

Holland & Knight

315 South Calhoun Street, Suite 600 | Tallahassee, FL 32301 | T 850.224.7000 | F 850.224.8832
Holland & Knight LLP | www.hkllaw.com

Gigi Rollini
(850) 425-5627
gigi.rollini@hkllaw.com

November 23, 2011

Via Hand-Delivery

Ms. Ann Cole
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

RECEIVED - FPSC
11 NOV 23 PM 3:05
COMMISSION
CLERK

Re: *In re: Application for Approval of Transfer of Wastewater System of Fountain Lakes Sewer Corporation Holder of Certificate No. 442-SU, to Aqua Utilities Florida, Inc., Holder of Certificate 268-S, and Amendment of Certificate 268-S In Lee County, by Aqua Utilities Florida, Inc. and, concurrent: Application for Authority to Transfer the Wastewater Facilities of Fountain Lakes Sewer Corporation to Bonita Springs Utilities, Inc. and for Cancellation of Certificate No. 442-SU.*
Docket No. 090056-SU

Dear Ms. Cole:

Enclosed for filing on behalf of Aqua Utilities Florida, Inc. ("AUF") are the original and five (5) copies of AUF's Withdrawal of Application for Approval of Transfer of Wastewater System of Fountain Lakes Sewer Corporation, holder of Certificate 442-S, to Aqua Utilities Florida, Inc., holder of Certificate 268-S, and for amendment of Certificate 268-S, in Lee County, by Aqua Utilities Florida, Inc. *and, concurrent: Application for Authority to Transfer the Wastewater Facilities of Fountain Lakes Sewer Corporation to Bonita Springs Utilities, Inc. and for Cancellation of Certificate No. 442-SU.*

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Ann Cole
November 23, 2011
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Please acknowledge receipt of this filing by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance.

Sincerely,

HOLLAND & KNIGHT LLP

A handwritten signature in black ink, appearing to read "Gigi Rollini". The signature is fluid and cursive, with a large initial "G" and "R".

Gigi Rollini

GR:kjg
Encls.

cc: John Jenkins, Esq.
Kimberly A. Joyce, Esq.
Troy Rendell

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Approval)
of Transfer of Wastewater System)
of Fountain Lakes Sewer Corporation))
Holder of Certificate No. 442-SU,) Docket No. 090056-SU
To Aqua Utilities Florida, Inc.,)
Holder of Certificate 268-S, and)
Amendment of Certificate 268-S)
In Lee County, by Aqua Utilities)
Florida, Inc.)

And, Concurrent:

Application for Authority)
to Transfer the Facilities of)
Fountain Lakes System to BONITA)
SPRINGS UTILITIES, INC. and for)
cancellation of Certificate)
No. 442-SU)

Withdrawal of Application for approval of transfer of wastewater system of Fountain Lakes Sewer Corporation, holder of Certificate 442-S, to Aqua Utilities Florida, Inc., holder of Certificate 268-S, and for amendment of Certificate 268-S, in Lee County, by Aqua Utilities Florida, Inc.

And, Concurrent:

Application for Authority to Transfer the wastewater facilities of Fountain Lakes Sewer Corporation to Bonita Springs Utilities, Inc. and for Cancellation of Certificate No. 442-SU

Aqua Utilities Florida, Inc. ("AUF"), by and through its undersigned counsel, hereby files its Withdrawal of its Application for approval of transfer of wastewater system of Fountain Lakes Sewer Corporation ("Fountain Lakes"), holder of Certificate 442-S, to Aqua Utilities Florida, Inc., holder of Certificate 268-S, and for amendment of Certificate 268-S, in Lee County, by Aqua Utilities Florida, Inc., filed on January

DOCUMENT NUMBER-DATE

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29, 2009, in the above referenced docket; and, concurrently, hereby files this Application for authority to transfer the facilities of Fountain Lakes Sewer Corporation to Bonita Springs Utilities ("BSU"), an exempt entity, and for Cancellation of Certificate No. 442-SU, pursuant to the provisions of Rule 25-30.037, Fla. Admin. Code, and Section 367.071, Fla. Stat. In support of this Application, AUF states as follows:

1. On January 29, 2009, AUF filed its Application for approval of transfer of wastewater system of Fountain Lakes Sewer Corporation, holder of Certificate 442-S, to AUF, holder of Certificate 268-S, and for amendment of Certificate 268-S, in Lee County, by AUF.

