

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

(850) 877-6555
FAX (850) 656-4029
www.rsbattoorneys.com

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

October 1, 2007

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

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

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

VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

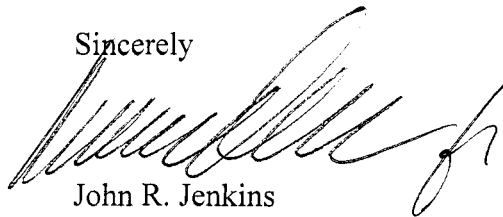
RE: Town and Country Utilities Company
Exhibit C
Docket No. 060602
Our File No. 40050.03

RECEIVED-FPSC
07 OCT - 1 PM 5:00
COMMISSION
CLERK

Dear Ms. Cole:

Enclosed please find an original and fifteen (15) copies of the signed Purchase and Sale Agreement for Town and Country Utilities Company for filing as Exhibit C in the above referenced docket. Should you have any questions regarding this matter, please feel free to call.

Sincerely



John R. Jenkins
For the Firm

- CMP _____
- COM _____
- CTR _____
- ECR** _____
- GCL JRJ/kem
- OPC Enclosures
- RCA cc: Mr. Chuck DeSanti
- SCR _____
- SGA _____
- SEC _____
- OTH _____

DOCUMENT NUMBER - DATE

08989 OCT-1 07

FPSC-COMMISSION CLERK

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the ____ day of September, 2007 by and between Babcock Property Holdings, L.L.C., a Delaware limited liability company ("Seller") and Town and Country Utilities Company, a Florida corporation ("Purchaser").

WITNESSETH:

WHEREAS, Seller is the owner of that certain parcel of land situated in Charlotte County, Florida (the "Property"), as shown on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the exact legal description for the Property cannot be finalized until final permit approvals are obtained; accordingly, the parties agree that the final legal description will be determined at a later date and will substantially comply with that shown on the attached Exhibit "A"; and

WHEREAS, Seller wishes to sell the Property to Purchaser to induce Purchaser to provide utility services to Seller's development on adjacent and nearby property; and

WHEREAS, Seller wishes to sell the Property to Purchaser and Purchaser wishes to purchase the Property from Seller subject to the terms and conditions hereof.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged by the parties, the Seller and the Purchaser hereby agree as follows:

1. Transaction: The Seller agrees to transfer and convey the Property and the Purchaser agrees to acquire the Property upon and subject to all the terms and conditions of this Agreement. The Property is sold "as is and where is" without representation, warranty or contingency either express or implied. The date of this Agreement (the "Effective Date") shall be the date when the last one of Seller and Purchaser has signed this Agreement.

2. Purchase Price: The total purchase price for the Property is ten dollars (\$10.00) (the "Purchase Price").

3. Title Evidence. If requested by Purchaser, Seller will deliver to Purchaser Seller's prior owner's title insurance policy. Purchaser may obtain from a title company chosen by Purchaser a title insurance commitment covering the Property pursuant to which the title insurer will agree to issue to Purchaser, upon closing of this transaction, an owner's policy of title insurance with the standard printed exceptions, subject to those matters of record affecting title to the Property. If Purchaser obtains a title insurance commitment and owner's title insurance policy, Purchaser shall pay the cost of obtaining the title commitment and the premium for the Purchaser's owner's title insurance policy. If after having received the title insurance commitment, Purchaser discovers any title defects or encumbrances, or matters which render title uninsurable, Purchaser shall, within ten (10) days after such receipt, notify Seller in writing specifying such defect(s). Seller shall have sixty (60) days from receipt of notice within which to remove said defect(s), and if Seller is unsuccessful in removing them within such period,

Purchaser shall have the option of either (1) accepting the title as it then is, or (2) terminating this Agreement and thereupon Purchaser and Seller shall be released, as to one another, of all further obligations hereunder. Seller shall have no obligation to expend funds or to bring suits to correct any defect(s) in title.

4. Purchaser acknowledges and agrees that the Property is subject to various governing documents including, but not limited to, the Charlotte County Development Agreement, the Babcock Ranch Overlay District and the Babcock Ranch Land Development Regulations, and that any and all such governing documents shall not constitute a title defect.

5. Survey. Purchaser, within sixty (60) days from the Effective Date, shall have the Property surveyed by a registered Florida surveyor at Purchaser's expense. If the survey, certified by a registered Florida surveyor, shows any encroachment on such Property or that improvements located on the Property in fact encroach on setback lines, easements or lands of others, or violate any restrictions or applicable governmental regulations, Purchaser shall, within ten (10) days after such receipt, notify Seller in writing specifying such defect(s). Any properly noticed survey defect shall be treated as a title defect under Paragraph 3 above.

