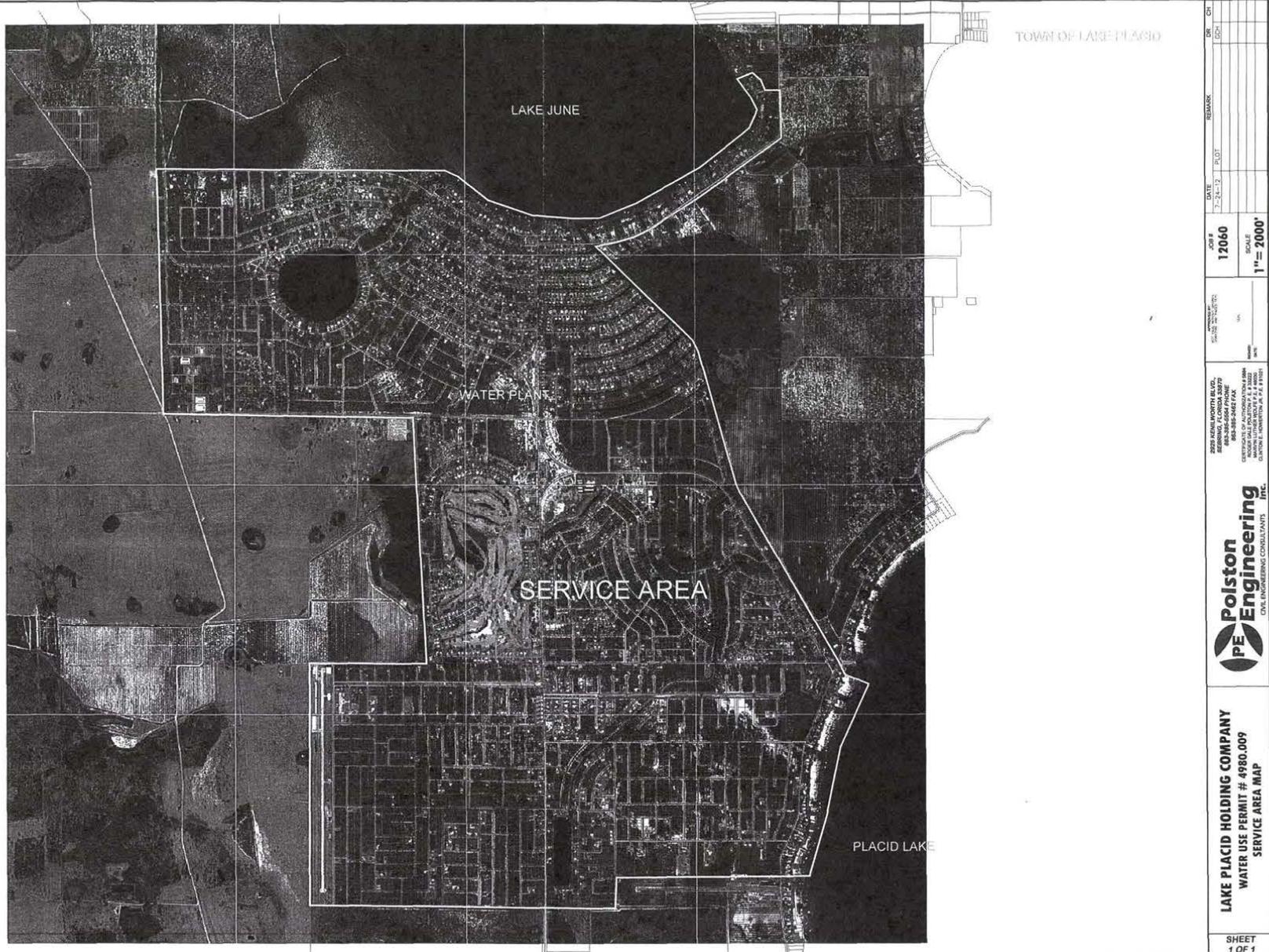
Existing SWS CCNs
in Highland County
(Approximate Boundaries)

Legend
■ SWS CCN





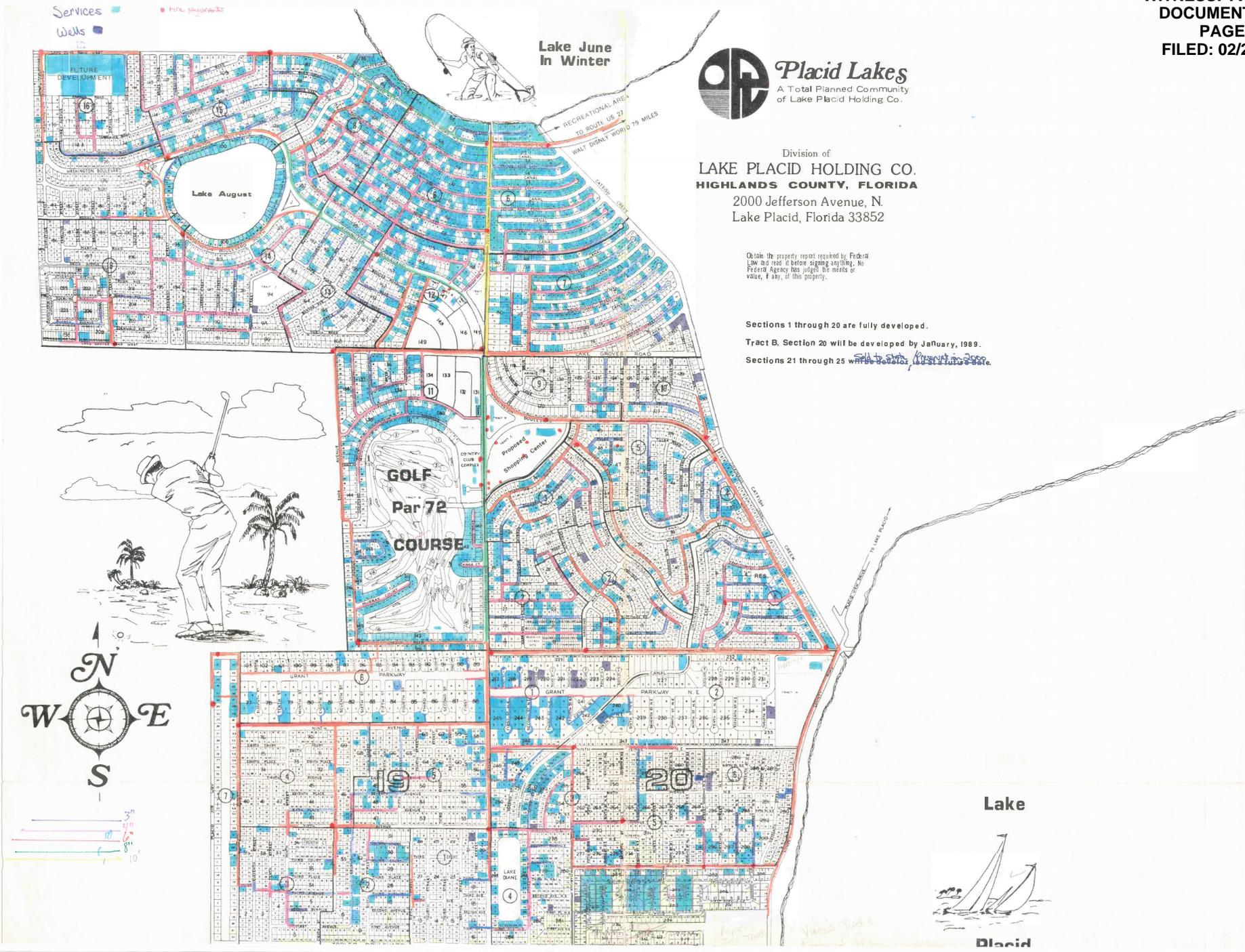
NORTH
 SCALE 1"=2000'



