

**GLENN'S COVE CENTRAL WATER SYSTEM**  
30932 Circle Drive  
Tavares, Florida 32778

ORIGINAL  
FILE COPY

March 27, 1996

960394-WU

Director, Div. of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Attn: Christy Tomlinson


Dear Christy,

In regard to our telephone conversation, I am enclosing an original and 4 copies of the application for Transfer to Governmental Authority and all required attachments thereto, of Glenn's Cove Central Water System to City of Tavares, Florida.

Also enclosed is the original water Certificate Number 324-W. I talked with Jackie Gilchrist and she advised me to wait until the date of closing to mail in the Regulatory Assessment Return and fee.

Please process these papers as soon as possible so we may receive the authorization to proceed with the sale. Should you have any questions or need any other information, please call me at (352) 343-9180 or (352) 787-7962. Waiting to hear from you.

Yours truly,



Margaret E. Belew

Enclosures

DOCUMENT NUMBER-DATE

03676 MAR 29 1996

FPSC-RECORDS/REPORTING



Attachment to Application for Transfer to Governmental  
Authority

Exhibit A of Part II-A Financial Information

**AGREEMENT OF PURCHASE AND SALE OF WATER ASSETS**

**By and Between**

**MARGARET E. BELEW, JOHN A. MITCHELL, and SHARON L. MITCHELL**

**Sellers,**

**and**

**THE CITY OF TAVARES, FLORIDA**

**Purchaser.**

**For the sale of the Glenn's Cove Central Water System**

**March 6, 1996**

*mb.*

- C) The full name, address and telephone number of the governmental authority:

CITY OF TAVARES, FLORIDA  
Name of utility  
( 352 ) 742-6220 ( )  
Phone No. Fax No.  
201 East Main Street  
Office street address  
Tavares Florida 32778  
City State Zip Code  
P. O. Box 1068 Tavares, FL 32778  
Mailing address if different from street address  
Internet address if applicable

- D) The name, address and telephone number of a representative of the governmental authority to contact concerning this application:

Robert O. Williams, Esq. (852) 343-6655  
Name Phone No.  
380 West Alfred Street  
Street address  
Tavares Florida 32778  
City State Zip Code

**PART II FINANCIAL INFORMATION**

- A) Exhibit A - A copy of the contract pursuant to Rules 25-30.037(4)(c) and (d), Florida Administrative Code.
- B) Exhibit B - A statement regarding the disposition of customer deposits and the accumulated interest thereon.
- C) Exhibit C - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

- D) Exhibit     D     - A statement that the buyer (governmental authority) obtained from the utility or the Commission the utility's most recent available income and expense statement, balance sheet and statement of rate base for regulatory purposes and contributions-in-aid-of-construction.
- E) Indicate the date on which the buyer proposes to take official action to acquire the utility:

    June 4, 1996    .

If only a portion of the utility's facilities is being transferred, a revised territory description and map of the utility's remaining territory must be provided, as discussed in PART III, below.  
**IF THE UTILITY'S ENTIRE FACILITIES ARE BEING TRANSFERRED, PLEASE DISREGARD PART III OF THIS APPLICATION FORM.**

**PART III    CERTIFICATION                      N/A**

**A)    TERRITORY DESCRIPTION**

Exhibit            - An accurate description of the utility's revised territory. If the water and wastewater territory is different, provide separate descriptions.

**Note:** Use the Survey of Public Lands method (township, range, section, and quarter section), if possible, or a metes and bounds description. Give the subdivision or project name. The description should **NOT** refer to land grants or plat books, but may use geographic boundaries (i.e., road right-of-ways, railroads, rivers, creeks, etc). The object is to make the description as brief, but as accurate as possible.

**B)    TERRITORY MAPS**

Exhibit            - One copy of an official county tax assessment map or other map showing township, range and section with a scale such as 1"=200' or 1"=400' on which the remaining territory is plotted by use of metes and bounds or quarter sections and with a defined reference point of beginning. If the water and wastewater territory is different, provide separate maps.

C) **TARIFF SHEETS**

Exhibit \_\_\_\_\_ - The original and two copies of tariff sheet(s) revised to show correct service territory. Please refer to Rules 25-9.009 and 25-9.010, Florida Administrative Code, regarding page numbering of tariff sheets before preparing the tariff revisions. (Pages 9-10.) Sample tariff sheets are attached. (Pages 11-14.)

**PART IV AFFIDAVIT**

I MARGARET E. BELEW (applicant) do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitute a complete statement of the matter to which it relates.

BY:

Margaret E. Belew  
Applicant's Signature

MARGARET E. BELEW

Applicant's Name (Typed)

PARTNER

Applicant's Title \*

Subscribed and sworn to before me this 26<sup>th</sup>  
of March 1996.

