

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED-FPSC
08 SEP 26 PM 3:16
COMMISSION
CLERK
080610-WS

IN RE: Application for Transfer of)
Water and Wastewater Utility Assets of)
Fern Crest Utilities, Inc., Certificate Nos.)
13-W and 10-S to Tindall Hammock)
Irrigation and Soil Conservation District)
_____)

DOCKET NO.: _____

TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT'S
APPLICATION FOR TRANSFER OF THE WATER AND WASTEWATER UTILITY
ASSETS OF FERN CREST UTILITIES, INC., IN BROWARD COUNTY
CERTIFICATE NOS. 13-W AND 10-S

Tindall Hammock Irrigation and Soil Conservation District, an independent special taxing district, created pursuant to Chapter 98-523, Laws of Florida, as amended by Chapter 2008-293, Laws of Florida, ("Government Authority"), by and through its undersigned attorneys, and pursuant to Section 367.071, Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code, hereby files its application for transfer of the water and wastewater utility assets of Fern Crest Utilities, Inc. ("Utility") located in Broward County, Florida, Certificate Nos. 13-W and 107-S, to the Government Authority, and submits the following information:

RULE 25-30.037(4), F.A.C. REQUIRED INFORMATION

(a) The name and address of the Utility:

COM _____
ECR _____
GCL /
OPC /
RCP _____
SSC _____
SGA _____
ADM _____
CLK /

Fern Crest Utilities, Inc.
3015 Southwest 54th Street
Ft. Lauderdale, FL 33314
Attn: Robert Salerno

DOCUMENT NUMBER-DATE

09097 SEP 26 88

FPSC-COMMISSION CLERK

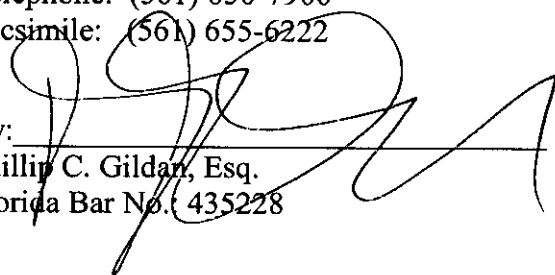
(b) The name and address of the Government Authority;

Tindall Hammock Irrigation and Soil Conservation District
1524 Coral Ridge Drive
Fort Lauderdale, FL 33304
Attn: H. Collins Forman, Jr., Esq.
Chair of the Board of Supervisors

- (c) A copy of the contract transferring the Utility's assets to the Government Authority, is attached as an Exhibit to this Application.
- (d) All of the water and wastewater assets of the Utility are being transferred to the Government Authority.
- (e) The Government Authority obtained from the Utility the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction.
- (f) The Government Authority took formal action to approve the acquisition of the Utility's assets at a Special Meeting of the Applicant's Board of Supervisors on September 24, 2008. Closing of the acquisition is anticipated to occur on or before February 1, 2009.
- (g) The obligation to return customer deposits, together with interest thereon, will be transferred to and assumed by the Government Authority at the closing of the transaction.
- (h) Any outstanding regulatory assessment fees, fines or refunds owed by the Utility will be the obligation of the Utility.

Accordingly, Tindall Hammock Irrigation and Soil Conservation District requests the Commission enter an order approving the transfer of the Utility's assets to the Applicant.

Respectfully submitted on this 23rd day of
September, 2008, by:
GREENBERG TRAUERIG, P.A.
Counsel for the Applicant
777 South Flagler Drive, Third Floor East
West Palm Beach, Florida 33401
Telephone: (561) 650-7900
Facsimile: (561) 655-6222

By: 
Phillip C. Gildan, Esq.
Florida Bar No. 435228

EXHIBIT

**FERN CREST UTILITIES, INC., UTILITY SYSTEM
ASSET ACQUISITION AGREEMENT**

**FERN CREST UTILITIES, INC., UTILITY SYSTEM ASSET
ACQUISITION AGREEMENT**

THIS AGREEMENT is made and entered into as of this 24th day of September, 2008 (the "Effective Date"), by and between **TINDALL HAMMOCK IRRIGATION AND SOIL CONSERVATION DISTRICT**, a political subdivision of the State of Florida (the "District"), and **FERN CREST UTILITIES, INC.**, a Florida corporation ("FCU").

WITNESSETH:

WHEREAS, FCU owns and operates a water and wastewater utility system which provides utility services inside and adjacent to the District pursuant to a certificate of authorization granted by the Florida Public Service Commission; and

WHEREAS, the District has the power and authority to provide water and wastewater infrastructure and service inside and outside the boundaries of the District; and

WHEREAS, the District retained the services of utility acquisition expert consultants, GAI Consultants ("GAI") to prepare a valuation and due diligence review of the FCU utility system, and held a public hearing on September 24, 2008, pursuant to Section 189.423, Florida Statutes, on the proposed purchase and sale of all or substantially all of the utility assets owned by FCU per this Agreement, and has made a determination that such a purchase and sale is in the public interest; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and agreements contained herein, and other good and valuable consideration exchanged between the parties, the parties to this Agreement do undertake, promise and agree for themselves, their successors and assigns as follows:

**ARTICLE I
DEFINITIONS AND CONSTRUCTION**

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings as defined herein unless the context requires otherwise:

“Agreement” means this Fern Crest Utilities, Inc. Utility System Asset Acquisition Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms of the Agreement.

“Assumed Liabilities” means the liabilities and obligations of FCU under or pursuant to the contracts, agreements and instruments to be identified by District prior to Closing.

“Board” means the Board of Supervisors of the District.

“Bonds” has the meaning set forth in Section 4.02, below.

“Closing” has the meaning set forth in Section 5.01, below.

“District” means the Tindall Hammock Irrigation and Soil Conservation District .

“Easements” means all existing rights, privileges, easements, licenses, prescriptive rights, rights-of-ways, and other rights to use public and private roads, highways, streets, railroads and other areas owned or used by FCU in connection with the construction, reconstruction, installation, expansion, maintenance and operation of its Utility System or the Purchased Assets. In this regard District has hired GAI to perform industry standard due diligence on this matter and report to the District their findings as part of GAI’s due diligence review of the FCU utility system.