2025 SEVEN MONTHS BLVD. AUBURN, FLORIDA 32507 904-882-5467 FAX 904-882-5467 FAX CIVIL ENGINEERING CONSULTANTS	DATE 7-24-17	JOB # 12060	SCALE 1" = 2000'
	REMARKS	SHEET 1 OF 1	TOWN OF LAKE PLACID

Polston Engineering
 PE
 CIVIL ENGINEERING CONSULTANTS

LAKE PLACID HOLDING COMPANY
 WATER USE PERMIT # 4980.009
 SERVICE AREA MAP



Division of
LAKE PLACID HOLDING CO.
 HIGHLANDS COUNTY, FLORIDA
 2000 Jefferson Avenue, N.
 Lake Placid, Florida 33852

Obtain the property report required by Federal Law and read it before signing anything. No Federal Agency has judged the merits or value, if any, of this property.

Sections 1 through 20 are fully developed.

Tract B, Section 20 will be developed by January, 1989.

Sections 21 through 25 will be developed *Sold to State, August 1988* at a future date.

✓ Services
 — 6" Water Line
 • Fire Hydrants

4P
 TOWNSHIP 37 SOUTH, RANGE 28 EAST.

LOW THE PRESENT 10" PVC
 JEFFERSON AVENUE
 FEEL NO DITCH
 DISTURBED PREVIOUSLY
 CONDUITING THIS
 TRENCH, ETC.



**AGREEMENT FOR PURCHASE AND SALE OF
WATER AND WASTEWATER SYSTEM ASSETS**

by and between

**PLACID LAKES UTILITIES INC.
as Seller,**

and

**SUNSHINE WATER SERVICES COMPANY
as Buyer**

DECEMBER ¹⁸__, 2025

TABLE OF CONTENTS

SECTIONS	PAGE
SECTION 1. RECITALS.....	3
SECTION 2. PURCHASE AND SALE OF UTILITY SYSTEM; DESCRIPTION OF PURCHASED ASSETS.....	3
SECTION 3. LIABILITIES.....	5
SECTION 4. PURCHASE PRICE.....	6
SECTION 5. REPRESENTATIONS AND WARRANTIES OF SELLER.....	6
SECTION 6. REPRESENTATIONS AND WARRANTIES OF BUYER.....	10
SECTION 7. TITLE INSURANCE AND PERMITTED ENCUMBRANCES.....	11
SECTION 8. CONDITIONS PRECEDENT TO CLOSING.....	12
SECTION 9. PRE-CLOSING CONDUCT; COVENANTS.....	13
SECTION 10. TERMINATION OF AGREEMENT.....	15
SECTION 11. CLOSING DATE AND CLOSING.....	16
SECTION 12. POST CLOSING COOPERATION.....	18
SECTION 13. THIRD PARTY BENEFICIARY.....	19
SECTION 14. SELLER’S INDEMNITY.....	19
SECTION 15. MISCELLANEOUS PROVISIONS.....	20

APPENDICES

- Appendix “2 i” (Real Property)
- Appendix “2 ii-1” (Easements, licenses, etc.)
- Appendix “2 ii-2” (Service Territory)
- Appendix “2 iii” (Treatment plants, etc.)
- Appendix “2 iv” (Authorizations, permits etc.)
- Appendix “2 v” (Supplies Inventory)
- Appendix “2 viii” (Developer Agreements)
- Appendix “2 ix” (Contracts and Leases)
- Appendix “2 x” (Equipment)
- Appendix “5 h ii (a)” (Environmental Law Compliance)
- Appendix “5 h ii (c)” (Environmental Notices)
- Appendix “5 i” (Pending Legal Action)
- Appendix “5 k” (Real Property Encroachments)

**AGREEMENT FOR PURCHASE AND SALE OF
WATER AND WASTEWATER SYSTEM ASSETS**

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER AND WASTEWATER SYSTEM ASSETS (“Agreement”) is made as of this 18 day of December, 2025 (“Effective Date”), by and between Placid Lakes Utilities Inc., a Florida corporation (“Seller”) and Sunshine Water Services Company, a Florida corporation, successors and assigns (“Buyer”), together referred to herein as the “Parties”.

RECITALS

1. Seller owns and operates a potable water supply, treatment, transmission, and distribution system (“Water System”) and a wastewater collection, treatment, and disposal system (“Wastewater System”) (with the Water System and Wastewater System being jointly referred to as the “Utility System”), located in Highlands County, Florida.

2. Seller has been granted Water Certificate No. 401-W by the Florida Public Service Commission (“FPSC”) to provide potable water services within a defined service area in Highlands County, Florida, more specifically identified in the Certificate, and shall be referred to as the “Utility Service Area”.

3. Seller provides wastewater service to certain general service customers in Highlands County pursuant to an exemption from FPSC regulation.

4. Seller desires to sell, and Buyer desires to purchase, all of Seller’s assets that are used and useful for the purposes of providing water and wastewater utility services to its customers.

ACCORDINGLY, in consideration of the foregoing recitals and benefits to be derived from the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Buyer hereby agree to sell and purchase the Utility System upon the following terms and conditions:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are incorporated herein.

SECTION 2. PURCHASE AND SALE OF UTILITY SYSTEM; DESCRIPTION OF PURCHASED ASSETS.

- a. Buyer shall buy from Seller, and Seller shall sell to Buyer, the Purchased Assets (as defined below) upon the terms and conditions set forth in this Agreement, free and clear of all encumbrances, other than Permitted Exceptions. As to the Seller, the Purchased Assets represent all of Seller’s interest in the Utility System and comprise all of the assets necessary to operate the Utility System;
- b. Buyer is purchasing the Purchased Assets and the Utility System “As-Is, Where Is And With All Faults”, and, except as expressly set forth in this Agreement, based upon the condition (physical or otherwise) of the Purchased Assets as of the Effective Date, subject to Section 5, Representations and Warranties of Seller and Section 9, Pre-Closing Conduct; Covenants, set forth in this Agreement

- c. "Purchased Assets" shall include all assets, business properties, and rights, both tangible and intangible, that the Seller owns regarding the ownership, construction, operation, or maintenance of the Utility System, including, but not limited to:
- i. The real property owned by Seller, including all buildings and improvements located thereon, as identified in **Appendix "2 i"** to this Agreement ("Real Property").
 - ii. All easements, licenses, prescriptive rights, rights-of-way, rights to use public and private roads, highways, canals, streets, and other areas identified in **Appendix "2 ii-1"** and the Utility Service Area.
 - iii. All water supply, treatment, distribution, and transmission facilities, and all wastewater collections, treatment and disposal systems, including, but not limited to, pumps, plants, wells, tanks, lift stations, transmission mains, distribution mains, pipes, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller related to the Utility System, or to which Seller possesses rights and used in connection with the Utility System, as identified in **Appendix "2 iii"** to this Agreement.
 - iv. All governmental authorizations, franchises, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds, and all rights to construct, maintain and operate all or any portion of the Utility System and every right of every character whatever in connection therewith, and the obligations thereof (hereinafter referred to as the "Authorizations"); together with all rights granted to Seller under their respective Authorizations, as identified in **Appendix "2 iv"** to this Agreement. **Appendix "2 iv"** shall also identify any of the foregoing which are not transferable or which require third party consents to transfer.
 - v. All items of supplies inventory owned by Seller on the Closing Date and used to operate and maintain each respective Utility System, which shall not be unnecessarily depleted between the date of Seller signing this Agreement and the Closing Date. Inventory items/amounts as of the date of signing this Agreement shall include those items listed in **Appendix "2 v"**.
 - vi. All supplier lists, customer records, prints, plans, including plans in electronic or digital format where available, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System in Seller's possession, including any rights of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper or electronic form.
 - vii. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias, or other reproducible materials in Seller's possession, including any rights of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper or electronic form.
 - viii. All rights and obligations of Seller under any Developer Agreements as identified in **Appendix "2 viii"** to this Agreement. **Appendix "2 viii"** shall identify any of the foregoing which are not transferable, which require third party consents for the