Patricia L. Rowe

Notary Public



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

Attachment to Application for Transfer to Governmental  
Authority

Exhibit A of Part II-A Financial Information

**AGREEMENT OF PURCHASE AND SALE OF WATER ASSETS**

**By and Between**

**MARGARET E. BELEW, JOHN A. MITCHELL, and SHARON L. MITCHELL**

**Sellers,**

**and**

**THE CITY OF TAVARES, FLORIDA**

**Purchaser.**

**For the sale of the Glenn's Cove Central Water System**

**March 6, 1996**

*ms.*

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of this 6<sup>th</sup> day of MARCH, 1996, by and between MARGARET BELEW, JOHN A. MITCHELL, and SHARON MITCHELL, (hereinafter collectively called the "Seller"), whose address is 30932 CIRCLE DRIVE, Tavares, Florida 32778, and THE CITY OF TAVARES, FLORIDA, a Florida municipal corporation, (hereinafter called the "Purchaser") whose address is 201 East Main Street, Tavares, Florida 32778.

### **BACKGROUND**

The Seller owns and operates a water treatment and distribution system which services approximately 57 customers in and around a development known as "Glenn's Cove", located off of Dead River Road. The Seller desires to sell the water distribution system (the "Water System"), including all wells, well sites, tanks, treatment plant, territories, customers, pipes, valves, meters and hydrants, to the City to be connected on to the City's central water utility.

The Water System operates under Certificate of Public Convenience and Necessity, No. 324-W (the "Certificate") issued by the Florida Public Service Commission (the "PSC"). It now serves, and is available to serve in the future, certain territory in Lake County, Florida.

The Purchaser is desirous of purchasing the Water System, and the Seller is willing to sell it to the Purchaser upon the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the premises and of the covenants and agreements herein contained, Seller and Purchaser hereby agree as follows:

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



2. FURNISHING OF DOCUMENTS.

Except as otherwise provided hereunder, within fifteen (15) days after the execution of this Agreement by both parties, the Seller, if it has not already done so, will make available to the Purchaser, as hereafter provided for, the following:

(a) Plans and specifications showing the water well, water treatment plant, and storage tanks, together with a map showing the water distribution lines and appurtenances as now constructed, and all other facilities constituting the Water System.

(b) Copies of Seller's Certificate issued by the PSC and presently in effect relating to the operation of the Water System.

(c) A schedule and copies of all active water use agreements, hereinafter referred to as "Service Agreements," entered into between Seller and any and all customers of the Water System. This shall include any and all agreements to provide water service in the future to individuals who are not presently customers of the Water System.

(d) A schedule and copies of all other agreements entered into between Seller and any other parties in connection with Seller's operation of the Water System, including, but not limited to, leasehold agreements, operator and vendor contracts, and construction contracts, if any (collectively the "Contracts"). At Closing, Seller and Buyer shall execute an Assignment and Assumption Agreement with respect to the Contracts.

(e) An Inventory Exhibit containing a list of all equipment, water reading devices, parts, unset or reserved meters, and all

(i) Map on which there is outlined the present and anticipated PSC certificated service area of the Seller. This area is hereafter referred to as the "Service Area".

(j) All warranties held by Seller with respect to completed or in progress construction work with respect to the Water System. At Closing, Seller shall assign all existing transferable warranties to Purchaser.

(k) A copy of the annual reports as filed by Seller with the Commission for the calendar years ending December 31, 1993, 1994 and 1995.

(l) A legal description of all of the real estate owned by Seller in fee simple to be conveyed to Purchaser in connection with the operation or expansion of the Water System whereupon all water withdrawal, pumping, treatment, storage, or related facilities of all and any type are located, including all buildings, offices, tanks.

(m) A legal or other verifiable description of all private easements, licenses, prescriptive rights and rights-of-way owned and used by Seller for the construction, operation and maintenance of the Water System, all of which are transferable to Purchaser. Seller shall also provide maps showing the location of such easements, with true copies of the granting document containing the legal descriptions. Easements located or shown in recorded plats and dedicated public rights-of-way need not be included.

It is agreed by and between the parties hereto that any and all documents, contracts, or other agreements affecting Purchaser's

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(d) A schedule and copies of all other agreements entered into between Seller and any other parties in connection with Seller's operation of the Water System, including, but not limited to, leasehold agreements, operator and vendor contracts, and construction contracts, if any (collectively the "Contracts"). At Closing, Seller and Buyer shall execute an Assignment and Assumption Agreement with respect to the Contracts.

(e) An Inventory Exhibit containing a list of all equipment, water reading devices, parts, unset or reserved meters, and all

other personal property owned by Seller to be transferred to Purchaser as a part of this sale (the "Inventory"). Seller represents that same will not be depleted prior to the Closing except in the normal and ordinary course of the operations of the Water System by Seller and replacements and additions thereto will be acquired by Seller prior to Closing in the normal and ordinary course of the operations of the Water System by Seller.

(f) Tariff of Seller which shall include a schedule of all rates, fees and charges in effect at the time of this Agreement.