“Excluded Assets” means those funds in FCU’s bank accounts, utility customer deposit balances (subject to offset pursuant to Section 5.05 below), and corporate records of FCU unrelated to the Utility System, which shall not be sold, transferred or conveyed to the District pursuant to this Agreement.

“**FCU**” means Fern Crest Utilities, Inc., a Florida corporation, and its successors and assigns.

“**Purchased Assets**” means all of the assets of the Utility System owned by FCU as described and referenced in Section 3.02(A), less the Excluded Assets, such assets to be left in place, in continued use.

“**Permitted Exceptions**” means those title exceptions acceptable to District after receipt of a title commitment described in Section 4.06.

“**Real Property**” means that portion of the Purchase Assets comprising fee simple real estate assets, as more fully described on Exhibit “RP” to this Agreement.

“**Territory**” means that geographical land area set forth in FCU’s Public Service Commission certificated area.

“**Transaction**” means the transactions contemplated by the parties as set forth in this Agreement.

“**Transaction Costs**” means the costs, fees and expenses incurred by the District in connection with the Transaction and the issuance of bonds or the use of any other interim financing alternative contemplated in Section 4.03 hereof, including but not limited to (A) rating agency and other financing fees; (B) the fees and disbursements of bond counsel; (C) the fees and disbursements of the District’s financial advisor; (D) the fees and disbursements of the District’s consulting engineers; (E) the fees and disbursements of the District’s water and wastewater counsel and consultants; (F) the costs of preparing or printing the bonds and the documentation supporting issuance of the bonds; (G) the fees payable in respect of any municipal bond insurance policy if one is obtained; (H) the fees payable in respect to any instruments required to meet the District’s bond reserve fund requirements; (I) the fees and costs

to prepare an Official Statement for the issuance of bonds if one is obtained; and (J) any other costs of a similar nature incurred by the District in connection with the Agreement or financing related to the transaction. All Transaction Costs shall be borne by the District.

“Utility System” means all of the water and wastewater utility facilities, rights, permits, customer records, financial data, consumables, inventory, drawings, administrative, intellectual property and laboratory assets of FCU used or useful in the provision of water and wastewater services pursuant to certificate(s) granted to FCU by the Florida Public Service Commission.

SECTION 1.02. CONSTRUCTION AND INTERPRETATION.

(A) Words that indicate a singular number shall include the plural in each case and vice versa, and words that import a person shall include firms and corporations.

(B) The terms “herein,” “hereunder,” “hereby,” “hereof,” and any similar terms, shall refer to this Agreement; the term “heretofore” shall mean before the date of execution of this Agreement; and the term “hereafter” shall mean on or after the initial date of execution of this Agreement.

(C) Words that reference only one gender shall include all genders.

(D) This Agreement shall be construed as resulting from joint negotiation and authorship. No part of this Agreement shall be construed as the product of any one of the parties hereto.

SECTION 1.03. INCORPORATION. The exhibit hereto and each of the documents referred to therein are incorporated and made a part hereof in their entirety by reference.

SECTION 1.04. SECTION HEADINGS. Any headings preceding the texts of the several Articles, Sections or Appendices in this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II REPRESENTATIONS

SECTION 2.01. REPRESENTATIONS OF THE DISTRICT. The District makes the following representations, which shall survive Closing hereunder for a period of one year.

(A) The District is duly organized and validly existing as an independent special district under the laws of the State of Florida.

(B) The District has all requisite power and authority to enter into this Agreement, perform its obligations under this Agreement and complete the transactions contemplated by this Agreement.

(C) The District has fulfilled and complied with all of the legal requirements applicable to the transactions contemplated by this Agreement, including without limitation the provisions of Section 189.423, Florida Statutes, relative to the purchase of a utility by a District. To the best of its knowledge and belief based on advice of counsel, the execution and delivery of the Agreement by the District, the District's performance of its obligations under the Agreement, and the completion of the transactions contemplated under the Agreement do not violate the District's Charter, any applicable laws, or other legal restrictions or agreements. All necessary action on the part of the District to authorize the execution and delivery of the Agreement, the District's performance of its obligations under the Agreement and completion of the transactions contemplated under the Agreement has been taken.

(D) To the best of its knowledge and belief after due inquiry, the District is not in default under any provisions of the laws of the State of Florida material to the performance of its obligations under this Agreement. The Board has duly authorized the execution and delivery of this Agreement and this Agreement constitutes a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms, except to the extent that the

enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion of a court of competent jurisdiction in accordance with general principles of equity.

(E) There is no action, suit, investigation, or proceeding pending or, other than those matters set forth in Section 2.02(D), to the District's knowledge and belief, threatened against or affecting the District, at law or in equity or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, wherein any decision, ruling or finding would adversely affect the transaction or which in any way would adversely affect the validity of this Agreement or any other agreement or instrument to which the District is a party and which is used or contemplated for use in the consummation of the Transaction.

(F) The District has not dealt with any broker, salesman or finder in connection with the Transaction and no sales commissions or finder's fees are due or payable as a result hereof. FCU and the District, to the extent permitted by law, each agrees to indemnify and hold the other harmless against any claim or demand made by any broker or agent claiming to have dealt or consulted with them in this Transaction.

(G) The District intends that it, or its designated vendor, may offer employment to those certain current employees working for FCU to be identified by the District in writing to FCU prior to Closing. Such offer will be on terms and conditions reasonably similar to the employees' existing terms and conditions of employment to be specified in writing to the District by FCU within thirty (30) days of execution of this Agreement. Such offers will be subject to standard employment requirements and back-ground checks of the District or its vendor. Neither the District, nor any designated vendor, shall assume any obligations to such employees prior to

employment for or on behalf of the District. The FCU employees are not intended third party beneficiaries of this Agreement.

SECTION 2.02. REPRESENTATIONS OF FCU. FCU makes the following representations, which shall survive Closing hereunder for a period of one year.

(A) FCU is a corporation duly organized, validly existing and in good standing in the State of Florida, authorized to do business in the State, and has all requisite corporate power and authority to enter into and fully perform this Agreement. The Purchased Assets represent all of the assets of FCU used in the operation of the Utility System.