assumption by Buyer and for which the Developer has pre-paid Connection Charges (defined below), the amount of such pre-paid Connection Charges, the number of equivalent residential connections (“ERCs”) connected and the balance of ERCs remaining which have been prepaid but have not yet been connected as of Seller signing this Agreement.

- ix. All rights and obligations of Seller under all Contracts and Leases as identified in **Appendix "2 ix"** to this Agreement. **Appendix "2 ix"** shall contain a schedule identifying any Contracts or Leases which are not transferable or for which third party consents are necessary for the assumption by Buyer.
 - x. All equipment, tools, parts, laboratory equipment, and other personal property owned by Seller and exclusively used to operate and maintain the Utility System as identified in **Appendix "2 x."**
 - xi. The billing, collection, and customer service software.
- d. "Excluded Assets". Notwithstanding any other provision in this Agreement that may be construed to the contrary, Purchased Assets do not include the Excluded Assets. The following assets are excluded from the Purchased Assets:
- i. Cash, bank accounts, equity and debt securities of any nature, deposits maintained by Seller with any governmental authority, or utility, and any prepaid expenses of Seller, which shall be Seller's sole property as of the Closing Date.
 - ii. Escrow and other Seller provisions for payment of federal and state taxes, and other obligations to governmental entities, including franchise fees, which shall be Seller's responsibility to pay through the Closing Date.
 - iii. All customer deposits made to Seller by customers, which shall be used in whole or in part for the satisfaction of final Seller invoices for services rendered as is articulated in greater detail Section 11 b. ix.

SECTION 3. LIABILITIES.

- a. Assumed Liabilities. On the Closing Date, the Buyer shall assume and agree to discharge only the following Liabilities of Seller (the “Assumed Liabilities”):
 - i. All liabilities to the customers of the Utility System incurred after the Closing Date where the operative act giving rise to the liability occurred after the Closing Date;
 - ii. Any liability of Buyer specifically identified as an Assumed Liability in this Agreement or any other document executed in connection with this Agreement;
 - iii. Any executed Developer Agreements identified in **Appendix "2 viii"** to this Agreement. Also, any executed refundable advance agreements from customers who paid to install water lines that cross vacant lots in getting to their property.
- b. Excluded Liabilities. Notwithstanding the foregoing, the Buyer does not assume any debts, liabilities, obligations, or other financial or service obligations of Seller, except as may be expressly provided in this Agreement. Buyer does not assume any tax liability of Seller.

Buyer does not assume any liability relating to a current or former employee or any employee plan of Seller. Buyer does not assume and shall not be liable for any expense, assessment, exposure, fine, penalty, liability, act or omission of any kind whatsoever imposed or required by any third party, whether known or unknown, contingent, liquidated or not liquidated, arising or accruing under contract, law, tort, ordinance, law, regulation or otherwise, arising or accruing before or after the Closing Date where the operative act or omission was that of or attributable to Seller for its actions prior to the Closing Date. Buyer shall not be liable for any distribution to Seller's shareholders or bear responsibility to indemnify, reimburse, or advance payments to any present or former officer, director, member, shareholder, manager, general partner, limited partner, employee, or agent of any Seller. Seller shall remain liable for and shall pay, perform, or discharge all such liabilities and obligations.

SECTION 4. PURCHASE PRICE. Buyer shall pay to Seller for conveyance of the Purchased Assets, subject to the additions, adjustments, and pro-rations referenced in this Agreement, total cash payments in the amount of \$5,750,000 for the Utility System via wire transfer to the account(s) designated by Seller at the Closing.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF SELLER. As a material inducement to Buyer to execute this Agreement and perform its obligations hereunder, Seller represents and warrants to Buyer as follows:

- a. Seller is a duly organized, validly existing corporation, and its status is active under the laws of the State of Florida. Seller has all requisite power and authority and has taken all requisite action necessary to (i) enter into this Agreement, and (ii) perform all of the terms and conditions of this Agreement.
- b. The Board of Directors and shareholder of Seller have approved Seller entering into this Agreement.
- c. This Agreement constitutes, and all other agreements to be executed by Seller with respect to this Agreement will constitute, when executed and delivered, valid and binding obligations of Seller, enforceable in accordance with their terms.
- d. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any Court or agency of government applicable to Seller, the Articles of Incorporation, or By-Laws of Seller, nor any Certificate, indenture, agreement, or other instrument to which Seller is a party, or by which it is bound, subject only to the sale being approved by the FPSC.
- e. Seller has good and marketable title to the Purchased Assets related to the Utility System. The Purchased Assets are subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction except Permitted Encumbrances, as defined in Section 7 of this Agreement, other than those that will be satisfied or released by the Closing. At Closing, the Seller shall deliver title to such Purchased Assets related to the Utility System free and clear of all debts, liens, pledges, charges, or encumbrances whatsoever, other than Permitted Encumbrances related to Real Property only.
- f. Seller has exclusive possession, control, and ownership of all Real Property, Purchased Assets, and the Utility System to which it is related, and that all such real property has been identified in **Appendix "2 i"** hereto.

g. Environmental Law Compliance.

i. Definitions.

- (a) "Environmental Law" means any federal, state, or local statute, order, regulation, or ordinance, or common law or equitable doctrine relating to the protection of human health or the environment in effect as of the Closing Date and includes, but is not limited to, The Florida Air and Water Pollution Control Act (Chapter 403, Florida Statutes), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA")(42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), and the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), as such have been amended or supplemented as of the Closing Date, the regulations promulgated pursuant thereto, and in effect as of the Closing Date and any conditions and requirements contained in any permits possessed by Seller from any federal, state or local agencies necessary to operate the Utility System.
- (b) "Hazardous Material" means petroleum or any substance, material, or waste which is regulated under any Environmental Law in the jurisdictions in which Seller conducts its business including, without limitation, any material or substance that is defined as or considered to be a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "toxic waste," or "toxic substance" under any provision of Environmental Law.
- (c) "Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, or dispersal into the environment, at or from any property owned or operated by Seller or related to Hazardous Materials generated by Seller.
- (d) "Remedial Action" means all actions required to (i) clean up, remove, or treat any Hazardous Material; (ii) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the environment; or (iii) perform pre-remedial studies and investigations or post-remedial monitoring and care directly related to or in connection with any such remedial action.

ii. Representations. To Seller's knowledge:

- (a) Seller is in material compliance with all applicable Environmental Laws and has no material liability thereunder, and there is no reasonable basis for Seller to believe that any such liability exists except as disclosed in **Appendix "5 h ii (a)"**.
- (b) Seller has obtained all permits required or has submitted application renewals for such permits in a timely manner, under applicable

Environmental Laws, necessary for the operation of the Utility System as conducted as of the date of this Agreement.