(g) Copies of current or active operation permits, including consumptive use permits, and permits for work not started or not completed, applications or other documents, together with effective dates and expiration dates (if any) demonstrating approval of the facilities of the Water System by all applicable governmental authorities, including, but not limited to: (a) the Florida Department of Environmental Protection, (b) the Water Management District, (c) the United States Environmental Protection Agency, and (d) the PSC (collectively, the "Permits"). Seller shall also include a list of any deposits in excess of \$1,000 that it has with any governmental authorities, corporate entities, or utilities.

(h) A list of customer deposits, prepaid water bills (if any) and accounts receivable, by name and account number, setting forth the amount of each individual deposit, prepaid water bill and/or receivable and the aggregate totals thereof. This item shall be updated by Seller at Closing.

(i) Map on which there is outlined the present and anticipated PSC certificated service area of the Seller. This area is hereafter referred to as the "Service Area".

(j) All warranties held by Seller with respect to completed or in progress construction work with respect to the Water System. At Closing, Seller shall assign all existing transferable warranties to Purchaser.

(k) A copy of the annual reports as filed by Seller with the Commission for the calendar years ending December 31, 1993, 1994 and 1995.

(l) A legal description of all of the real estate owned by Seller in fee simple to be conveyed to Purchaser in connection with the operation or expansion of the Water System whereupon all water withdrawal, pumping, treatment, storage, or related facilities of all and any type are located, including all buildings, offices, tanks.

(m) A legal or other verifiable description of all private easements, licenses, prescriptive rights and rights-of-way owned and used by Seller for the construction, operation and maintenance of the Water System, all of which are transferable to Purchaser. Seller shall also provide maps showing the location of such easements, with true copies of the granting document containing the legal descriptions. Easements located or shown in recorded plats and dedicated public rights-of-way need not be included.

It is agreed by and between the parties hereto that any and all documents, contracts, or other agreements affecting Purchaser's

title to the Purchased Assets, or obligations of the Seller not provided to the Purchaser during the disclosure period (by delivery or providing access to same at the Seller's premises), shall not be acquired by the Purchaser hereby and the Seller shall remain responsible as obligor thereunder. The Purchaser agrees to assume responsibility and hold Seller harmless to the extent of disclosure of the Seller's obligations pursuant to the Service Agreements or Contracts, in accordance with the provisions hereof, but the Purchaser specifically disclaims any obligation to assume any duty or to perform any promise made by the Seller in the Service Agreements or Contracts which is not so disclosed to the Purchaser.

In the event Purchaser is not reasonably satisfied with any of the documents, Purchaser may cancel this transaction by written notice of cancellation given to Seller in which event both parties shall be released from all further obligations under this Agreement. All exhibits will be updated to the time of Closing, if appropriate.

3. COVENANT TO SELL AND PURCHASE AND DESCRIPTION OF PURCHASED ASSETS.

The Purchaser hereby agrees to buy from the Seller, and the Seller hereby agrees to sell to the Purchaser, the Purchased Assets for the Purchase Price and upon the terms, and subject to the conditions and other provisions hereof.

(a) For convenience, the term "Purchased Assets" shall be used to designate the assets, business properties, and rights both tangible and intangible which Seller owns or in which it has an interest regarding the Water System (but shall not include the



"Excluded Assets" described in paragraph 3(b) hereof), all of which are being purchased hereunder by the Purchaser and which include the following:

(1) The real property and interests in real property owned by Seller described in subparagraph 2(1) and all buildings and improvements located thereon.

(2) All easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, streets and other areas owned and/or used by Seller for the construction, operation and maintenance of the Water System as described in subparagraph 2(m) above.

(3) All water treatment plants, water supply and distribution facilities of every kind and description whatsoever, including but not limited to pumps, plants, tanks, transmission mains, distribution mains, supply pipes, or facilities, valves, meters, meter boxes, service connections and all other Inventory listed on the Inventory Exhibit, together with all additions or replacements thereto, subject to the terms of paragraph 9(g) below.

(4) To the extent transferable, all certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, leaseholds, and all rights to construct, maintain and operate the Water System and its plants and systems for the procuring, treatment, storage and distribution of potable water and every right of every character whatever in connection therewith, and the obligations thereof; all agencies for the supply of water to the Water System or others; all water rights, flowage rights and riparian

rights and all renewals, extensions, additions or modifications of any of the foregoing; together with all rights granted to Seller under the Certificates described in paragraph 2. Upon Closing, the parties shall execute an Assignment and Assumption Agreement with respect to such rights. The parties shall cooperate in applying for and obtaining transfer of all such rights requiring regulatory approval or notice.

(5) All supplier lists, customer records, prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information reasonably required by the Purchaser which are in possession of Seller, and its agents on the Closing Date pertaining to the operation of the Water System.

(6) One (1) set of record drawings, including as-built drawings where available, showing all facilities of the Water System. Such drawings shall also include any original tracings, sepias or other reproducible material where same is in possession of Seller.

(7) All rights of Seller under the Agreements described in paragraph 2(c) and (d), subject to Purchaser's assumption of all obligations thereunder and as provided for herein.