6. Closing. The closing of the transaction contemplated hereby shall be held on or before the thirtieth (30th) day after receipt of final Public Service Commission ("PSC") rate approval unless extended by agreement of the parties or by any applicable provisions hereof. Such closing shall be held at a location chosen by Purchaser.

7. Inspections. Purchaser shall have ninety (90) days from the Effective Date (the "Inspection Period") to investigate, determine, and conduct any inspections it deems necessary, including without limitation, that the Property is zoned for Purchaser's intended uses, that all utilities necessary for Purchaser's intended uses are in place and/or available to the Property, the compliance with all building and zoning codes, compliance with all environmental and hazardous waste laws and regulations, the load bearing characteristics of the Property and any other matters deemed relevant by Purchaser. In the event that within the time period hereinabove set forth, Purchaser shall determine that any facts or conditions learned during the inspections are not satisfactory to it, the Purchaser shall have the option to terminate and cancel this Agreement. In the event that Purchaser does not notify Seller in writing by 5:00 P.M. on the 90th day from the Effective Date of its election to terminate and cancel this Agreement, then this contingency shall be deemed waived. Notwithstanding anything contained in this Agreement to the contrary, Purchaser shall have the sole and exclusive discretion, for any reason whatsoever, within the Inspection Period, to notify Seller in writing as provided for herein, that it does not intend to close on the purchase of the Property herein described, in which event this Agreement shall be deemed cancelled and null and void for all purposes, all parties hereto being relieved from all liability hereunder.

Upon closing Purchaser agrees to indemnify and hold Seller harmless from any and all damages, claims, liabilities, penalties, costs and expenses (including penalties, fines and all attorneys' fees at all levels of appeal) including, but not limited to, any claims for property damage, or remedial reimbursement costs, and claims for contribution or indemnity, that may be sustained, incurred or charged to Seller or Purchaser or any of their heirs, successors or assigns, in connection with the condition and/or use of the Property and all improvements located thereon

including, but not limited to, those arising as a result of the existence of hazardous or toxic substances on the Property such as, but without limitation, substances that may be regulated by federal, state and any local environmental laws. Purchaser's obligation to indemnify and hold Seller harmless shall survive the closing of the transaction contemplated by this Agreement.

Purchaser agrees that Purchaser shall not create or suffer to be created any damage, lien or encumbrances against the Property as a result of its agents' and employees' inspections of the Property. Purchaser hereby indemnifies Seller against all damages from claims or causes of action arising out of the Purchaser or its agents and employees entering upon the Property pursuant to this paragraph. This indemnification obligation shall survive the expiration or termination of this Agreement.

8. Closing Documents. Seller agrees to execute and deliver, at closing, (a) a deed to Purchaser conveying the Property; (b) an affidavit affirming the absence of any mechanics' liens on the Property or any parties in possession other than the Seller; (c) a Quit-Claim Bill of Sale conveying title to the Personal Property, if any; (d) a withholding certificate or other certificate evidencing compliance with the Foreign Investment in Real Property Tax Act of 1980 and exempting Purchaser from withholding any portion of the purchase price; (e) an affidavit sufficient for the company insuring title to permit such company to insure the "GAP" period; and (f) a closing statement covering the sale and purchase of the Property. Purchaser agrees to execute and deliver a closing statement covering the sale and purchase of the Property and any documents required of the Purchaser by the title company.

9. Default. Should Purchaser fail to carry out the terms of this Agreement for any reason except the failure of any condition to Purchaser's obligations hereunder, Seller shall have the option of (a) canceling this Agreement by giving Purchaser written notice thereof; or (b) Seller may waive any performance required of Purchaser and enforce any and all remedies it may have at law or in equity, including the right to seek specific performance of this Agreement. Should Seller fail to perform under this Agreement, Purchaser shall have the option of (a) canceling this Agreement by giving Seller written notice thereof; or (b) Purchaser may waive any performance required of Seller and enforce any and all remedies it may have at law or in equity, including the right to seek specific performance of this Agreement.

10. Recording Expenses. Seller shall pay the documentary stamps on the Deed of conveyance and the cost of recording any corrective instruments. Seller and Purchaser shall split equally the surtaxes on the Deed of conveyance. Purchaser shall pay the cost to record the Deed of conveyance.