- (c) Any oral or written notice within the last two years of the violations or alleged violations of applicable federal, state or local statutes, laws and regulations (including, without limitation, any applicable environmental, building, zoning, or other law, ordinance or regulation) relating to the Utility System are identified in **Appendix "5 h ii (c)"** hereto and in no other.
 - (d) There is no Hazardous Material in violation of any Environmental Law located on the Real Property; no Real Property is listed or formally proposed for listing under CERCLA, the Comprehensive Environmental Response, Compensation Liability Information System ("CERCLIS") or on any similar state list that is the subject of federal, state, or local enforcement actions or other investigations that may lead to claims against Seller for clean-up costs, remedial work, damages to natural resources, or for personal injury claims, including, but not limited to, claims under CERCLA; and there is no reasonable basis for Seller to be named in such claims or for any similar action to be brought against Seller.
 - (e) No written or verbal notification of a Release of a Hazardous Material has been filed by or on behalf of Seller or any third party with respect to the Utility System. No Property of the Utility System is listed or proposed for listing on the National Priority List promulgated pursuant to CERCLA, CERCLIS, or any similar state list of sites requiring investigation or clean up.
 - (f) No Hazardous Material has been released in violation of Environmental Law at, on, or under any property of the Utility System.
- h. Except as provided in **Appendix "5 i"** hereto, there are no current actions, suits or proceedings at law or in equity pending or, to Seller's knowledge, threatened against Seller before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Utility System or any of the Purchased Assets or Seller's right and ability to make and perform this Agreement, nor is Seller aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. Seller shall be responsible for any and all costs, fees, expenses, rebates, refunds or costs of improvements or infrastructure relocation or removal, if any, associated with said disclosed litigation and Seller shall be responsible for any liability to the plaintiff to the extent it relates to events that have occurred or costs and fees that have been charged or accrued on or before the date of Closing. Seller is not in default with respect to any Certificate, permit, order, or decree of any court or of any administrative or governmental agency or instrumentality affecting the Utility System or any of the Purchased Assets. Seller agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to the Utility System.
- i. No representation or warranty made by the Seller in this Agreement contains any untrue statement of material facts or omits to state any material fact required to make the statements herein contained not misleading.

- j. After due inquiry, Seller has no actual knowledge that Seller's use of the Real Property or Purchased Assets is in violation of any applicable state or local laws, rules or ordinances, including wellhead protection, zoning or other applicable requirements, nor are there any encroachments of any kind related to the Real Property, except as are identified in **Appendix "5 k"** hereto. For the purposes of construing this section, "actual knowledge" includes facts directly and personally known to Seller, or facts which Seller is presumed to have received directly or personally because evidence within Seller's possession or knowledge is sufficient to engage in a reasonable inquiry into the existence of such facts.
- k. Seller has not entered into any agreements or commitments with developers or customers providing for the extension of services or facilities with regard to the Utility System, nor has Seller collected any connection or plant capacity fees or charges for which the payor, its successors, or assigns have not been connected to the Utility System.
- l. All customer records have been delivered to Buyer and are accurate.
- m. Seller has delivered true, complete, and correct copies of the unaudited general ledgers and cash flows, and the unaudited profit and loss statements ("Financial Statements"). The Financial Statements fairly represent the financial condition and the results of the operations and cash flows of Seller in the period referred to in the records and were prepared in accordance with NARUC, subject to normal, recurring year-end adjustments and the absence of notes. The Financial Statements reflect the consistent application of NARUC throughout the periods involved, except as disclosed in the notes to the Financial Statements. No financial statements of any person other than Seller are required by NARUC to be included or reflected in the Financial Statements. The Financial Statements were prepared from, and are consistent in all material respects with, the accounting records of Seller.
- n. Neither Seller nor any of Seller's directors or officers has breached or is in breach of any applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010, or any other applicable laws relating to anti-bribery and anti-corruption.
- o. Seller, and any Person controlling Seller, are in compliance in all material respects with all anti-money laundering laws related to the prevention of money laundering and terrorist financing, including but not limited to the Bank Secrecy Act and the USA PATRIOT Act in the jurisdictions in which Seller, or such Person controlling Seller, as applicable, operates.
- p. Seller is not a Person that is, or is not a Person that is fifty percent (50%) or more owned or controlled by a Person or Persons that are: (i) the subject of any economic or financial sanctions or trade embargoes imposed, administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority (collectively, "Sanctions"), or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. No sales or Transaction contemplated by this Agreement will violate Sanctions.
- q. Seller has prepared and timely filed all federal, state, and local tax returns required to be filed by Seller with respect to the operation of the Utility Systems and the Purchased Assets,

and has timely paid all taxes relating to the operation of the Utility Systems and the ownership of the Purchased Assets owed or payable by it, whether or not shown on any tax return; in each case the nonpayment of which would, or could reasonably, result in a lien on any Purchased Asset and Purchaser becoming liable or responsible for such lien.

- r. All tax returns filed by Seller with respect to the operation of the Utility Systems and the ownership of the Purchased Assets are true, complete, and correct in all material aspects.
- s. Seller is not currently the subject of a tax audit or examination for taxes with respect to the operation of the Utility Systems and the ownership of the Purchased Assets or subject to any extension of time with respect of the assessment or collection of taxes by a taxing authority other than an automatic extension of the due date for filing a tax return obtained in the ordinary course of business. Seller has not received any written notice of proposed adjustment, deficiency, or underpayment of taxes from any taxing authority relating to the operation of the Utility Systems and the ownership of the Purchased Assets, which has not been satisfied in full by payment or withdrawn.
- t. No claim has been made in writing by any taxing authority in a jurisdiction where Seller does not file tax returns that Seller is or may be subject to jurisdiction to taxation by that jurisdiction with respect to the operation of the Utility Systems or the ownership of the Purchase Assets.
- u. Following Closing, Seller, or any affiliate of Seller, shall not provide water or wastewater service within the Service Territory (as defined in Appendix “2 ii-2), or any property adjacent to the Service Territory, in competition with the Buyer.
- v. All representations or warranties made by Seller in this Agreement shall survive for a period of fifteen (15) months post-Closing.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF BUYER. As a material inducement to Seller to execute this Agreement and to perform its obligations hereunder, Buyer represents and warrants to Seller as follows:

- a. Buyer is a duly organized, validly existing limited liability company, and its status is active under the laws of the State of Florida. Buyer has all requisite power and authority and has taken all requisite action necessary to (i) enter into this Agreement, and (ii) perform all of the terms and conditions of this Agreement.
- b. The Board of Directors of Buyer has approved Buyer entering into this Agreement.
- c. This Agreement constitutes, and all other agreements to be executed by Buyer with respect to this Agreement will constitute, when executed and delivered, valid and binding obligations of Buyer, enforceable in accordance with their terms.
- d. The execution, delivery, and performance of this Agreement will not violate any provision of law, order of any Court or agency of government applicable to Buyer, the Articles of Organization, or Operating Agreement of Buyer, nor any Certificate, indenture, agreement, or other instrument to which Buyer is a party, or by which it is bound.

SECTION 7. TITLE INSURANCE AND PERMITTED ENCUMBRANCES.