(B) The Shareholders of FCU have each approved and authorized FCU to enter into and consummate the transaction set forth in the Agreement.

(C) All necessary corporate action on the part of FCU relating to the direction and authorization of FCU's execution, delivery and performance of this Agreement has been duly taken, and this Agreement is a valid and legally binding obligation of FCU, enforceable against FCU, in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion of a court of competent jurisdiction in accordance with the general principles of equity.

(D) There is no action, suit, investigation, or proceeding pending or, to FCU's knowledge and belief, threatened against or affecting FCU at law or in equity or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, wherein any decision, ruling or finding would materially adversely affect the Transaction, the Closing of the Transaction, or the validity of this Agreement or any other

agreement or instrument to which FCU is a party which is used or contemplated for use in the consummation of the Transaction.

(E) To the best of FCU's knowledge and belief and after due inquiry, neither the execution and delivery of this Agreement nor the consummation of the Transaction, nor compliance with the terms and provisions of this Agreement and the instruments required of FCU under the Agreement will violate the provisions of any applicable law or any applicable order or regulation of any governmental authority having jurisdiction over FCU and will not conflict with or result in a material breach of or constitute a default under any terms, conditions or provisions of any agreement or instrument to which FCU is now a party.

(F) FCU has good and marketable title to the Purchased Assets and, at Closing, shall have the power and authority to deliver sole and exclusive title to and possession of the Purchased Assets to the District free and clear of all encumbrances or security interests, subject only to the Permitted Exceptions.

(G) FCU has not dealt with any broker, salesman or finder in connection with the transactions contemplated herein and no sales commissions or finder's fees are due or payable as a result hereof. FCU and the District, to the extent permitted by law, each agrees to indemnify and hold the other harmless against any claim or demand made by any broker or agent claiming to have dealt or consulted with them in this transaction.

(H) The Real Property represents all of the fee title real property owned by FCU and used in the operation of the Utility System and the Purchased Assets.

(I) To the best of FCU's knowledge and belief, all of the Purchased Assets are located completely and legally within the Easements or the Real Property.

(J) To the best of FCU's knowledge and belief, FCU possesses an enforceable easement interest in the Easements and none of the easement interests prohibit assignment or require the grantor's, or current fee owner's, consent thereto.

(K) To the best of FCU's knowledge and belief, no present possessory interest in any real or personal property owned, used or controlled by FCU has ever automatically terminated or reverted to the grantor thereof as a result of any failure to continuously use such property for utility purposes; nor is FCU aware of any claim, whether actual or threatened, of any such reversion.

(L) Commencing with the execution of this Agreement through the date of Closing, FCU shall provide the District access to or copies of all plans, specifications, surveys and as-built drawings which substantially describe the Utility System.

(M) Commencing with the execution of this Agreement through the date of Closing, FCU shall provide the District access to or copies of all current or active permits, applications or other documents which authorize the operation of the Utility System issued by all applicable governmental authorities. Except as disclosed to GAI, FCU represents that all of the Utility System's facilities are legally permitted, and that all required permits have been timely and legally applied for.

(N) Commencing with the execution of this Agreement through the date of Closing, FCU shall provide the District access to or copies of all maps of the Utility System which are representative of FCU's Utility System and the Utility System's current water and wastewater service areas.

(O) Commencing with the execution of this Agreement through the date of Closing, FCU shall provide the District access to or copies of all the equipment, vehicles, tools, parts,

laboratory equipment, computer equipment, software, and other personal property used by FCU in connection with the operation of Utility System.

(P) Commencing with the execution of this Agreement through the date of Closing, FCU shall provide the District access to or copies of all operating and/or vendor contracts affecting the Utility System.

(Q) Thirty (30) days prior to Closing, FCU shall deliver all executory agreements or developer agreements under which FCU as the owner of the Utility System has any continuing or outstanding utility service obligations and show the total number of (1) contractual connections; (2) contractual connections paid for and not yet connected; (3) contractual connections not yet paid for and not yet connected; and (4) any contractual connections for which FCU has collected or expects to begin collecting a periodic minimum or base facility charge prior to Closing.

(R) Thirty (30) days prior to Closing, FCU shall deliver all other agreements to which FCU is a party or by which any of the Purchased Assets is bound or affected which would reasonably be considered to be an encumbrance upon the Purchased Assets, including without limitation, any leasehold agreements or written summaries of oral agreements.

(S) Thirty (30) days prior to Closing, FCU shall deliver all insurance policies currently in force, which provide coverage to FCU with respect to the Purchased Assets.

(V) From and after the Effective Date of this Agreement, FCU will not, without the prior written consent of the District, dispose of or encumber any of the Purchased Assets, with the exception of non-material transactions occurring in the ordinary course of FCU's business.

(W) From and after the Effective Date of this Agreement, there will be no material depletion of the Purchased Assets, nor any material adverse change in the condition of the

Purchased Assets, and the Utility System and all of the Purchased Assets will be properly maintained within the custom and usage of the industry up until and through Closing.

(X) FCU has not been cited nor notified, and is not, after due inquiry, aware of any violation of any governmental rule, regulation, permitting condition, or other governmental requirement of any type or nature applicable to the ownership, maintenance, construction or operation of the Utility System, nor is FCU aware of any conditions which by reason of the passing of time or the giving of notice by the appropriate governmental agency would constitute such a violation.

(Y) FCU is responsible for and has or will make provision for payment of all salary, bonuses, severance packages, accrued sick leave and vacation time, and all other obligations for its employees up through the Closing or accruing as a result of this transactions contemplated by this Agreement.

(Z) The plants, facilities and appurtenances included in the Purchased Assets are located on real property which has been zoned by appropriate authorities under zoning certifications, special exceptions or variances, or rights of use which will permit the respective use of such parcels for utility purposes.