2. On February 23, 2009, formal objections to AUF's Application were received from the following residents: James L. O'Leary, II; Michael G. Boyrer; James R. McCrow; and, Dorothy and Dan Dronkers.

3. On April 24, 2009, a formal request for evidentiary hearing was filed by James L. O'Leary. On April 27, 2009, a letter in support of the Mr. O'Leary's request for hearing was filed by Bernard and Annette Higgins.

4. On May 28, 2009, an informal meeting of the parties was held at the Florida Public Service Commission, in Tallahassee, Florida.

5. At this informal meeting, in consideration of the formal protests, the parties were advised by the Commission Staff to discuss the possibility of an alternative utility owner purchasing and providing wastewater service to the residence of Fountain Lakes Sewer Corporation.

6. As advised by the Commission Staff, and on the request of the protesting residents, AUF began discussions of possible transfer to BSU.

7. On August 11, 2011, AUF and BSU entered into an Asset Purchase Agreement for the sale and transfer of the wastewater facilities from AUF to BSU, an exempt entity.

8. The complete name and address of AUF is:

Aqua Utilities Florida, Inc.
P.O. Box 2480
Lady Lake, FL 32158-2480

9. The complete name and address of BSU is:

Bonita Springs Utilities, Inc.
P.O. Box 2368
Bonita Springs, FL 33959

10. The name and address of the persons authorized to receive notices and communications in respect to this application is:

On behalf of AUF:
D. Bruce May, Jr.
Holland & Knight LLP
Post Office Drawer 810
Tallahassee, FL 32302-0810
PHONE: (850) 224-7000

and

On behalf of BSU:

John R. Jenkins, P.A.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
PHONE: (850)877-6555

11. BSU is a Florida nonprofit corporation incorporated on January 7, 1970.

12. The names and addresses of BSU's corporate officers and directors are as follows:

<u>Name, Position Held:</u>	<u>Address:</u>
Robert Bachman, President/Director	P.O. Box 2368
Paul Attwood, Vice President/Director	Bonita Springs, FL
Frank Liles, Treasurer/Director	33959
John Mathes, Secretary/Director	
Henry Hochstetler, Director	
Stephen McIntosh, Director	
David McKee, Director	
Robert Sharkey, Director	
James Strecansky, Director	

13. BSU is an existing water and wastewater utility that is exempt from the Commission's regulation pursuant to Section 367.022(7), Florida Statutes.

14. This Commission has previously determined that BSU is a nonprofit exempt utility. See Order No. PSC-03-0388-FOF-SU (Mar. 20, 2003).

15. A copy of the Asset Purchase Agreement (Exhibit "A"), as amended by the First Amendment to Asset Purchase Agreement

(Exhibit "B"), and as further amended by the Second Amendment to Asset Purchase Agreement (Exhibit "C") (collectively, the "Agreement"), include the consideration for the transfer and a description of the assets to be transferred to, and obligations assumed by, BSU. In accordance with the terms of the Second Amendment To Asset Purchase Agreement, the closing will take place on or about January 30, 2012, and is contingent upon approval by the Commission.

16. There are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, debt of AUF or leases that must be disposed of in association with the transfer of the utility system.

17. The purchase was financed through the use of BSU's short-term reserves, and BSU will recover the cost through a special service charge paid by the customers in Fountain Lakes and Marsh Landing. A copy of BSU's most recent annual report is available at <http://bsu.us/about-bonita-springs-utilities/annual-reports>.