- a. Within thirty (30) days after the date the legal descriptions have been confirmed, Seller shall obtain a current title insurance commitment in favor of Buyer, issued by a title company licensed to do business in the State of Florida, covering the Real Property and encompassing legal and physical access from a dedicated public road, street, or highway, which access is insurable under the title policy. The title insurance commitment and subsequent policy shall be paid equally by the Parties. The title insurance commitment shall commit the insurer to issue an owner's title insurance policy to Buyer covering the Real Property, substantially in accordance with the ALTA Standard Owner's Form most recently approved for use in Florida as modified, reflecting title to the Real Property to be marketable and insurable, except for the Permitted Encumbrances, the standard printed exceptions usually contained in an owner's title insurance policy, and the standard exclusions from coverage; provided, however, that the title insurance company shall delete the standard exceptions customarily deleted for such items as the standard survey exception (based on a current survey for all or portions of the Real Property), and materialman's liens and mechanics liens, if there are no such liens at the time of Closing. Seller shall execute at, or prior to Closing, in favor of Buyer and the title insurance company, all forms or affidavits required by the title insurance company, including, but not limited to, the appropriate mechanic's lien affidavit and "Gap" affidavit, sufficient to allow the title insurance company to delete all standard exceptions addressed by such affidavits.
- b. Buyer shall notify Seller in writing before the Closing Date of any alleged defect in Seller's title to the Real Property, other than the Permitted Encumbrances (such written notice to include all exceptions, encumbrances, liens, easements, covenants, restrictions or other defects in Seller's title to the Real Property other than the Permitted Encumbrances), which render or may render Seller's title to the Real Property (i) unsuitable for the Buyer's needs, (ii) unmarketable in accordance with standards adopted by The Florida Bar, or (iii) uninsurable. Any objections to title to the extent not shown on the notice furnished by Buyer in accordance with the provisions of this paragraph shall be deemed to have been waived by Buyer and Buyer shall not be entitled to any damages or other remedies. Seller shall have until the Closing Date to eliminate the objections to title set forth in Buyer's notice. However, in no event shall Seller be required to bring suit or expend any sum in excess of \$25,000 in the aggregate to cure title defects (exclusive of mortgages against the Real Property, which are in a liquidated amount) that Seller has an obligation to discharge by the Closing pursuant to the terms of this Agreement. If Seller fails to deliver title as herein provided, then Buyer may:
 - i. Accept whatever title Seller is able to convey with no abatement of the Purchase Price; or
 - ii. Reject title and terminate this Agreement with no further liability of either party to the other.
- c. Buyer may not object to title by reason of the existence of any mortgage, lien, encumbrance, covenant, restriction or other matter that (i) may be satisfied with a payment of money and Seller advises Buyer that Seller elects to do so by paying same at or prior to the Closing Date; (ii) any mechanic's lien or other encumbrance that can be released of record, bonded, or transferred of record to substitute security so as to relieve the Real Property from the burden thereof and Seller advises Buyer that Seller elects to do so at or

prior to Closing; or (iii) the title insurance company issuing the title insurance commitments affirmatively to insure-over.

- d. Seller shall provide a copy of any existing survey of the Real Property to Buyer within thirty (30) days of the execution of this Agreement. Any new survey(s) shall be solely at the Buyer's expense.
- e. As used herein, "Permitted Encumbrances" include the following:
 - i. All present and future building restrictions, zoning regulations, laws, ordinances, resolutions, regulations, and orders of any governmental authority having jurisdiction over the Real Property and the use thereof.
 - ii. Easements and restrictions of record which do not impair or restrict the use of the Real Property or the operation of the Utility System.
 - iii. Any drainage canal, mineral, road, or other reservation of record in favor of the State of Florida or any of its agencies or governmental or quasigovernmental entities, or as may be set forth in any "Murphy Deeds", none of which, however, shall impair or restrict the use of the Real Property or the operation of the Utility System.

SECTION 8. CONDITIONS PRECEDENT TO CLOSING. The obligations of each party to close the Transaction contemplated by this Agreement are subject to the conditions that, at or before the Closing Date:

- a. Neither Party is prohibited by decree or law from consummating the Transaction.
- b. There is not pending on the Closing Date any legal action or proceeding that would (i) prohibit the acquisition or sale of the Purchased Assets, (ii) prohibit Buyer or Seller from closing the Transaction or Buyer from paying the Purchase Price, or (iii) inhibit or restrict in any manner Buyer's use, title, or enjoyment of the Purchased Assets.
- c. Each of the other parties hereto has performed all of the undertakings required to be performed by them under the terms of this Agreement.
- d. There has been no material adverse change in the physical condition of the Purchased Assets. For purposes of this Agreement, a "material adverse change" shall mean a loss or damage to the Purchased Assets that materially reduces: (1) their value in the aggregate; or (2) the ability to operate the Utility System as operated by Seller prior to the Closing Date.
- e. All warranties and representations of the other party are true in all material respects as of the Closing Date, except to the extent they specifically refer to another date.
- f. Neither party has terminated the Agreement as provided for in Section 10 hereof.
- g. All consents and approvals from the FPSC or any other applicable governmental authority relating to the Transaction contemplated by this Agreement shall have been received by Buyer, satisfactory to Buyer in its sole discretion, and without imposition of any conditions or obligations on the Purchased Assets or Buyer that are unacceptable to Buyer in its sole discretion.

- h. The FPSC Application will be filed in accordance with the Alternative Procedure for Establishing Rate Base Value of Acquired Utility System, Fla. Admin. Code Rule 25-30.0372. If the FPSC establishes or its staff recommends, an alternative rate base value for the Purchased Assets less than the Purchase Price, notwithstanding anything to the contrary herein, Buyer shall have the option to terminate this Agreement with no consequences to either Party other than Buyer shall pay to Seller a breakup fee in the amount of \$200,000 within 30 days of Buyer's termination of this Agreement. For clarity, it is the intention of the Parties and their mutual agreement that if Buyer terminates or abandons this Agreement, and such termination and/or abandonment by Buyer is solely for any reason other than in accordance with its rights under this Section 8(h), then the subject breakup fee obligation will not apply.
- i. The Due Diligence Period as defined in Section 9. e. hereof, shall have expired, or the parties shall have mutually agreed that the provision is no longer applicable.

SECTION 9. PRE-CLOSING CONDUCT; COVENANTS. Prior to the Closing Date, the parties covenant to each other, and shall conduct themselves, as follows:

- a. During the period between execution of this Agreement and the Closing Date, Seller shall:
 - i. Operate and maintain the Utility System and Purchased Assets thereof in a normal and ordinary manner to ensure that the condition of that Utility System and the Purchased Assets thereof remain in all material respects unchanged, normal wear and tear and usage excepted, and the inventory on hand shall not be diminished or depleted, other than in the ordinary course of business;
 - ii. Promptly notify Buyer of any notification received by Seller from any person, business, or agency of any existing or potential Environmental Law violation;
 - iii. Provide Buyer, or its designated agent(s), with unrestricted access to the business premises, Utility System, Purchased Assets, Seller's customer and operations books and records, employees; agents, or representatives, on reasonable advance notice (one business day) and during business hours;
 - iv. Promptly notify Buyer of any event, activity or occurrence that has, or may have, a material adverse effect upon the Purchased Assets or this Transaction;
 - v. Transfer billing and account information to Buyer, and coordinate with the Buyer such that a Buyer employee may accompany the Seller's employee(s) during the final meter readings prior to closing.
- b. During the period between execution hereof and Closing, Seller shall not:
 - i. Enter into any contract, oral or written, relating to the Utility System or Purchased Assets that will survive Closing without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned, or delayed. Actions requiring ongoing compliance, such as pipeline breaks and other emergency situations, are excluded.