(AA) To the best of FCU's knowledge and belief, the Real Property and Easements included in the Purchased Assets are in compliance with, and FCU has not violated, in connection with its ownership, use, maintenance, or operation of the Utility System, applicable environmental, federal, state, District, or local laws relating to pollution or protection of the environment, including but not limited to, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and the Resource Conservation and Recovery Act. FCU has not

authorized the placing or depositing of hazardous substances on the Real Property and Easements except, if at all, in accordance with applicable law, and FCU has no actual knowledge of any hazardous substance having been, or currently being, placed or deposited on said Real Property and Easements except in a lawful manner.

(BB) Prior to Closing, FCU will provide the District a detail of all revenues of the Utility System for the twelve (12) months up to the month ending before Closing, and shall provide the District a proposed agreement for FCU to continue providing customer billing services to the District to be effective at and after Closing at the discretion of the District.

(CC) There are no facts actually known to FCU materially affecting the physical condition of the Utility System or Purchased Assets which are not readily observable or which have not been disclosed to GAI or provided to the District in connection with this Agreement or otherwise.

(DD) FCU is in sole and exclusive possession of the Purchased Assets and FCU at Closing shall deliver sole and exclusive possession of the Purchased Assets to the District.

(EE) The information provided to the District by FCU in conjunction with transactions contemplated by the Agreement, including the Attachments to this Agreement, are true and correct and do not omit any material fact necessary to make the information provided by FCU not misleading to the District to the best of FCU's knowledge.

ARTICLE III PURCHASE AND SALE OF ASSETS

SECTION 3.01. PURCHASE AND SALE COVENANT. At Closing, the District shall purchase and FCU shall sell and convey the Purchased Assets to the District upon the terms and subject to the conditions set forth in this Agreement, and the District shall assume and agree to perform and discharge the Assumed Liabilities. The Purchase Assets are transferred "as-is"

and “where-is” with no warranties or guaranties provided by FCU, except as expressly set forth in this Agreement.

SECTION 3.02. PURCHASED ASSETS.

(A) The Purchased Assets, exclusive of the Excluded Assets, shall include those assets, business properties, and rights both tangible and intangible, that FCU owns or uses in the operation of the Utility System, or any interest which it has or hereafter acquires, relating thereto, including the following:

(1) The Real Property and interests, whether recorded in the public records or not, in real property owned, used or controlled by FCU.

(2) All water treatment plants, wells, transmission and distribution lines and mains, and all wastewater treatment plants, disposal facilities, collection and force main systems and pumping facilities of every kind and description whatsoever, including without limitation, all trade fixtures; leasehold improvements, pumps, generators, controls, tanks, distribution, transmission, force mains, collection pipes or facilities, valves, meters, service connections, and all other physical facilities and property installations used in the operation of the Utility System, together with an assignment of all existing and assignable third party warranties that relate to completed or in progress construction.

(3) All equipment, owned or leased vehicles, tools, parts, laboratory equipment, and other personal property owned or used by FCU in connection with the operation of the Utility System.

(4) The Easements.

(5) All current customer records and supplier lists, as-built surveys, record information and water plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, and operating manuals, calculations, and studies, and all other information controlled by or in the possession of FCU that relates to the description and operation of the Utility System, inclusive of all pertinent computers, computer records and the lawful use of all computer software which is used in the operation of the Utility System for billing or customer record keeping purposes, all agencies for the supply of water; all water rights, flowage rights and riparian rights, and all consents, grants, licenses, privileges and uses necessary to construct, maintain and operate plants and systems for the procuring, treatment, distribution, transmissions of water to and the collection, transmission, treatment and disposal of wastewater from the customers of the Utility System; all telephone numbers, post office boxes, FCC licenses, and use of corporate name and internet sites and email addresses. The lawful use of any licensed software or proprietary software developed for FCU shall be limited to the recovery and transfer of data to District computers. In any event, FCU shall provide the District with the computers, software, and data used in the operation of the Utility System and will exert its best efforts to provide, or cause to be provided, all computer records within its possession and control and to cooperate with the District in the transfer of such data to the District's computer systems.

(6) All necessary transferable regulatory approvals subject to all conditions, limitations or restrictions contained therein; all existing permits and other governmental authorizations and transferable approvals of any kind necessary to operate and maintain the Utility System according to all governmental requirements.

(7) All rights and obligations of FCU under any existing or proposed agreements and contracts which the District shall assume at Closing.

(B) The Purchased Assets shall be conveyed by FCU to the District subject to the Permitted Exceptions, but otherwise free and clear of all liens or encumbrances.

(C) The Purchased Assets do not and shall not include the Excluded Assets.

SECTION 3.03. PURCHASE PRICE AND CONSIDERATION FOR TRANSFER.

The parties acknowledge that GAI has provided a utility appraisal to the District with a valuation date of August 1, 2008 (the "Appraisal"), and that the Appraisal provides an opinion of value equal to Four Million Two Hundred Forty Thousand Dollars (\$4,240,000.00) (the "Opinion of Value"). Pursuant to the Appraisal, the parties have agreed that the purchase price and consideration for the transfer (the "Purchase Price") shall be a base price of Two Million Three Hundred Thousand Dollars (\$2,300,000.00). The Purchase Price shall be allocated among the Purchased Assets in accordance with a schedule to be prepared by FCU prior to Closing.

The parties further agree that FCU will make a charitable donation to the District of the remaining balance of the Opinion of Value, One Million Nine Hundred Sixty Thousand Dollars (\$1,960,000.00). In addition to the Purchase Price, pursuant to Section 5.05 below, the District shall reimburse FCU an estimated Two Hundred Thousand Dollars (\$200,000.00) for accounts receivable to be determined specifically at Closing, plus an estimated One Hundred Thousand Dollars (\$100,000.00) for unbilled revenues to be determined specifically at Closing, and less an estimated Twenty-Five Thousand Dollars (\$25,000.00) for customer deposits to be determined specifically at Closing.