(b) Excluded Assets:

(1) Cash, bank accounts, deposits maintained by Seller with any governmental authority, utility deposits and prepaid expenses not to be prorated of Seller which are Seller's sole property and are not subject to refund to customers, including Developers or others.



(2) Escrow and other Seller provisions for payment of federal and state income taxes. As Seller remains responsible for filing and satisfying income tax obligations, such escrow or other funds held by the Seller shall remain with the Seller after Closing. Seller has no other escrow accounts for the Water System.

(3) All notes and accounts receivable of Seller provided however that, except as otherwise specifically provided for herein, Seller shall remain obligated to pay all accounts payable and other payables of Seller incurred or accrued prior to the Closing.

(4) The liabilities of and the name of Glenn's Cove Water Central Water System, except for those liabilities expressly assumed by Purchaser hereunder.

4. FEASIBILITY PERIOD.

(a) Purchaser shall have ninety (90) days from the date of this Agreement within which to conduct whatever investigation examinations and inspections it deems necessary or desirable in order to verify that all physical systems and tangible assets to be purchased by Purchaser as provided for herein are in reasonably acceptable condition and that all existing contractual obligations, real property, rights-of-way, easements and inventories utilized by Seller in the operation of the Water System in the ordinary course of its business are reasonably acceptable for the operation of the Water System in accordance with industry standards. Purchaser may also take steps to verify that the customers of the Water System will voluntarily comply with Purchaser's policies and ordinances, including the requirement for new customers to pay impact fees and

execute annexation covenants. If Purchaser is unable to verify the any of the foregoing, Purchaser shall have the right to notify Seller that such verifications are unacceptable to Purchaser and Purchaser elects to terminate this Agreement, provided, however, that such notice must be given to Seller on or before 5:00 p.m. on the last day of the Feasibility Period. In the event all contingencies can be satisfied before the end of the Feasibility Period, the Purchaser agrees to close within ten (10) days, pursuant to paragraph 12.

(b) Upon reasonable notice, the Seller will permit full examination by the Purchaser's authorized representatives of all existing contractual obligations, physical systems, assets, real property, rights-of-way, easements, and inventories utilized by the Seller in the operation of the Water System and the Water Plant in the ordinary course of business by the Seller.

5. CONDITION OF PURCHASED ASSETS AT CLOSING.

The parties hereto agree that Purchaser is buying the assets of the Seller as described herein in an "as is" and "where is" condition without relying upon any warranty or representation from Seller regarding the physical condition of the Water System whatsoever. Purchaser agrees that it has made or will make its own investigations of the Purchased Assets and is relying solely upon these investigations in making the purchase described in this Agreement.

6. PURCHASE PRICE: PAYMENT

(a) The total Purchase Price for the Water System shall be Fifteen Thousand Dollars (\$15,000.00), which Purchaser shall pay in a single lump sum at closing, subject to prorations and closing expenses as set forth herein.

7. SERVICE AGREEMENTS, RIGHTS THEREUNDER, AND SERVICE TO CUSTOMERS.

(a) Purchaser shall at Closing assume, without recourse to Seller, in writing all the obligations of Seller relating to all Service Agreements disclosed pursuant to paragraph 2(c).

(b) The Purchaser shall fulfill the Seller's obligations to furnish water service to all customers presently and in the future connected to the Water System, including but not limited to customers under the Service Agreements, but, in accordance with Purchaser's connection ordinances and policies. Seller represents to Purchaser that it has not entered into any commitment, agreement, or obligation to provide utility service whatsoever, other than as provided in the Service Agreements provided hereunder.

8. PURCHASER'S WARRANTIES.

(a) The Purchaser is a duly authorized Florida municipal corporation and has all requisite power and authority to enter into this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

(b) The Purchaser will, subsequent to Closing, and consistent with prudent business practices, industry standards applicable thereto, and the requirements of the appropriate governmental

agencies, if any, having jurisdiction over the assets and businesses of said Water System:

(1) Provide water services to all properties, improvements thereon and the occupants thereof, that are encompassed in Seller's certificated area and/or the Service Agreements, so long as capacity is available, pursuant to the Purchaser's ordinances and policies for the provision of water service.

9. SELLER'S WARRANTIES: Seller represents and warrants as follows:

(a) Seller is the sole owner of the Water System and the Purchased Assets and has the power and authority to enter into this Agreement and convey said Water System and Purchased Assets.

(b) Seller has full power and authority to execute, deliver and perform under this Agreement and the Collateral Documents which, when executed and delivered by the Seller, will constitute the legal, valid and binding obligation of the Seller in accordance with their terms.

(c) To the best of Seller's knowledge, the execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, or any indenture, agreement, or other instrument to which the Seller is a party, or by which it is bound.

(d) From and after the date of the execution of this Agreement, Seller will not, without the prior written consent of the Purchaser, which shall not be unreasonably withheld, dispose of or encumber any of the Purchased Assets, with the exception of any

transactions occurring in the ordinary course of Seller's business, such as the routine consumption of chemicals and supplies.