- ii. Without the prior written consent of Buyer, which shall not be unreasonably withheld, enter into any Developer Agreement. Copies of any developer agreements shall be promptly delivered to Buyer and shall not be signed by Seller without prior written consent from Buyer, which may not be unreasonably withheld.
- c. Seller shall maintain its existing levels of insurance on the Purchased Assets and Utility System, and the risk of any loss shall remain with Seller through the Closing Date.
- d. Buyer may obtain Phase I Environmental Site Assessments ("ESA") (and a subsequent Phase Two ESA if Buyer determines that one is necessary based on the Phase I assessment results) of each parcel comprising the Real Property. If such ESA discloses the presence of any Hazardous Material, Buyer shall notify Seller within twenty (20) business days of receipt of such ESA, and Seller shall have the right but not the obligation to perform such cleanup and remediation as is necessary hereunder. Upon any Seller's failure to perform such cleanup and remediation, prior to the Closing Date, Buyer may elect to either (i) terminate this Agreement, in which event neither party shall have any liability to the other; (ii) proceed to Closing without abatement of the Purchase Price; or (iii) proceed to Closing if the parties have negotiated a mutually acceptable Purchase Price with an abatement relating to Hazardous Materials discovered during Buyer's ESAs.
- e. The Due Diligence period under this Agreement shall run for ninety days (90) days from execution of this Agreement ("Due Diligence period") and shall expire thereafter. Buyer is relying upon its own due diligence investigation in entering into this Agreement. The Buyer shall have until the termination of the Due Diligence period to complete, at Buyer's expense, financial, legal, engineering, and operational due diligence investigations of the Purchased Assets. Based upon the results of such due diligence investigations Buyer shall have the right to terminate this Agreement for any material defects or problems revealed by such due diligence. Buyer shall provide Seller with written notice of termination within twenty (20) days of completion of such due diligence. During the Due Diligence period, Seller shall provide Buyer and its representatives access to all Purchased Assets as set forth in this Agreement and full access to the Management company.
- f. Prior to the Closing, Seller shall (i) afford Buyer and its representatives reasonable access during normal business hours to properties, books, contracts, documents, insurance policies and records of or with respect to Seller, the Purchased Assets as Buyer or its representatives may from time to time reasonably request; (ii) furnish Buyer and its representatives with copies of all such Contracts and Business Records as Buyer or its representatives may reasonably request, (iii) furnish Buyer and its Representatives with such additional financial, operating, and other relevant data and information as Buyer may reasonably request, and (iv) otherwise cooperate and assist, and instruct the representatives of Seller to cooperate and assist, to the extent reasonably requested by Buyer, with Buyer's investigation of the business, condition (financial or otherwise), assets, results of operations, or prospects of the Purchased Assets; provided, however, that in each case (clauses (i) through (iv) above), any such investigation shall be conducted during normal business hours upon reasonable advance notice to Seller and at a mutually agreeable time, under the supervision of Seller's personnel, and in such a manner as not to interfere with the normal operations of the Purchased Assets.
- g. Seller shall not enter into or amend any agreement or settlement with any tax authority for any taxable period or portion thereof that could reasonably be expected to have a

material and adverse impact on Purchaser, the Utility Systems, or any of the Purchased Assets.

- h. All covenants made by Seller in this Section 9 shall survive for a period of fifteen (15) months post-Closing.

SECTION 10. TERMINATION OF AGREEMENT.

- a. At the sole discretion of the Buyer, this Agreement may be terminated for any reason within ninety (90) days from the Effective Date of this Agreement.
- b. Buyer may also terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:
 - i. The failure, in any material respect prior to Closing, of any conditions precedent to Closing, any pre-closing conduct, or any covenant of Seller set forth in Sections 8 and 9.
 - ii. Any material breach of this Agreement by Seller, including, but not limited to, a material breach of any representation or warranty, if Seller has not cured such breach within 30 days after written notice from Buyer; provided, however, such breach must in any event be cured by the Closing Date unless the date for cure has been extended or excused by Buyer.
- c. Seller may terminate this Agreement, in its sole discretion, upon the occurrence of any offer following:
 - i. The failure, in any material respect prior to Closing, of any of the conditions precedent to Closing set forth in Section 8.
 - iii. Any material breach of this Agreement by Buyer, including, but not limited to, a material breach of any representation or warranty, if Buyer has not cured such breach within 30 days after written notice from Seller, provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended or excused by Seller.
- d. Upon the occurrence of any of the bases for termination of this Agreement, the party seeking to terminate this Agreement shall provide written notice of its termination of this Agreement to the other by delivering the same as provided in Section 156.c.
- e. Upon the termination of this Agreement, the following shall occur:
 - i. To the extent permitted by Florida law, each party shall return all documents, including copies, in its possession, custody, or control, or in the possession, custody, or control, of its agents and consultants to the other, as the case may be. Each party, its agents and consultants, shall treat any information previously received as confidential, and shall not disclose or use such information, unless required by law.

- ii. Except as otherwise set forth in this Agreement, each party shall be responsible for payment of its own attorney and other professional fees and other costs of any nature whatsoever incurred prior to the termination of this Agreement.

SECTION 11. CLOSING DATE AND CLOSING.

- a. Unless otherwise extended as provided elsewhere herein, this Transaction shall close on or before September 30, 2026 or Thirty (30) Days following the issuance of the FPSC Order approving the transfer, whichever shall first occur, unless extended by mutual agreement of the Parties. As used in this Agreement, the "Closing Date" shall mean 12:00 a.m. on the date this Transaction is closed.
- b. At Closing:
 - i. Buyer shall pay the balance of the Purchase Price, subject to any adjustment as provided for in this Agreement.
 - ii. Title to the Real Property shall be conveyed to Buyer by Special Warranty Deed, free of all claims, liens, or encumbrances whatsoever, other than Permitted Encumbrances. Easements shall be conveyed by easement. Title to the remaining Purchased Assets shall be conveyed to Buyer by Bill of Sale, free of all claims, liens, or encumbrances whatsoever. Seller shall further provide to Buyer such other instruments of conveyance as shall be, in the reasonable opinion of Buyer and its counsel, necessary to transfer the Utility System and Purchased Assets in accordance with this Agreement and, when necessary or desirable, in recordable form.
 - iv. Seller shall assign to Buyer its right, title, and interest in those easements, licenses, etc. identified in **Appendices "2 ii-1" and "2 ii-2."**
 - v. Seller and Buyer shall enter into separate Assignment and Assumption Agreements with respect to agreements which Buyer agrees to assume from the (i) Developer Agreements identified in **Appendix "2 viii"**, and (ii) Contracts and Leases identified in **Appendix "2 ix."**
 - vi. Real property and personal property taxes on the Purchased Assets and Utility System shall be prorated as of the Closing Date. All other taxes, assessments, and franchise fees accrued or owed by Seller as of the date of Closing with respect to the Utility System and Purchased Assets shall remain the obligation of Seller. Seller shall pay all FPSC regulatory assessment fees for revenues it has accrued as of the Closing Date.
 - vii. Documentary stamps, and recording fees, if any, to record instruments and any other fees, assessments, or charges and related instruments necessary to deliver title to the Buyer shall be paid for by the Seller; all other transfer, sales, use, and registration taxes, if any, incurred in connection with the sale of the Purchased Assets shall be paid fifty percent (50%) by Seller and fifty percent (50%) by Buyer when due (collectively, these fees and taxes known as the "Transfer Taxes"). Seller, Buyer, and their Affiliates shall cooperate in the filing of any tax returns relating to Transfer Taxes, including joining in the execution of such Tax Returns. Seller and Buyer shall use their commercially reasonable efforts and

cooperate in good faith to exempt the sale and transfer of the Assets from any such Transfer Taxes.