**ARTICLE IV
CONDITIONS PRECEDENT TO CLOSING**

SECTION 4.01. ACQUISITION DUE DILIGENCE. As part of the acquisition due diligence, GAI has completed a general engineering due diligence investigation of the Utility System and the Purchased Assets for the District. The District shall have the right to continue acquisition due diligence reviews through the date of Closing and FCU shall reasonably and timely cooperate in such an endeavor. The District shall have until 5 p.m., five (5) days prior to Closing, to terminate this Agreement at its sole discretion in the event it is not satisfied with the information obtained during the acquisition due diligence. The District shall provide FCU written notice that it is either terminating the Agreement, at which time the District and FCU shall be released by one another of all further obligations under this Agreement, or that it is satisfied with the information obtained and intends to proceed towards the Closing pursuant to the terms of the Agreement. Failure to timely provide written notice to FCU shall be deemed a waiver by the District of this condition precedent.

SECTION 4.02 . ISSUANCE OF BONDS. The District intends to finance the Purchase Price by the issuance of District bonds, notes, bank qualified loans or other suitable financial instrument (collectively referred to as "Bonds") payable from ad valorem taxes to be levied by the District and/or the net revenues of the District's Utility System, in a principal amount sufficient with other available funds to fund the payment of the Purchase Price, after adjustments and prorations as provided herein, make payment of the Transaction Costs at Closing and fund necessary deferred maintenance and Utility System capital improvement costs as projected. The District's obligation to close the transactions contemplated in this Agreement shall be and is expressly conditioned upon its ability to issue Bonds at a rate and on terms satisfactory to the District. In the event the District, in its sole discretion, determines after diligent efforts that such

Bonds cannot be issued prior to the date of Closing, each of the District and FCU shall have the option of either (1) extending Closing for a period not exceeding thirty (30) days, (2) renegotiating the Purchase Price based upon the financing that is offered at the time of Closing or (3) canceling this Agreement by written notice to the other party and thereupon the District and FCU shall be released by one another of all further obligations hereunder.

SECTION 4.03. EMPLOYMENT CONTRACTS.

The District may enter into employment contracts with certain of FCU's employees to operate and manage the utility assets acquired pursuant to the terms of this Agreement. The District's obligation to close the transactions contemplated in this Agreement shall be and is expressly conditioned upon its ability to secure such written employment contracts on terms acceptable to the District in its sole discretion on or before the date of Closing. In the event the District has not entered into acceptable employment contracts on or prior to the date of Closing, the District shall have the right to cancel this Agreement by providing written notice to the other party, and thereupon the District and FCU shall be released by one another of all further obligations hereunder.

SECTION 4.04 . ENVIRONMENTAL ASSESSMENT.

(A) The District is in the process of obtaining a Phase I environmental assessment of the Real Property and Easements to be conveyed hereunder. The environmental assessment shall be in general accordance with the scope and limitations of the American Society for Testing and Materials Designation: E 1527-94 (Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process). Such environmental assessment, together with a written declaration from an environmental consultant is intended to verify that the Real Property, Easements and other facilities to be conveyed hereunder are in compliance with all applicable

state and federal environmental laws, and that the facilities, and property within one hundred (100) feet surrounding the facilities are free of unlawful contamination and, if necessary, provide an itemized estimate of all costs associated with bringing the subject Real Property, Easements and facilities into compliance and the response cost for clean-up, removal and remediation.

(B) The environmental assessment is expected to be completed by the date of Closing. The receipt of an environmental assessment shall be a condition precedent to Closing, unless waived in writing by the District.

(C) If the environmental consultant's estimate of the aggregate costs associated with bringing the subject Real Property and facilities into compliance and the response costs for clean-up, removal, and remediation is in excess of Twenty-Five Thousand Dollars (\$25,000.00), the excess of which FCU determines not to pay, then the District shall have the option of (1) accepting the property as it then is, or (2) canceling this Agreement by written notice to FCU, and thereupon the District and FCU shall be released by one another of all further obligations hereunder. If such costs are less than or equal to Twenty-Five Thousand Dollars (\$25,000.00), then FCU shall pay such costs and the District may not cancel the Agreement pursuant to this condition.

SECTION 4.05. SURVEY. The District has ordered a survey for a title insurance policy for the real property upon which the water and wastewater treatment plants, wells, and lift stations are located. Any such survey shall (A) be received prior to Closing and updated thereafter as required by the title insurer; (B) be satisfactory and sufficient for the title insurer to delete the standard exceptions of title insurance coverage concerning encroachments, overlays, boundary line disputes or any other adverse matter which would be disclosed by an accurate survey; (C) be certified as of the current date to the District, the title insurer or any other parties

requested by the District; and (D) show the location of all improvements and easements. Adverse matters disclosed by such a survey shall be treated as title defects pursuant to Section 4.06(E).

SECTION 4.06. TITLE VERIFICATION.

(A) Within ten (10) days after entering into this Agreement, FCU will order a commitment for an ALTA form owner's title insurance policy. Subject to subsection (E) of this section, any encumbrances or defects in title must be removed from said commitment prior to Closing and the subsequent title insurance policy issued free and clear of encumbrances, title defects, construction liens or other adverse matters, with the exception of (1) taxes for the current year which are not yet due and payable, (2) the Permitted Exceptions to be provided to FCU by counsel to District within thirty (30) days after execution of this Agreement, and (3) any encumbrance of or created by the District, including any instruments evidencing debt executed by the District at Closing.

(B) The estate or interests to be insured by any title insurance policy shall consist of all the Real Property and certain Easements to be enumerated by District counsel within ten (10) days of execution of this Agreement.

(C) At Closing, the owner's title insurance policy shall show marketable title to the insured estate or interests vested in the District. All charges for the issuance of the owner's title insurance commitment shall be part of the Transaction Costs.

(D) FCU shall select a title insurer willing to issue the owner's title insurance policy in an amount of the value of the real property interests and improvements thereon set forth in the Appraisal of up to Three Million Forty-Three Thousand Dollars (\$2,043,000.00) as determined by the District prior to Closing for a premium which shall not exceed the minimum rate

promulgated by the Florida Insurance Commissioner. Nothing herein shall preclude FCU from selecting its own counsel, Christopher J. Gertz, P.A., to act as an agent for the title insurer or closing agent in conjunction with the issuance of the title insurance policy. Christopher J. Gertz, P.A. shall provide the title commitment to the District within thirty (30) days after execution of this Agreement.