18. The transfer of these water and wastewater facilities of AUF to BSU is in the public interest because BSU has both the experience and financial wherewithal to ensure consistent compliance with environmental regulations and provide continuous service to Fountain Lakes' present and future customers. BSU's

experience in operating its water and wastewater systems will assure continuous water service that meets applicable standards for Fountain Lakes' customers on both a day-to-day basis, as well as during emergencies. BSU already provides potable water service to all of the AUF customers in Fountain Lakes and Marsh Landing, and all such customers are members of the utility. BSU intends to upgrade the collection and distribution systems, decommission the existing wastewater treatment plant, interconnect all customers to its wastewater treatment plants, and commits to provide wastewater service to these customers on an ongoing basis. BSU will fulfill the commitments, obligations and representations of AUF with regard to utility matters. For these reasons, it is in the public interest to grant approval of the transfer to BSU.

19. After a reasonable investigation, BSU has determined that the acquired wastewater system appears to be in satisfactory condition and in compliance with applicable standards set by the Florida Department of Environmental Protection (FDEP), and does not have any outstanding Notices of Violation or Consent Orders with the FDEP.

20. The books and records of Fountain Lakes are available for inspection by the Commission and are adequate for the purposes of establishing rate base for the utility system.

However, because this is an exempt entity, the establishment of rate base is no longer necessary.

21. BSU has had an opportunity to inspect all of the federal income tax returns of Fountain Lakes.

22. The real property upon which Fountain Lakes' wastewater plant is located will be transferred as part of this transaction.

23. All outstanding regulatory assessment fees have been paid. AUF will be responsible for payment of all regulatory assessment fees through the closing. No fines or refunds are owed by AUF. BSU is an exempt entity and is, therefore, not subject to the payment of regulatory assessment fees by the Commission.

24. Because BSU is an exempt entity, no tariff sheets reflecting the change in ownership are attached to this Application. The rates to be charged to Fountain Lakes' customers will continue to be the approved wastewater rates, as set out in its tariffs.

25. AUF requests that Certificate 442-S be cancelled, as Fountain Lakes will no longer provide wastewater service.

26. In accordance with Rule 25-30.030(5), Florida Administrative Code, AUF will provide notice of this Application containing the information required under Rule 25-30.030(4),

Florida Administrative Code, by regular mail to the requisite persons and entities pursuant to Rule 25-30.030(2), within 7 days of filing this Application.

27. Pursuant to Rule 25-30.030(8), Florida Administrative Code, within 15 days of filing this Application, AUF will submit Late-Filed Exhibit "D" to the Application, which will include an affidavit that the Notice of Application was provided as described in Paragraphs 27, along with a copy of the Notice.

28. In accordance with Rule 25-30.030(6), Florida Administrative Code, AUF will provide a notice by regular mail to each customer of each system to be transferred, within 7 days of filing this Application. Within 15 days of filing its Application, AUF will submit Late-Filed Exhibit "E" to the Application, which will include a copy of the Notice of Application provided to the customers, and an affidavit reflecting that it has provided the Notice of this Application to each customer of each system to be transferred.

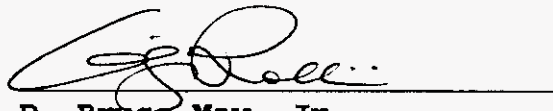
29. In accordance with Rule 25-30.030(7), Florida Administrative Code, AUF will publish the Notice once in a newspaper of general circulation in the territory proposed to be transferred within 7 days of filing this Application. Within 15 days of filing this Application, AUF will submit Late-Filed Exhibit "F" to the Application, which will include an affidavit

reflecting that the Notice has been published once in a newspaper of general circulation in each territory proposed to be transferred, along with proof of each publication.

30. The remaining provisions of the original AUF application for transfer are still applicable.

Respectfully submitted on this 23rd day of November, 2011.