(e) Seller warrants and represents that there will be no material depletion of the assets of the Seller, nor any material change in the condition of said assets, from and after the date of the execution hereof, and that such facilities will be properly maintained within the custom and usage of the industry up until and through the date of Closing.

(f) In the interim between the execution of this Agreement and the Closing Date, Seller shall operate and maintain the Water System in a normal and usual manner to the end that the value of the same will not be diminished or depleted other than by normal wear and tear and casualty.

(g) Seller will reasonably cooperate by opening records, providing access to records and facilities to assist in the acquainting of the Purchaser's operating and administrative personnel, and professional advisors, in the operation of the Water System.

(h) The information provided to the Purchaser by Seller as provided for in this Agreement shall be true and correct to Seller's best knowledge and belief, after due inquiry, and shall not omit any material fact necessary to make the information provided by Seller not misleading.

(i) Seller is in sole and exclusive ownership, possession, or control of the Purchased Assets and Seller at Closing shall deliver sole and exclusive possession or control of the Purchased Assets to

Purchaser. None of the real estate being used for the operation of the Water System is on leased property.

(j) Except for the requisite authorizations or consents of the applicable governmental authorities with respect to the sale and transfer of all licenses and permits to own and operate the Water Systems, Seller has good and marketable title to the Purchased Assets.

(k) There will be after Closing, no liens, claims or encumbrances of whatever type of nature upon or against the Purchased Assets, including but not limited to, mortgages, financing statements or security instruments filed under the Uniform Commercial Code either in Lake County or with the Secretary of State (except only those encumbrances which are to be satisfied and released as part of the Closing of this transaction).

(l) Except for Permitted Encumbrances provided for below and the requisite authorizations or consents of the applicable governmental authorities with respect to the sale and transfer of all licenses and permits to own and operate the Water System, Seller has good and marketable title to the Purchased Assets.

(m) Seller shall perform all of the conditions to Closing which should be performed by Seller prior to Closing as provided herein.

(n) In the event the Water System is cited, prior to closing, for any violation of a regulatory or permitting requirement, Seller shall remedy said violation prior to the closing date.



(o) There exists no employment contract under which Seller is the employer which cannot be canceled within thirty (30) days notice or less, and without the payment of any consideration of such cancellation.

(p) During the period of time between the date of this Agreement and the Closing Date, Seller shall maintain its existing level of fire and extended coverage insurance to cover the cost of any repairs to the plants and Water System that may be necessitated by casualty damage, and the risk of loss during the said period of time shall fall upon the Seller. If any material portion of the Purchased Assets is damaged by fire, "Act of God" or other casualty before the Closing Date, the Purchaser shall have the option of (1) closing and accepting the Purchased Assets "as is", without reduction in the Purchase Price, together with the Seller's assignment to Purchaser of all rights under its insurance policies and all of the insurance proceeds, if any relating thereto, but without any further claim against Seller; or (2) in the event Seller cannot repair and deliver the Purchased Assets within ninety (90) days, canceling this Agreement in which event the parties shall be released from all further obligation to each other, in which case Purchaser shall be entitled to the return of its deposit with interest accrued thereon. If an immaterial portion of the Purchased Assets is so damaged, the Seller shall either (i) repair or replace same, or (ii) assign its insurance proceeds covering same to Purchase at Closing (or if there are no adequate proceeds available, the Seller shall credit the Purchaser at Closing for the reasonable

uninsured value of the damaged property). The risk of loss shall pass to the Purchaser at Closing.

(q) After the execution of this Agreement, Seller will not, without the prior written consent of the Purchaser, which will not be unreasonably withheld, delayed or conditioned, enter into any new Service Agreements or modify any existing Service Agreements. Once a proposed Service Agreement is approved by the Purchaser, the Purchaser shall accept and assume the terms of the approved Service Agreement subsequent to the Closing Date in accordance with its terms.

(r) That to the best of its knowledge and belief, and after due inquiry, there are no representations or warranties contained herein or made hereunder, and no exhibits, certificate, schedule or other document furnished or to be furnished in connection with the transaction contemplated hereby, which contain or will contain a misstatement of material fact, or omits or will omit to state a material fact required to be stated in order to make the statement therein not misleading.

(s) To the best of Seller's knowledge, Seller is not in default with respect to any order, writ, injunction, or decree of any court or federal, state, municipal or other governmental department regarding the ownership, operation or maintenance of the Purchased Assets. There is no pending or threatened litigation or governmental action which could prohibit or interfere with the performance of this Agreement.



(t) The representations and warranties contained herein are true and correct and shall survive Closing for a period of twelve (12) months.