(E) Marketable title shall be determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law. The District shall have thirty (30) days from receiving the title commitment to examine it. If title is found defective or the title commitment reflects title exceptions other than those shown on the Permitted Exceptions, the District shall thereafter within ten (10) days from receiving the title commitment, notify FCU in writing specifying the defects. If the defects render the title unmarketable, FCU may pursue removing the defects, so that such matters may be removed as an exclusion to coverage on the title insurance commitment, at FCU's expense (such expense to remove such matters must be agreed upon by the District and such agreed upon expense shall be escrowed at Closing as a deduction from the Purchase Price.) If FCU is unable or elects not to resolve such adverse matters at Closing, the District shall have the option of either (1) accepting the property and the escrow funds without regard to such adverse matters, or (2) canceling this Agreement by written notice to FCU, and thereupon the District and FCU shall be released by one another of all further obligations hereunder. Any escrow monies agreed upon by the District and FCU shall be deposited with the Clerk of the District in an interest bearing account, to be used to reimburse the District for all actual and verifiable costs experienced by the District in connection with removing any defects within one year of the Closing date, the remainder if any being returned to FCU at the end of that year and costs in excess of the escrowed amount shall be paid by FCU to

the District when finally determined; provided however, that the District shall not be entitled to reimbursement for such funds or interest earned thereon, until one hundred eighty (180) days after Closing hereunder. This provision shall allow FCU six (6) months after Closing to minimize costs to cure such defects with its own resources.

(F) Within ten (10) days after entering into this Agreement, the District intends to order a search of the Official Records of Broward County, Florida and the records of the Secretary of State for uniform commercial code financing statements evidencing a secured interest in the Purchased Assets. Such search shall be part of the Transaction Costs. Any secured interests in the Purchased Assets shall be treated as title defects pursuant to Section 4.06E.

SECTION 4.07. TRANSFER OF PERMITS. Within five (5) days after the execution of this Agreement, the District and FCU shall commence all requisite action to apply for and cause the transfer of its permits and governmental approvals relating to the Utility System as of the date of Closing, including approval of the transfer of the Utility System to the District and cancellation of the Florida Public Service Commission certificates by the Florida Public Service Commission pursuant to Section 367.071, Florida Statutes (“PSC Approval”), and including, operation of the Utility System but not limited to the procedures referenced in Rule 62-4.120, Florida Administrative Code, 40 C.F.R. § 122.63(d) (1980) and 47 C.F.R. § 73 (1980) and shall use all reasonable efforts to obtain the transfer of such permits and approvals. The District and FCU shall timely cooperate and provide all reasonably necessary assistance in this endeavor. Upon transfer, the District shall assume all obligations under the permits and governmental approvals necessary for the continued operation of the Utility System. Pursuant to Section 367.071(4)(a), the parties acknowledge that the District, prior to approval of this Agreement, obtained from FCU with respect to the Utility System, the most recent available income and

expense statement, balance sheet, and statement of rate base for regulatory purposes and contributions-in-aid-of-construction.

**ARTICLE V
CLOSING PROCEDURES**

SECTION 5.01. CLOSING DATE AND PLACE.

It is anticipated that the transactions contemplated by this Agreement will be closed on a mutually agreed upon date on or before February 27, 2009 (the "Closing"). The date and time for Closing shall be as recommended by the Bond Underwriters for the District. The date may be extended by the District for a period of up to one hundred eighty (180 days based upon the recommendation of its Bond Underwriters. The Closing shall be held at the offices of the District's legal counsel or other locations designated by the District. In the event the PSC Approval has not been obtained prior to the Closing, the Closing may occur but will be contingent upon PSC Approval after Closing, as provided in Section 367.071(1), with the parties acknowledging that pursuant to Section 367.071(4(a), Florida Statutes, "[T]he sale of facilities, in whole or in part, to a governmental authority shall be approved as a matter of right."

SECTION 5.02. DOCUMENTS FOR THE CLOSING.

(A) FCU shall furnish at Closing a certificate reaffirming FCU's representations and warranties hereunder; and FCU shall furnish a non-foreign affidavit, a no-lien affidavit, a "gap" affidavit, a corporate incumbency certificate, a corporate good standing certificate from the State of Florida, a corporate resolution authorizing the execution of the Agreement, the warranty deed, and the bill of sale, and other documents required by the District, in form acceptable to the District. FCU shall also furnish at Closing any necessary assignments, estoppel letters, releases, satisfactions, terminations and any corrective instruments as well as provide the certificates of title to all owned vehicles transferred to the District.

(B) The District shall furnish at Closing the closing statement, a certificate reaffirming the District's representations and warranties hereunder.

(C) At Closing, FCU and the District shall enter into a transfer, assignment and assumption agreement.

(D) From time to time after Closing, each party hereto shall, upon request of the other, execute, acknowledge and deliver, or shall cause to be executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers or other documentation for (1) confirming or correcting title in the name of the District or perfecting undisputed possession by the District of any or all of the Purchased Assets, including the establishment of record of utility easements for all water utility facilities which are a part of the Utility System, or (2) otherwise fulfilling the obligations of the parties hereunder in form acceptable to the District.

SECTION 5.03. RECORDING FEES AND DOCUMENTARY TAXES.

(A) Recording fees to record the deed and any other instruments necessary to deliver marketable title to the District shall be part of the Transaction Costs.

(B) The Purchased Assets are being purchased by the District for public purposes and therefore this transaction should be immune from documentary stamp tax, in accordance with the ruling in Department of Revenue v. Orange County, 620 So.2d 991 (Fla. 1993). If, however, this transaction is subsequently deemed taxable, the District shall pay the cost of the documentary stamps to be affixed to any deed or other instruments of conveyance. The purchase price and consideration being given by the District hereunder constitutes the total consideration to be paid or given by the District in connection with the acquisition of the Purchased Assets.

SECTION 5.04. PROPERTY TAXES/ASSESSMENTS. All real and personal property taxes and assessments on the Purchased Assets shall be prorated as of the day of

Closing and, if necessary, FCU shall be required to escrow with the Broward County Tax Collector prorated taxes on the Real Property in accordance with section 196.295, Florida Statutes. If at Closing, assessments have been imposed against the Purchased Assets or any part thereof which are or may become payable in annual installments, the first installment of which is then a charge or lien, or has been paid, then for purposes of this Agreement, all of the unpaid installments of any such assessments, including those which become due and payable after the Closing Date, shall be deemed to be due and payable and to be a lien upon the premises affected thereby, and shall be paid and discharged by FCU on or before the Closing.