11. Assessed Liens. Certified, confirmed and ratified special assessment liens, as of the date of closing shall be paid by Seller. Pending liens as of the date of closing, shall be assumed by Purchaser, provided where the improvements represented by such pending liens have been substantially completed, as of the date of this Agreement, such pending liens shall be considered as certified, ratified and confirmed, and Seller shall, at closing, pay to Purchaser or be charged an amount equal to the last estimate therefor by the public body imposing such assessment.

12. Possession. Unless otherwise specified herein, possession of the Property shall be delivered to Purchaser at the closing.

13. Prorations. Property taxes shall be prorated based upon the current year's taxes at the maximum discount available. If Closing occurs at a date when the current year's taxes are not fixed and the current year's assessment is available, taxes will be prorated based upon such assessment and the prior year's millage. If the current year's assessment is not available, then taxes will be prorated on the prior year's taxes; provided, however, that any tax prorations based upon an estimate or upon the prior year's tax may, at the request of either party to the transaction, be subsequently reprorated and paid promptly upon receipt of the actual tax bill or bills covering the Property. The provisions of this subparagraph shall survive Closing.

14. Risk of Loss. Seller assumes the risk of loss of the Property prior to closing. If, prior to the closing of this transaction, all or any substantial part of the Property is condemned, damaged or destroyed, Purchaser shall have the option of either applying the proceeds of any condemnation award or insurance policies to reduce the total consideration provided herein or declare this Agreement terminated by delivering written notice of termination, pursuant to this section, to Seller within ten (10) days of the date Seller notifies Purchaser, in writing, of such condemnation, damage or destruction.

15. Assignment. Purchaser may assign this Agreement to any entity in which the Purchaser maintains a majority control interest without Seller's prior written consent. Except in the instance described in the preceding sentence, Purchaser may not assign this Agreement without Seller's prior written consent.

16. Broker. Seller and Purchaser represent that no real estate brokers have been involved in this transaction.

17. Time of the Essence. Time is of the essence of all the terms, provisions and covenants of this Agreement.

18. Severability. Inapplicability or unenforceability of any provision of this Agreement or any instrument executed and delivered pursuant hereto shall not limit or impair the operation or validity of any other provisions of this Agreement or any such other instrument.

19. Entire Agreement. This Agreement contains the entire Agreement between the parties. No promise, representation, warranty or covenant not included in this Agreement has been or is being relied upon by either party. Each party has relied upon its own examination of the full Agreement and the provisions hereof, and the council of its own advisors and the warranties, representations and covenants expressly contained in this Agreement itself. No modification or amendment of this Agreement shall be of any force or effect unless in writing executed by the parties sought to be bound.

20. Governing Law. This Agreement shall be construed and interpreted under the laws of the State of Florida.

21. Attorneys Fees and Costs. In the event that there should be any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all costs and attorney fees

including appellate costs and fees. Other than in connection with any litigation which may arise hereunder, each party shall be responsible for its own attorneys fees and costs.

22. Notices. Any notice hereunder must be in writing and shall be effective when deposited in the United States mail, certified, return receipt requested, or when received by the party to be notified if by hand delivery. For purposes of notice, the addresses of the parties shall be as set forth below or as may be designated from time to time:

Seller: Babcock Property Holdings, L.L.C.
ATTN: Neal Blackketter
17837 Murdock Circle
Port Charlotte, FL 33948

Purchaser: Town and Country Utilities Company
ATTN: Brad Neider
8000 State Road 31
Punta Gorda, FL 33982

23. Headings. All sections and descriptive headings in this Agreement are inserted for convenience only, and shall not affect the construction or interpretation hereof.

24. Waiver of Default. The waiver of any breach or default under any of the terms of this Agreement shall not be deemed to be or nor shall the same constitute a waiver of any subsequent breach or default.

25. Binding Effect. This Agreement shall inure to the benefit of the parties hereto and their legal representatives, successors and permitted assignees.

26. Future Land Transactions. The parties acknowledge and agree that, if applicable, after closing, they shall work together in good faith to effectuate any land swap transactions that may be necessary to comply with permitting approvals. Seller reserves the right to require that appraised fair market value consideration be paid in the future in any land swap transaction if, as a result of the land swap(s), the aggregate gross acreage conveyed or to be conveyed by Seller to Purchaser will exceed sixty-two (62) acres. No party shall be obligated to swap any land in order to satisfy the permitting needs of the other if such swap could reasonably be expected to adversely affect a party's right to develop its own lands now or at any time in the future. The terms of any land swaps are subject to the reasonable approval of both parties and their respective lenders, if required.