10. TITLE INSURANCE AND PERMITTED ENCUMBRANCES

(a) Title Policy. The Purchaser shall provide and pay for the entire cost of title commitment and title insurance as provided herein. Within ten (10) business days from the date of this Agreement, Purchaser will cause to be issued and delivered to Seller a current title insurance commitment issued by the title insurance company, covering the fee simple real property included in the Purchased Assets, which commitment shall be in an amount equal to \$15,000. The title insurance commitment shall commit the insurer to issue an owner's title insurance policy to the Purchaser covering the fee simple real property portion of the Purchased Assets (substantially in accordance with the ALTA Standard Owner's Form B) upon the recording of deeds to the Property, said commitment reflecting title to the real property to be marketable or insurable, except for the Permitted Encumbrances (as herein defined), 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 material-man's liens, survey, mechanic's liens, and shall provide such endorsements and affirmative coverage as Purchaser reasonably requests. Purchaser shall notify Seller in writing within five (5) days after delivery of such title insurance commitment, of any

alleged defect in Seller's title to the real property, other than those accepted herein and the non-deleted Permitted Encumbrances (such written notice to include all exceptions, encumbrances, liens, easements, covenants, restrictions or other defects in Seller's title to the real estate (other than the Permitted Encumbrances) which render or may render Seller's title to the real estate unmarketable in accordance with standards adopted by Florida Bar or uninsurable). Any objections to title to the extent not shown on the notice furnished by Purchaser in accordance with the provisions of this paragraph shall be deemed to have been waived by Purchaser for all purposes hereof and Purchaser shall not be entitled to any damages or other remedies. Seller shall be entitled to fifteen (15) days time to eliminate any of the objections to title set forth in Purchaser's notice that Seller chooses to eliminate. However, in no event shall Seller be required to bring suit or expend any sum in excess of \$2,500 in the aggregate to cure title defects, exclusive of mortgages, judgments or other liens against the Property, which are in a liquidated amount and/or the Seller has an obligation to discharge on or before Closing pursuant to the terms of this Agreement. In the event Seller shall be unable to deliver title as herein provided, then Purchaser shall have the following rights:

(1) To accept whatever title Seller is able to convey with no abatement of the purchase price; or

(2) To reject title and cancel this Agreement, and receive a refund of its deposit with interest earned thereon.

If Purchaser shall reject title under 10(a)(2) neither party shall have any further liability whatsoever under this Agreement, and in such event, Purchaser shall pay all costs for the title insurance company. Purchaser shall not object to title by reason of the existence of any mortgage, lien, encumbrance, covenant, restriction or other matter, provided, (a) the same may be satisfied with a payment of money and Seller elects to do so by paying same at or prior to Closing; or (b) any mechanic's lien or other encumbrance which can be released of record, bonded or transferred of record to substitute security so as to relieve the real estate from the burden thereof and Seller elects to do so at or prior to Closing; or, (c) the title insurance company issuing the title insurance commitments referred to above will affirmatively insure-over against such matter and will insure against the enforcement thereof against the real property.

Seller will execute at or prior to Closing, in favor of the title insurance company, 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. Also, the title commitment will be marked up as necessary by the Seller. The survey shall be updated as necessary. Title to the real property portion of the Purchased Assets will be conveyed to the Purchaser at Closing by statutory warranty deed subject to the Permitted Exceptions and those matters not timely objected to by Purchaser and the personal property portion of the Purchased Assets will be conveyed by Bill of Sale and accompanied by the appropriate

no-liaison affidavits executed by the appropriate officers of the Seller. After Closing instruments have been recorded in the Public Records, the title insurance policy referred to hereinabove, shall be issued on the commitment.

(b) Permitted Encumbrances. As used above, "permitted Encumbrances" mean and include the following:

(1) All present and future building restrictions, zoning regulations and all present and future laws, ordinances, resolutions, regulations and orders of any governmental authority having jurisdiction over the real property and the use thereof as represented herein, none of which however shall impair or restrict the use of the Property for the operation of the Water System.

(2) Easements, restrictions, reservations, rights-of-way, conditions and limitations of record, if any, which are not coupled with any reverter or forfeiture provisions, including (without limitation) any drainage, canal, mineral, road, or other reservations of record in favor of the State of Florida or any of its agencies or governmental or quasi-governmental entities, or as may be set forth in any "Murphy Deeds", none of which however shall impair or restrict the use of the Property for the operation of the Water System.

11. 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 shall be prohibited by decree or law from consummating the transaction:

(b) The Florida Public Service Commission shall have approved and/or authorized this sale, if necessary.

(c) There shall not be pending or threatened on the Closing Date any legal action or proceeding which would prevent the acquisition of the Purchased Assets or hinder the ability of Purchaser to close the transaction or pay the purchase price, or inhibit or restrict in any manner its use, title, or enjoyment of the Purchased Assets.

(d) Purchaser assumes in writing the obligations of Seller contained in all Service Agreements described in paragraph 2(c).

(e) Both parties shall each have performed all the undertakings required to be performed by it under the terms hereof prior to or at Closing.

(f) All warranties and representations herein of both parties shall be true as of the Closing Date.

(g) As of the Closing Date, there shall have been no material adverse change in the applicable law or the Water System being acquired by Purchaser hereby.

12. CLOSING DATE AND CLOSING.

(a) Provided the conditions to be performed prior to Closing have been performed, this transaction shall be closed within ten (10) working days after the expiration of the Feasibility Period, unless the closing date is extended by agreement of the parties or by another provision of this Agreement. The closing date shall be

automatically extended for up to thirty (30) days if necessary to complete a condition precedent.