SECTION 5.05. ACCOUNTS RECEIVABLE, UNBILLED REVENUES, CUSTOMER DEPOSITS, CONSTRUCTION WORK IN PROGRESS, CONSUMABLES AND INVENTORY

(A) FCU shall furnish to the District, at least ten (10) days prior to Closing, a listing of its customer deposits, accounts receivable, and unbilled revenues for services provided yet not billed by customer and individual amount, all as estimated through the date of Closing. FCU shall assign to the District at Closing the accounts receivable, unbilled revenues (and all rights of collection therefor), and the liability for refund of customer deposits, in accordance with the following terms. At Closing, the District shall reimburse FCU for the excess of the sum of (i) the outstanding accounts receivable at the time of Closing that are not more than ninety (90) days in arrears, and (ii) ninety-five percent (95%) of all unbilled revenue for services through the date of Closing, minus the total amount of customer deposits including interest thereon at the time of Closing. Should the total customer deposits including interest exceed the sum of outstanding accounts receivable and unbilled revenue, then FCU shall reimburse the District at Closing for any excess amount. Unbilled revenues shall be based upon the actual billings for the month

immediately preceding the month of the Closing and shall be prorated through the date of Closing based on the number of days that have elapsed since the last billing period. All amounts received by FCU through the date of Closing for outstanding accounts receivable which were collected by FCU subsequent to the date FCU provided the District with the list of outstanding accounts receivable, shall be credited to the District at Closing. After Closing, FCU shall endorse checks received for outstanding accounts receivable and post-closing billings which are payable to FCU in favor of the District and promptly deliver such checks to the District. After Closing, FCU authorizes the District to endorse or deposit checks received and payable to FCU with respect to water and sewer service rendered to the utility's customers. FCU shall indemnify the District for any discrepancies in the amount of accounts receivable and customer deposits discovered after the date of Closing.

(B) FCU shall furnish to the District, at least five (5) days prior to Closing, a detailed listing of all Utility System consumable inventories, including quantity and unit cost (e.g., water in storage tanks, and chemical stocks). FCU agrees to provide a sufficient level of operational consumable inventories as of the Closing for the uninterrupted operation of the utility system by the District after Closing. The District and FCU shall agree at closing on a proration of the cost of consumable inventories provided by FCU in excess of the ordinary course of business.

(D) FCU shall furnish to the District, at least ten (10) days prior to Closing, a detailed listing of all third party utility deposits maintained by FCU (e.g., FPL electric service). FCU shall cooperate with the District in transferring all third party utility accounts to the District. At Closing, the District shall reimburse FCU for the cost of the third party utility deposits as set forth on the detailed listing.

SECTION 5.06. CONNECTION CHARGES.

(A) Sums collected by FCU in the ordinary course of business for connection charges, including capacity and deferred standby fees for which service has been actually furnished through physical connection to the Utility System prior to the Closing date, shall remain FCU's sole and separate property with no claim of the District.

(B) All sums collected from and after the date of Closing relative to the use of, or connection to, the Utility System shall be paid to the District, with no claim of FCU against such sums.

(C) All sums for connection charges, including capacity and deferred standby fees, collected by FCU through Closing which do not result in physical connection to the Utility System prior to the date of Closing shall be paid to the District at Closing.

(D) From and after the Effective Date, FCU shall not enter into any agreement, without prior written consent of the District, which would obligate the District to provide service upon Closing to any customer whose property is not physically connected to the Utility System prior to Closing. The District shall not unreasonably withhold its consent provided such agreement does not provide for payment of any charges, rates or fees, other than refundable inspection or application fees, prior to physical connection to the Utility System.

SECTION 5.07. PROFESSIONAL FEES; COSTS.

(A) Each party shall be responsible for securing its own counsel for representation relative to the negotiation of this Agreement, and all other matters associated with performance, cancellation or Closing hereunder; unless otherwise specified herein, and each party shall be responsible for the payment of the fees of its own attorneys, bankers, engineers, accountants, and other professional advisors or consultants in connection therewith.

(B) In any litigation arising out of this Agreement, each side in such litigation shall bear its own attorneys' fees and costs.

(C) The District shall be responsible for all Transaction Costs.

SECTION 5.08. RISK OF LOSS. At all times prior to and through the date of Closing, FCU shall maintain adequate fire and extended insurance coverage for the cost of any repairs to the Purchased Assets that may be required by casualty damage. The risk of loss through the date of Closing shall be borne by FCU. The risk of loss shall pass to the District at Closing.

SECTION 5.09. PROCEEDS OF SALE; CLOSING PROCEDURE.

(A) FCU shall effect the transfer of the Purchased Assets to the District at Closing; these documents shall be in final form acceptable to the District and the Title Insurer, together with any exhibits or appendices thereto:

- (1) Statutory warranty deed, with warranties of title for the conveyance of all Real Property to be conveyed hereunder;
- (2) Conveyance instruments for all Easements;
- (3) A transfer, assignment and assumption agreement covering all other interests in the Purchased Assets, together with a general assignment of all contracts, agreements, permits and approvals as provided for herein;
- (4) Bill of Sale or other documents of assignment and transfer, including vehicle certificates of title, if any, with warranties of title, to all Purchased Assets;
- (5) Any affidavits, certificates, estoppel certificates, corrective instruments, releases, satisfactions, terminations or other documents necessary to close; and
- (6) The original or a certified copy of all permits, governmental authorizations and approvals.

(B) The disbursement of proceeds shall be at the direction of the title insurer, or its agent (in accordance with a closing and disbursement statement executed by both parties), in order to secure coverage against adverse matters or defects in title which are recorded during the period of time between the effective date of the title insurance commitment and the date of recording of the document creating the estate or interest to be insured.