27. Purchaser Consent. Purchaser agrees, upon request of Seller, that it shall timely consent to any and all permit applications requiring Purchaser's consent. Purchaser also agrees that it shall be bound by any and all permitting applications and permits, and that it will execute any and all such necessary documents to the permitting agencies to effectuate same.

28. Property Conveyed "As Is". Except as otherwise herein specifically provided, the Seller is not making and specifically disclaims any warranties or representations of any kind or

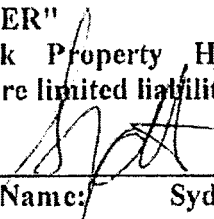
character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to matters of title (other than the Seller's warranty of title, if any, set forth in the trustee's deed to be delivered at closing), zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, operating history or projections, valuation, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the Property including, without limitation: (i) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Property, (ii) the manner or quality of the construction or materials incorporated into any of the Property and (iii) the manner, quality, state of repair or lack of repair of the Property. Purchaser agrees that with respect to the Property, Purchaser has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller or any agent of Seller. Purchaser represents that it is a knowledgeable Purchaser of real estate and that it is relying solely on its own expertise and that of Purchaser's consultants, and that Purchaser will conduct such inspections and investigations of the Property, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same, and, upon closing, shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Purchaser's inspections and investigations. Purchaser acknowledges and agrees that upon closing, Seller shall sell and convey to Purchaser and Purchaser shall accept the Property "as is, where is," with all faults, and there are no oral agreements, warranties or representations (except as herein specifically provided), collateral to or affecting the Property by Seller, any agent of Seller or any third party acting for or on behalf of Seller. The terms and conditions of this paragraph shall expressly survive the closing and not merge therein. Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth or referred to herein. Moreover, Purchaser's closing hereunder shall be deemed to constitute an express waiver of Purchaser's or its successors and assigns right to sue Seller and of Purchaser's right to cause Seller to be joined in an action brought under any federal, state or local law, rule, act or regulation which prohibits or regulates the use, handling, storage, transportation or disposal of a hazardous or toxic substance or which requires removal or remedial action with respect to such hazardous or toxic substance, specifically including but not limited to "CERCLA" and "SARA". This provision is a material inducement for Seller's entering into this Agreement and it shall expressly survive the closing hereunder.

29. Easements. Seller agrees to work with Purchaser to provide an easement over Seller's other property for Purchaser's wellfield and associated raw water transmission main, as shown on the attached Exhibit "B." Seller also agrees to work with Purchaser to provide any other necessary utility easements including, without limitation, drainage and flowage, ingress/egress and landscape buffer, over Seller's other property as may be required in order for Purchaser to provide utility service to Seller's development on adjacent and nearby property including, without limitation, the right to install underground and aboveground lines and equipment within such utility easement areas. Any engineering, surveying, legal and similar costs associated with such easements will be borne by the party requesting the easement. The terms of such easements are subject to the reasonable approval of both parties and their respective lenders, if required.

30. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if the signature thereto and hereto were upon the same instrument. Facsimile signatures of this Agreement or amendments thereto shall be deemed original signatures.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the dates set forth below:

"SELLER"
Babcock Property Holdings, L.L.C., a
Delaware limited liability company

By: 
Printed Name: Sydney W. Kitson
Title: President
Date: _____

"PURCHASER"
Town and Country Utilities Company, a Florida
corporation

By: _____
Printed Name: Chuck DeSanti
Title: President
Date: _____

30. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if the signature thereto and hereto were upon the same instrument. Facsimile signatures of this Agreement or amendments thereto shall be deemed original signatures.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the dates set forth below:

"SELLER"

**Babcock Property Holdings, L.L.C., a
Delaware limited liability company**

By: _____
Printed Name: **Sydney W. Kitson**
Title: **President**
Date: _____

"PURCHASER"