- viii. Connection Charges (defined as plant capacity, transmission line capacity, or other unit connection fees paid for the availability of utility capacity) received by Seller prior to Closing shall be retained by Seller if a physical connection to its Utility System has been made at least ten (10) days prior to Closing. Connection Charges paid to Seller prior to Closing for which no connection has been made shall be paid over to Buyer at Closing. Connection Charges paid after Closing shall be retained by Buyer. A schedule of Connection Charges paid to Seller, if any, shall be prepared by Seller as of the Closing Date and provided to Buyer and paid by Seller to Buyer at Closing through the Closing Statement or as otherwise mutually agreed to by the Parties.
- ix. Within five days prior to Closing, Seller shall read the Utility System customers' meters and, thereafter, invoice the customers for service up to and including the final meter reading, applying any customer deposits held by Seller. Seller is entitled to all revenues for services up to and including the final meter reading. After Closing, Seller shall collect the final bill and any delinquent amounts owed to Seller; however, Buyer shall collect and remit to Seller any payments, including partial payments due to the application of customer deposits as referenced herein above, received by Buyer with respect to Seller's final meter reading and any services rendered prior to the Closing Date within 30 days of receipt thereof. Buyer shall begin billing the customers based on the final meter reading as the starting point for future billing. After Closing, Buyer shall be entitled to all revenues of the Utility System for services rendered after the date of Seller's final meter reading date. Seller shall promptly pay to Buyer any payments received by Seller for services rendered after the Seller's final meter reading.
- x. All transfers required or necessary to carry out the intent and purpose of this Agreement shall take place, unless waived or extended by mutual consent.
- xi. Except as otherwise provided herein, each of the Parties shall pay the fees of its own attorneys, bankers, engineers, accountants, and other professional advisers or consultants in connection with the negotiation, preparation, and execution of this Agreement, and any documents associated with the Closing.
- xii. All bills of any kind for services, materials, and supplies of any kind rendered in connection with the construction, operation, and maintenance of the Utility System prior to Closing, including but not limited to electricity, phone service, and payroll for a period up to and including the Closing Date, shall be paid by Seller. Buyer shall be responsible for all such costs and expenses incurred for services rendered after closing subsequent to Closing.
- xiii. Each party shall deliver to the other party a certificate stating that:
 - (a) The party is not prohibited by decree or law from consummating the Transaction contemplated hereby.
 - (b) There is not pending on the Closing Date any legal action or proceeding that hinders the ability of either party to close the Transaction.

- (c) All warranties and representations of such party contained in this Agreement are true and correct in all material respects as of the Closing Date.
- xiv. Seller shall deliver to Buyer, in a form reasonably acceptable to Buyer, an opinion of Seller's counsel substantially to the effect that:
 - (a) Seller is validly organized, existing, and its status is active under the laws of the State of Florida.
 - (b) This Agreement has been duly and validly executed and approved by Seller and is a valid and binding agreement upon Seller.
 - (c) The execution, delivery, and performance of this Agreement will not violate any agreement of or binding on, or any law applicable to Seller.
- x. Buyer shall deliver to the Seller in a form acceptable to Seller, an opinion of Buyer's Counsel substantially to the effect that:
 - (a) Buyer is validly organized, existing, and its status is active under the laws of the State of Florida.
 - (b) This Agreement has been duly and validly executed and approved by Buyer and is a valid and binding agreement upon Buyer.
 - (c) The execution, delivery, and performance of this Agreement will not violate any agreement of, or binding on, or any law applicable to, Buyer.

SECTION 12. POST CLOSING COOPERATION.

- a. Seller and Buyer shall, after the Closing Date, upon reasonable request of the other party and at no cost to the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, easements, assignments, transfers, powers of attorney and reasonable assurances as may be required in order to implement and perform any of the obligations, covenants, and agreements of the Parties arising from this Agreement, and to permit Buyer to operate and maintain the Utility System in the manner operated by Seller at the time of Closing,
- b. Each of the Parties hereto shall provide the other with such assistance as reasonably may be requested in connection with the preparation of any tax return, audit, or other examination by any taxing authority or any judicial or administrative proceedings relating to liability for taxes relating to the Transaction contemplated by this Agreement, including reasonable access during regular business hours to any and all necessary documentation and/or records. Subject to the provisions of paragraph c. below, each party shall retain and provide the other with any records or information that may be relevant to such return, audit, examination, proceedings, or determination. The party requesting assistance hereunder shall reimburse the other for reasonable expenses incurred in providing such assistance.
- c. Purchase Price Allocation. Within ninety (90) days after the Closing Date, Buyer and Seller will allocate the Purchase Price, and other relevant amounts, among the Purchased Assets

in accordance with Section 1060 of the IRS Code, and associated regulations. Buyer and Seller agree to cooperate with each other and furnish each other with such information as is reasonably requested by the other party for purposes of determining the allocation of the Purchase Price.

If Buyer and Seller are unable to agree on an allocation, then the Parties shall not later than five (5) Business Days thereafter engage an Arbitrator and cooperate fully with the Arbitrator to facilitate its determination of allocation, including by providing any data the Arbitrator reasonably requests, and making such Party's personnel and accountants reasonably available to explain any such data. The decision of the Arbitrator shall be final and binding on the Parties and Buyer and Seller shall each pay one-half of the cost of the Arbitrator and any related expenses.

If Buyer and Seller agree on an allocation, Buyer and Seller shall make consistent use of the allocation for all tax purposes and in all tax returns, including the reports required to be filed under Section 1060 of the IRS Code. In any proceeding related to the determination of any tax, no party shall contend or represent that the agreed upon allocation is not a correct allocation unless a final "determination" under Section 1313 of the IRS Code as been made to the contrary, meaning Buyer or Seller reaches a binding settlement or compromise to conclude a tax proceeding that requires either Buyer or Seller to concede to an allocation different from that which is determined pursuant to this section, only after defending the original allocation in good faith. In that event, the settling party shall promptly inform the other party of the result of the tax proceeding to the extent it relates to the agreed upon allocation.

- d. Seller agrees to provide reasonable assistance to the Buyer in its application to the FPSC for transfer of the Utility Systems and Certificates, and to transition the administration (including customer services and accounting functions) and operation of the Utility System and Purchased Assets. Buyer shall reimburse Seller for reasonable costs or expenses, without markup, incurred for any services provided under this subparagraph.
- e. Regulatory Approval Contingency. The sale of Assets contemplated by this Agreement is subject to and contingent upon the approval by the FPSC. Within sixty days (60) days following the execution of this Agreement, Buyer shall file the appropriate Application with the FPSC and shall diligently prosecute same to its conclusion.
- f. This post closing cooperation provision shall expire fifteen (15) months following the Closing hereon.

SECTION 13. THIRD PARTY BENEFICIARY. Buyer and Seller acknowledge and agree that this Agreement does not directly benefit any person other than the Parties hereto, and no other person is a third-party beneficiary of this Agreement. This Agreement is solely for the benefit of the Parties hereto, and no other causes of action shall accrue upon or by reason hereof to or for the benefit of any third party (other than successors and assigns), who or which is not a formal party hereto.

SECTION 14. SELLER'S INDEMNITY.