(b) At Closing:

(1) Documentary stamps on the deed of conveyance of the real property included in the Purchased Assets shall be paid by Purchaser. The value attributable to the real property portion of the Water System is One Thousand Five Hundred Dollars (\$15,000).

(2) Real Property and Personal Property Taxes on the Purchased Assets shall be prorated as of the date of Closing and Seller shall be required to pay such amount at Closing.

(3) Prior to or simultaneously with the Closing, Seller shall read meters and invoice customers for services rendered prior to the time of Closing, which receivables shall be the sole property of Seller. Included with this invoice shall be a notice advising the customers of the change in ownership of the Water System and that payments should be made directly to Purchaser. Monies due for services rendered from and after the date of Closing shall belong to Purchaser.

(3) All taxes and assessments accrued or owed by the Seller as of the date of Closing shall be and remain the obligation of the Seller. All taxes and assessments imposed after the date of Closing pertaining to post Closing ownership shall be the obligation of the Purchaser.

(4) Sums held or collected by Seller for Connection or other Charges shall remain the Seller's sole and separate property with no claim of the Purchaser therefor. Seller shall remain



responsible, as aforesaid, for refunds or other obligations due to customers or others for events occurring prior to Closing.

(5) All transfers required or necessary hereunder shall take place on Closing date, unless extended by mutual consent.

(6) Except as specifically set forth herein, each of the respective parties hereto shall pay the fees of its own attorneys, 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 of the sale and purchase transaction contemplated herein.

(7) All bills for services rendered in connection with the operation of the Water System prior to Closing shall be paid by Seller.

13. FLORIDA PUBLIC SERVICE COMMISSION MATTERS. The parties shall jointly petition the Florida Public Service Commission, for cancellation of the certificate previously issued to the Seller and for approval of this sale, if necessary. Seller shall file any reports, if required, and satisfy its outstanding Florida gross receipts tax obligations through the date of Closing. All costs and expenses relative to terminating its relationship with the Florida Public Service Commission shall be borne by the Seller. Copies of Order(s) of the Commission acknowledging sale of the Water System to the Purchaser shall be promptly provided to the Purchaser, upon Seller's receipt thereof.

14. SURVIVAL. Except as limited herein, the provisions of Paragraphs 2, 3, 5, 7, 8, 9, 13(d), (f), (h), (k), (m), (n), (q),

(s), (t) and (u) shall survive the Closing hereof and not be merged herein.

15. OTHER MISCELLANEOUS PROVISIONS.

(a) The parties hereto recognize and agree that time is of the essence in this Agreement.

(b) This writing embodies the entire agreement and understandings between the parties hereto and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change or modification to the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto. This Agreement, regardless of where executed, shall be governed and construed according to the laws of the State of Florida. This Agreement may be executed in each of several copies, each of which shall be considered an original.

(c) Each party will, at any time and from time to time after the Closing Date, upon reasonable request of the other party, execute, acknowledge and deliver, or will cause to be executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, powers of attorney and assurances as may be required in order to implement and perform any of the obligations, covenants and agreements of the parties herein. Good faith is a condition of this Agreement.

(d) Neither Purchaser nor Seller may transfer or assign this Agreement or the respective duties or obligations hereunder without obtaining the prior written consent of the other.



(e) The Seller and Purchaser represent and warrant each to the other that they have not dealt with either a broker, salesman, or finder in connection with any part of the transaction contemplated by this Agreement, and, in so far as they know, no broker, salesman or other person is entitled to any commission or fee with respect to such transaction. Further, each party shall indemnify the other and hold it harmless against any claim, cost, expense, liability or loss (including reasonable trial and appellate attorneys fees and costs) incurred or suffered as a result of any broker's or salesman's commission or finders fee alleged to be payable because of any statements, act or omissions of the indemnifying party.

(f) Any notice or other document required to be given hereunder by any party to the other shall be in writing and shall be delivered personally, by courier, or sent by certified or registered mail, postage prepaid.

If to Seller, such notice shall be addressed to Seller at:

MARGARET E. BELEW, JOHN A. MITCHELL, AND SHARON L. MITCHELL  
Tavares, Florida 32778

If to Purchaser, such notice shall be addressed to Purchaser at:

CITY OF TAVARES, FLORIDA  
201 East Main Street  
Tavares, Florida 32778  
Attention: City Administrator

with a copy to Purchaser's counsel:

WILLIAMS, SMITH & SUMMERS, P.A.  
380 West Alfred Street  
Tavares, Florida 32778  
Attention: Robert Q. Williams, Esquire

(g) All salaries of employees to the Closing Date and all obligations of Seller as of the Closing Date to said employees for benefits pay shall be paid by Seller.

(h) All representations and warranties heretofore made by any party to the other are merged into this Agreement.

(i) The headings used are for convenience only, and the parties herein agree that they shall be disregarded in the construction of this Agreement.