**Town and Country Utilities Company, a Florida
corporation**

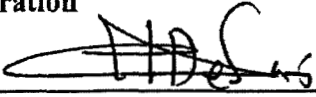
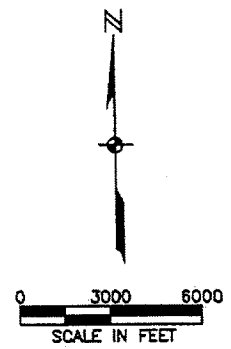
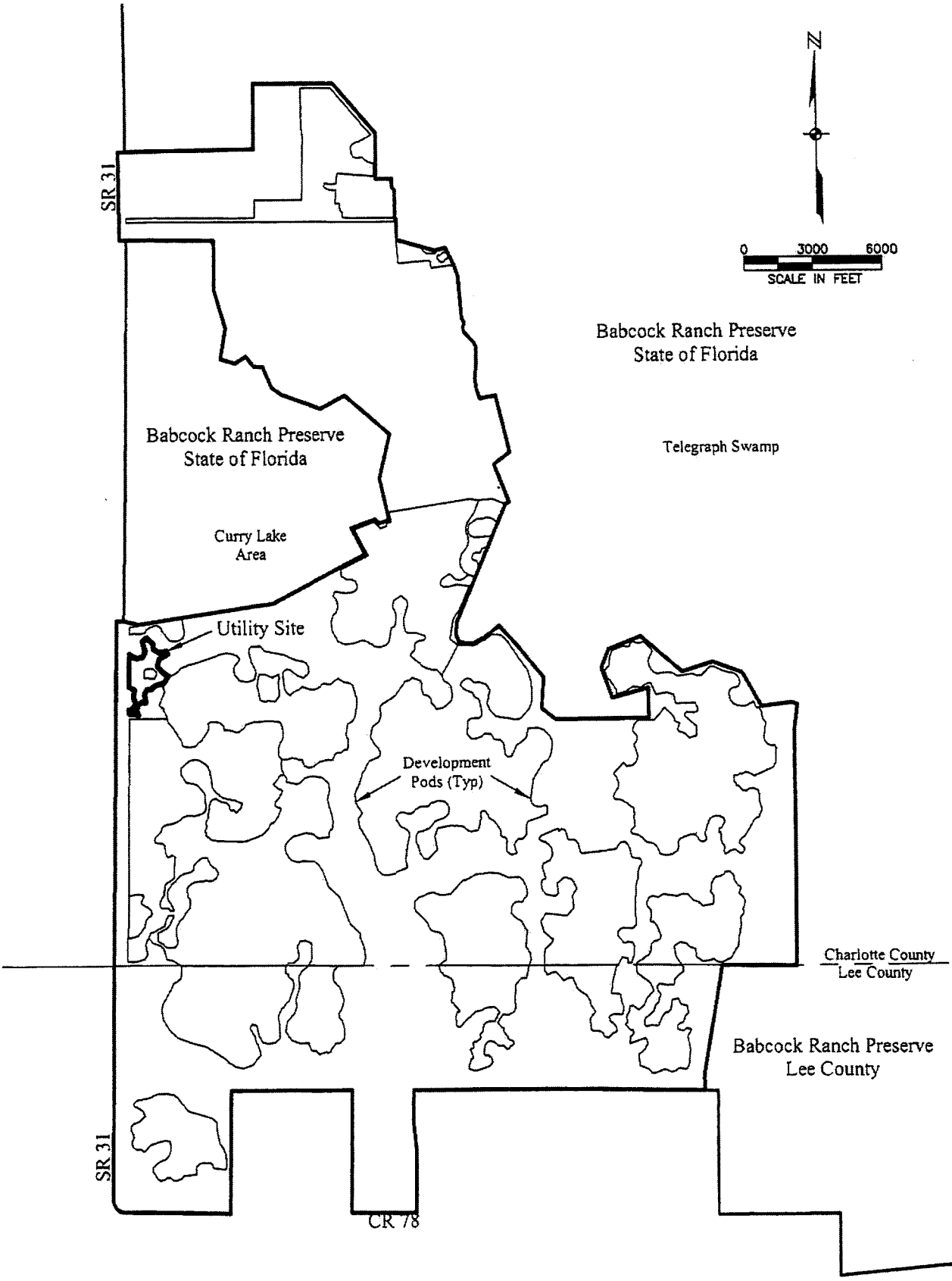
By:  _____
Printed Name: **Chuck DeSanti**
Title: **President**
Date: _____

EXHIBIT "A"

Sketch of Property

N:\20055693-701\WaterMgmt\T&C Utility Conveyance Agreement.dwg (8.5x11) jib Aug 21, 2007 - 8:46am



JOHNSON
ENGINEERING

2158 JOHNSON STREET
P.O. BOX 1550
FORT MYERS, FLORIDA 33902-1550
PHONE (239) 334-0046
FAX (239) 334-3861
E.B. #642 & L.B. #642

Town & Country Utilities Company
Conveyance Agreement

DATE	PROJECT NO.	FILE NO.	SCALE	SHEET
08\20\07	20055693-701	00-00-00	As Shown	1 Of 1

EXHIBIT "B"

Location of Well Fields and Transmission Main