(C) Within ninety (90) days after Closing, upon written request by the District, FCU shall reimburse the District or pay a prorated portion of any charge, fee or rate for services furnished to the Utility System through the date of Closing for water, sewer, power, telephone, solid waste collection, pest control, sludge hauling or general maintenance and reconcile any connection charges, accounts receivables, customer deposits or unexpended application fees or other charges not otherwise considered or accounted for at the time of Closing. Within ninety (90) days after Closing, upon written request by FCU the District shall reimburse FCU or pay a prorata portion of any charge, fee or rate for services furnished to the Utility System subsequent to the date of Closing for water, sewer, power, telephone, solid waste collection, pest control, sludge hauling or general maintenance and reconcile any connection charges, accounts receivables, customer deposits or unexpended application fees or other charges not otherwise considered or accounted for at the time of Closing. Such post-closing reimbursement and reconciliation process may be extended by either party for thirty (30) days upon written notice to the other party.

(D) The District shall have the option to require FCU to provide billing, management and technical services at levels determined by District from time to time, which services FCU shall provide at FCU's verifiable actual cost. Such services shall be for a term commencing on the date of Closing and continuing through one hundred eighty (180) days after Closing, which

agreement may be renewed by the District by providing at least ninety (90) days' written notice of renewal.

ARTICLE VI GENERAL PROVISIONS

SECTION 6.01. RIGHT TO ENTER. Prior to Closing, the District and its consultants and invitees shall have the right, at any reasonable time with prior notice to FCU, to enter upon FCU's property to inspect the Utility System and the Purchased Assets, to familiarize itself with day-to-day operations, to review the operational practices of FCU, and to ensure compliance with any and all federal and state regulatory requirements.

SECTION 6.02. CONDUCT BETWEEN EXECUTION AND CLOSING.

(A) Upon the execution of this Agreement, FCU shall continue to provide utility services to its current customers in the ordinary and usual manner.

(B) FCU shall prudently maintain the Utility System to ensure its proper operation through Closing.

SECTION 6.03. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement. Time periods specified in this Agreement shall expire at midnight on the date stated unless the parties agree in writing to a different date or time. Any time period provided for herein which ends on Saturday, Sunday or a legal holiday shall extend to 5:00 p.m. on the next business day.

SECTION 6.04. APPLICABLE LAW; JURISDICTION AND VENUE.

(A) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

(B) The parties to this Agreement expressly consent to the jurisdiction of and agree to suit in any court of general jurisdiction in the State of Florida, whether state, local or federal, and further agree that all state and local venue shall lie in Broward County, Florida.

SECTION 6.05. FAILURE OF PERFORMANCE.

(A) A breach of this Agreement shall mean a material failure to comply with any of the provisions of this Agreement. If any party breaches any obligation herein, then, upon receipt of written notice by the non-breaching party, the breaching party shall proceed diligently and in good faith to take all reasonable actions to cure such breach and shall continue to do so until such breach is cured.

(B) Unless otherwise provided herein, the parties to this Agreement may proceed at law or in equity to enforce their rights under this Agreement.

SECTION 6.06. NOTICE.

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

To District: H. Collins Forman, Jr., Esq.
Chair of the Board of Supervisors
Tindall Hammock Irrigation and Soil Conservation District
1524 Coral Ridge Drive
Fort Lauderdale, FL 33304

with a copy to: Greenberg Traurig, P.A.
777 South Flagler Drive, Suite 300 E
West Palm Beach, FL 33401
Attn: Phillip C. Gildan, Esq.

with a copy to: Law Office of Bell & Bell
Cumberland Building - Suite 601
800 East Broward Boulevard
Fort Lauderdale, Florida 33301
Attn: Doug Bell, Esq.

To FCU: Robert Salerno
Fern Crest Utilities, Inc.
3015 SW 54th Avenue
Fort Lauderdale, FL 33316

(B) Any written notice given to one person in subsection (A) of this section shall also be copied and provided to all other persons identified in subsection (A).

(C) The parties may, by notice in writing given to the others, designate any future or different addresses to which the subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or by facsimile transmission or five (5) days after the date mailed (certified mail, return receipt requested).

SECTION 6.07. ASSIGNMENT.

Except as expressly provided for herein or with the written consent of the parties, neither FCU nor the District shall have the power or authority to assign this Agreement or any of their rights, duties or obligations hereunder to a third party, and this Agreement shall be construed as

solely for the benefit of the District and FCU and their successors by law, and no claim or cause of action shall accrue to or for the benefit of any other party by reason hereof.

SECTION 6.08. AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

SECTION 6.09. ENTIRE AGREEMENT. This Agreement is the entire agreement between the parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, pertaining to the subject matter hereof, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. Without limiting the foregoing, this Agreement supersedes and repeals the Non-Binding Memorandum of Understanding Concerning the Potential Purchase of Ferncrest [*sic*] Utilities, Inc. Assets by Tindall Hammock Irrigation and Soil Conservation Improvement District, as set forth in Appendix E of the Chapter 189.423, F.S. Briefing Document for the Acquisition of the Ferncrest [*sic*] Utilities, Inc., dated August 8, 2008, by GAI Consultants, Inc. (the “GAI Report”), and the Draft Typical Asset Purchase Agreement Between Tindall Hammock Irrigation and Soil Conservation Improvement District and Ferncrest [*sic*] Utilities, Inc. set forth in Appendix F of the GAI Report. This Agreement may be executed in counter parts.

SECTION 6.10 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 testing may be obtained from the County public health unit.

SECTION 6.11 SURVIVAL. The parties' warranties, agreements, covenants, indemnities and representations set forth in this Agreement shall not be merged and shall survive consummation of the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the District and FCU have caused this Agreement to be duly executed and entered into on the date first above written.

TINDALL HAMMOCK IRRIGATION AND SOIL
CONSERVATION DISTRICT

(SEAL)

By: *S/*
H. Collins Forman, Jr.
Chair, Board of Supervisors

ATTEST:

 S/
Sally Joyner, Secretary, Board of Supervisors

FERN CREST UTILITIES, INC.

By: *S/*

Name: _____

Title: _____

EXHIBIT "RP"

REAL PROPERTY LEGAL DESCRIPTION