Holland & Knight LLP



D. Bruce May, Jr.

Fla. Bar No. 354473

Gigi Rollini

Fla. Bar. No. 684491

Post Office Drawer 810

Tallahassee, FL 32302-0810

PHONE: (850) 224-7000

FAX: (850) 224-8832

EMAIL: bruce.may@hklaw.com

gigi.rollini@hklaw.com

EXHIBITS

- A: Asset Purchase Agreement.
- B: First Amendment to Asset Purchase Agreement.
- C: Second Amendment to Asset Purchase Agreement.
- D: (To be late filed) Affidavit and Notice of Application under Rule 25-30.030(8), Florida Administrative Code.
- E: (To be late filed) Affidavit and Notice of Application under Rule 25-30.030(6), Florida Administrative Code.
- F: (To be late filed) Affidavit and Publication of Notice under Rule 25-30.030(7), Florida Administrative Code.
- G: (To be late filed) Affidavit and Notice of Application to Entities Named in Rule 25-30.030(6), Florida Administrative Code.

EXHIBIT "A"

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated August 11, 2011 by and between **Bonita Springs Utilities, Inc.**, a Florida not-for-profit corporation, with a business address of 11860 East Terry Street, Bonita Springs, Florida 34135 ("Buyer" or "BSU"), and **Aqua Utilities Florida, Inc.**, a Florida corporation with a business address of 510 Highway 466 Suite 204, Lady Lake, FL 32159 and **Aqua Operations, Inc.**, a Delaware corporation registered to do business in Florida (collectively referred to as "Seller" or "Aqua").

RECITALS

A. Aqua is a privately owned public utility corporation that owns wastewater and irrigation systems serving areas known as "Fountain Lakes" and "Marsh Landing" north of the City of Bonita Springs, Florida; and,

B. Buyer is a Florida not-for-profit corporation that provides water and wastewater services in and around Bonita Springs, Florida; and,

C. Aqua desires to sell to Buyer, and Buyer desires to purchase from Aqua, the Wastewater System Assets (as defined below) upon the terms and conditions set forth herein; and,

D. Aqua desires to sell, and Buyer desires to facilitate the purchase by the Fountain Lakes Community Association, Inc. ("FLCA") from Aqua, the Irrigation System Assets (as defined below) upon the terms and conditions set forth herein; and,

NOW, THEREFORE, in consideration of the recitals and the covenants, representations, and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. SALE AND PURCHASE OF THE WASTEWATER SYSTEM ASSETS AND IRRIGATION SYSTEM ASSETS

1.1 Purchase and Sale

A. Subject to the terms and conditions hereinafter set forth, Buyer shall purchase from Aqua, and Aqua shall sell, assign, transfer, grant, convey and deliver to Buyer at the Closing (hereinafter defined), the Wastewater System Assets, as hereinafter defined.

B. Subject to the terms and conditions hereinafter set forth and any separate agreement between FLCA and Aqua, Aqua agrees to sell, assign, transfer, grant, convey and deliver to FLCA at the Closing (hereinafter defined), the Irrigation System Assets, as hereinafter defined.

1.2 Definitions

"Assets" means collectively the Wastewater System Assets and the Irrigation System Assets.

"Best Efforts" means the efforts that a prudent person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible.

"Easements" includes the Recorded Easements and means all existing rights, privileges, easements, licenses, prescriptive rights, and rights to use right-of-ways and public and private roads, highways, streets, railroads and other areas owned or used by the Seller in connection with the construction, installation, expansion, maintenance and operation of the Assets or the provision of Utility Service.

"Environmental Laws" means any statute, law, regulation, ordinance, injunction, direction, guidance, judgment, order, or other decree of any federal, state or local governmental authority pertaining to the protection of human health and the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Oil Pollution Act of 1990, Toxic Substances Control Act.

"Fee Parcels" means those parcels of real property owned in fee simple and more particularly described in Appendix A.

"Governmental Authorization" means any agreement, approval, permit, registration, consent, license, certificate of authorization issued by any governmental authority and required for the operation of the Assets, delivery of Utility Service, or the transfer of Wastewater System Assets or rights from Seller to Buyer, or the transfer of Irrigation System Assets from Aqua to FLCA.

"Hazardous Materials" means any substance or material regulated by any federal, state or local governmental entity under any Environmental Law as a hazardous material, hazardous substance, hazardous waste, pollutant, contaminant, toxic waste, toxic substance or words of similar import, including petroleum and petroleum products, by-products or breakdown products.