- a. Seller shall defend and indemnify Buyer and its officers, directors, successors and assigns (the "Buyer Indemnified Parties") for, and hold them harmless from, any and all claims, actions, cause of action, demand, lawsuit, audit, notice of violation, proceeding, litigation, citation,

summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity losses, damages, diminution in value, liabilities, deficiencies, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance provider, and whether or not involving a Third Party Claim (collectively, "Losses"), suffered or incurred by the Purchaser Indemnified Parties to the extent related to, arising out of or in connection with:

- (i) any breach of any representation or warranty made by Seller in this Agreement or in any certificate, document, writing, or instrument delivered by Seller pursuant to this Agreement;
 - (ii) any breach of any covenant or obligation of Seller in this Agreement or in any certificate, document, writing, or instrument delivered by Seller pursuant to this Agreement;
 - (iii) the Excluded Liabilities; or
 - (iv) any and all tax liability accrued by Seller prior to the Closing, including, but not limited to, any interest and penalties.
- b. The indemnity provisions in subsections 14(i), (ii), and (iii) shall remain in force for fifteen (15) months from the date of Closing. The indemnity provision in subsection 14(iv) shall remain in effect until the open audit period for each specific type of tax filing expires.

SECTION 15. MISCELLANEOUS PROVISIONS.

- a. This Agreement, the Documents, and the Appendices hereto, collectively embody the entire agreement and understandings between the Parties, and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original.
- b. Any notice or other document required or allowed to be given pursuant to this Agreement by either party to the other shall be in writing and shall be delivered personally, or by recognized overnight courier, or by electronic correspondence or facsimile transmission with written confirmation.

If to Seller, such notice shall be delivered at:

Placid Lakes Utilities Inc.
410 Washington Blvd. NW
Lake Placid, FL 33852
Email: lauraelowsky@gmail.com
Attention: Laura Elowsky, President

with a copy to:

Sundstrom & Mindlin, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Email: wsundstrom@sfflaw.com
Attention: William E. Sundstrom, PA

If to Buyer, such notice shall be delivered at:

Sunshine Water Services Company
200 Weathersfield Avenue
Altamonte Springs, FL 32714
E-mail: sean.twomey@nexuswg.com
Attention: Seán Twomey, President

With a copy to:
Legal@nexuswg.com

Notices shall be effective upon receipt, or failure to accept delivery, electronic correspondence or facsimile transmission shall be deemed received on the date sent if received by 4:00 p.m. Eastern Daylight Time on a business day. If received after 4:00 p.m. EDT, such transmission shall be deemed received on the next business day.

- c. The drafting of this Agreement was a joint effort of the Parties, and in the interpretation hereof, it shall be assumed that no party had any more input or influence than any other.
- d. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect
- e. This Agreement may be amended or modified only if executed in writing and with the same formality as the original.
- f. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida.
- g. All words, terms, and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.
- h. This Agreement may not be assigned without the prior written consent of the non-assigning party. If properly assigned, this Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.
- i. For purposes of this Agreement, an individual is deemed to have "knowledge" of a particular fact or other matter if such individual has actual awareness of such fact or matter, or a prudent individual could be expected to discover or otherwise become aware thereof in the ordinary course of conducting his business.
- j. This Agreement may be executed and delivered (including by facsimile transmission, PDF, or other electronic delivery) in one or more counterparts, each of which when executed and delivered shall be deemed to be an original, but all of which are taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have hereunto caused this Agreement to be executed the day and year aforesaid in counterparts.

SELLER:
PLACID LAKES UTILITIES INC.

By: 
Name: Laura Elowsky
Title: President

BUYER:
SUNSHINE WATER SERVICES COMPANY

By: 
Name: Seán Twomey
Title: President

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**APPENDIX 2-(i)
REAL PROPERTY**

Upon the execution of this Agreement, the Seller and Buyer shall meet to review the parcels of real property owned by the Seller upon which the WWTP and percolation ponds, WTP and two storage tanks, and 4 well sites, recognizing that some parcels owned by the Seller may not be necessary, and other property owned by a related party may be necessary to operate the Utility System. The Parties will work together in good faith to reach such agreement. In absence of such agreement, either Party may terminate this Agreement.

After the parcels have been agreed upon, surveys and legal descriptions shall be prepared, if necessary, the cost of which shall be shared equally between the Parties.

The barn and surrounding property where the Seller stores equipment/supplies for the Utility System and the office, both of which are not owned by the Seller and are subject to Leases between Seller and the property owner, are not real property being conveyed to Buyer.

C-14-37-29-120-00G0-0020 PLACID LAKES SEC 12 PB 8-PG 8 AN 88 X 212 FT TR IN SWLY PART OF TRACT G .42 ACRES – WATER TREATMENT PLANT

C-14-37-29-090-00C0-0030 PLACID LAKES SEC 9 PB 8-PG 5 AN IRREG .93 AC TR IN SWLY COR OF TRACT C .93 ACRES – CURRENT WASTEWATER TREATMENT PLANT

C-14-37-29-090-00C0-0040 PLACID LAKES SEC 9 PB 8-PG 5 A 5.73 ACRE TR IN WLY 1/2 OF TRACT C 5.73 ACRES – WASTEWATER TREATMENT PLANT EXPANSION

**APPENDIX 2(ii)(1)
EASEMENTS**

As shown on various plats. Other easements will be executed if necessary to provide legal access to treatment and disposal facilities and well sites.

**APPENDIX 2-(iii)
TREATMENT PLANTS**

1. A 0.015 million gallons per day (MGD) three month average daily flow (TMADF) permitted capacity domestic wastewater treatment plant. Major units include: three aeration tanks (5,000-gallons each); one clarifier (5,650-gallons); one digester tank (3,475-gallons); and one chlorine contact chamber (1,300-gallons). Disinfection is provided by chlorine tablets. Disposal by land application via a 0.015 MGD TMADF permitted capacity rapid infiltration basin system consisting of one percolation pond with a bottom area of 0.588 acres.

2. A 1.104 MGD water treatment plant with three Hydro Tanks (15,000-gallons each); two ground storage tanks (150,000-gallons each) supplied by three wells and a control building.

APPENDIX 2-(iv)
AUTHORIZATIONS AND PERMITS

1. Water Certificate 401-W issued by the Florida Public Service Commission
- 2 FDEP WWTP Operating Permit # FLA014350
3. Water Management District Water Use Permit #20 004980 010
4. FDEP WTP ID#: 6280223

**APPENDIX 2-(v)
SUPPLIES INVENTORY**

See Attached

**APPENDIX 2-(viii)
DEVELOPER AGREEMENTS**

None

APPENDIX 2-(ix)
CONTRACTS AND LEASES

Leases dated 1/6/2025:

1. Storage barn at 410 Washington Blvd., NW, Lake Placid, FL – will be assumed
2. Office space at 410 Washington Blvd., NW, Lake Placid, FL (shared with property owner) – will not be assumed

See Attached

**APPENDIX 2-(x)
EQUIPMENT**

See Attached

APPENDIX 5-(h)(ii)(a)
ENVIRONMENTAL LAW COMPLIANCE

No material issues

1. The Seller has a 250 gallon above ground fuel tank connected to the generator.
2. Chlorine used in connection with the water system is routinely stored on the property.

**APPENDIX 5-(h)(ii)(c)
ENVIRONMENTAL NOTICES**

None

APPENDIX 5 i
PENDING LEGAL ACTION

None

APPENDIX 5-(k)
REAL PROPERTY ENCROACHMENTS

None known. If any encroachments are identified as a result of the title report or surveys the Seller will address them.