(j) Neither party shall be considered to be in default of this Agreement until the non-defaulting party gives written notice of the default to the defaulting party and affords that party ten (10) days to cure the default.

(k) The drafting of this Agreement constituted a joint effort of the parties hereto, and in the interpretation hereof, it shall be assumed that no party had any more input or influence herein than any other.

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

(m) 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, who or which is not a formal party hereto.

(n) Binding Effect. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of the Seller and Purchaser.

(o) Time of the Essence. Time is hereby declared of the essence in the performance of each and every provision of this Agreement.

(p) Corroboration of Payments After Closing. In each instance in which either the Seller or the Purchaser is to receive money from another party after the Closing Date pursuant to the provisions of this Agreement, the party who is entitled to receive the money under the terms of this Agreement shall have the right to inspect, at its own expense, those books and records of the other party as may be necessary to corroborate the accuracy of the amount of money received by the party, within thirty (30) days of receipt of payment. The provisions of this paragraph shall survive closing.

(q) RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

(r) In the event any term or provision of this Agreement be 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.

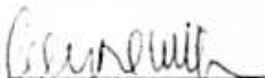
(s) In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs at all trial and appellate levels.

(t) The Seller will, at all times, cooperate by providing reasonable access, upon prior written notice (not less than 48 hours in advance), to their records and facilities for inspection to assist in acquainting the Purchaser's operating and administrative personnel in the operation of the Water System; provided, however, that no such inspection shall materially interfere with the operation of the Water System or the day-to-day activities of the Seller's personnel, and to the extent consistent with applicable law, the Purchaser agrees to indemnify and hold Seller harmless from any claims, actions, expenses, or damages, including costs and attorney's fees at trial and appeal, which the Seller incurs for personal injury or property damage as a direct result of the inspection of the Water System by the Purchaser, its agents, contractors, representatives and/or employees. This provision shall survive closing.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed the day and year aforesaid in counterparts, each counterpart to be considered an original.

WITNESSES:

"Seller"

  
\_\_\_\_\_  
Printed Name Robert Q. Williams

  
\_\_\_\_\_  
MARGARET E. BELEW

Charlene E. Foster Date: March 4, 1996  
Printed Name Charlene E. Foster

Robert Q. Williams John A. Mitchell  
Printed Name Robert Q. Williams JOHN A. MITCHELL

Charlene E. Foster Date: March 4, 1996  
Printed Name Charlene E. Foster

Robert Q. Williams Sharon L. Mitchell  
Printed Name Robert Q. Williams SHARON L. MITCHELL

Charlene E. Foster Date: March 4, 1996  
Printed Name Charlene E. Foster

WITNESSES:

"Purchaser"  
CITY OF TAVARES, FLORIDA

Anthony G. Ette  
Printed Name Anthony G. Ette

By: Pat Smallwood  
Printed Name Pat Smallwood

Mary Ann Carney  
Printed Name Mary Ann Carney

Title: Council President  
Date: March 4, 1996

13/4/96 W:\WORD1\CITY\GLENCOVE.AGR

Attachment to Application for Transfer to Governmental  
Authority

Exhibit B of Part II-B Financial Information

The herein named utility, Glenn's Cove Central Water System has no customer deposits and therefore no disposition of funds or accumulated interest due or payable to any utility customers.

TMB.

Attachment to Application for Transfer to Governmental  
Authority

Exhibit C of Part II-C Financial Information

The herein named utility, Glenn's Cove Central Water System does not owe any unpaid assessment fees, fines or refunds, with the exception of fees for the period of time from January 1, 1996 through the proposed closing date of June 4, 1996, for the sale and purchase of said utility. These said fees are estimated for a portion of this time period (March through May) and are enclosed with this application for transfer.

MD

Attachment to Application for Transfer to Governmental  
Authority

Exhibit D of Part II-D Financial Information

The buyer named herein has received a full copy of the 1995 Annual Report of Glenn's Cove Central Water System, hand delivered to the purchaser's counsel, Robert Q. Williams, Esq., on March 22, 1996, which contains the utility's most recent income and expense statement, balance sheet and statement of rate base for regulatory purposes and contributions-in-aid of construction.

MB.





# FLORIDA PUBLIC SERVICE COMMISSION

## CERTIFICATE NUMBER

324-W

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

GLENN'S COVE CENTRAL WATER SYSTEM

Whose principal address is

57 Circle Drive

Tavares, Florida 32778

(Lake County)

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

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

ORDER 8956 DATED 7/16/79 DOCKET 780873-W

ORDER \_\_\_\_\_ DATED \_\_\_\_\_ DOCKET \_\_\_\_\_

ORDER \_\_\_\_\_ DATED \_\_\_\_\_ DOCKET \_\_\_\_\_

ORDER \_\_\_\_\_ DATED \_\_\_\_\_ DOCKET \_\_\_\_\_

BY ORDER OF THE  
FLORIDA PUBLIC SERVICE COMMISSION

*William B. DeWilly*

Commission Clerk

*Robert J. Mann*

Chairman