"Irrigation System Assets" are defined to be: all reuse and reclaimed water wells, plants, water supplies, pumps, generators, controls, tanks, distribution and transmission pipes, valves, meters, service connections, equipment, parts, tools, chemicals real property and other assets, properties and rights (whether tangible, real, personal or mixed), which are held and used in connection with the irrigation system located in the Fountain Lakes residential community, situated in Estero, an unincorporated area of Lee County, Florida, including, without limitation, the assets and rights set forth in Appendix B of this Agreement. Notwithstanding the foregoing, the Irrigation System Assets shall not include any of the following:

a. Customer service lines that run from the meter or electrically operated valve to the residences.

b. Cash on hand of Aqua (other than customer deposits, if any) and accounts receivable for any period prior to the Closing Date.

"Irrigation Utility Service" means the pumping, treatment, storage and distribution of irrigation service.

"Knowledge" means (1) as to Seller, the actual knowledge of Seller's officers, without the requirement of diligent inquiry and subsequent investigation, and (2) as to Buyer, the actual knowledge of Buyer's Board of Directors and Executive Director, without the requirement of diligent inquiry and subsequent investigation.

"Material Adverse Event" means any event occurring after the date hereof that is materially adverse to the business, financial condition, or value of the Assets, excluding any such event to the extent resulting from any changes in general economic, political or regulatory conditions in the utility industry.

"Permitted Real Estate Encumbrances" means: (i) easements, rights-of-way, covenants and restrictions of record, assessments, and matters disclosed by surveys which do not, individually or in the aggregate, adversely impair or restrict the use of the Fee Parcels in the operation of the Utility System; and (ii) any mortgage, lien or other matter that will be satisfied or discharged at or prior to the Closing Date.

"Recorded Easements" means easements not within a plat or dedicated right-of-way as set forth in Appendix C.

"Title Commitment" means the title insurance commitment with respect to the Fee Parcels in an amount not to exceed the Purchase Price, issued by the Title Company committing the Title Company to issue and deliver the Title Policy to Buyer upon compliance with the requirements stated in Schedule B, Section 1 thereof, subject to the terms and conditions contained therein.

"Title Company" means such title insurance company procured by Buyer to issue the Title Commitment and Title Policy.

"Title Policy" means the ALTA owner's policy of title insurance, issued by the Title Company in accordance with the Title Commitment that meets the requirements of Section 3.3 of this Agreement.

"Utility Service" means collectively Wastewater Utility Service and Irrigation Utility Service.

"Wastewater System Assets" are defined to be all wastewater treatment plants, monitoring wells, effluent disposal facilities, lift stations, pumps, generators, controls, tanks, collection and transmission facilities, valves, service connections, equipment, parts, tools, chemicals, real property and other assets, properties and rights (whether tangible, real, personal or mixed), which are held and used in connection with the Wastewater System located in the Fountain Lakes and Marsh Landing residential communities, situated in Estero, an

unincorporated area of Lee County, Florida, including, without limitation, the assets and rights set forth in Appendix D of this Agreement. Notwithstanding the foregoing, the Wastewater System Assets shall not include any of the following:

- a. Customer service lines that run from the curb clean-out area to the residences.
- b. Piping and fixtures internal to the Fountain Lakes residences.
- c. Cash on hand of Aqua (other than customer deposits) and accounts receivable for any period prior to the Closing Date.

"Wastewater Utility Service" means the collection, transmission, treatment and disposal of wastewater.

1.3 Accounts Receivable, Unbilled Revenue and Billing Procedure

It is agreed that: (i) Seller shall be entitled to all accounts receivable for Utility Service provided by Seller prior to Closing; (ii) Buyer shall be entitled to all such billings for Wastewater Utility Service provided after Closing; and (iii) FLCA shall be entitled to all such billings for Irrigation Utility Service provided after Closing. Seller shall obtain customer meter readings from BSU and, thereafter, invoice the customers for Utility Service up to and including the final meter reading. After Closing, Seller shall collect the final bill and any delinquent amounts owed to Seller. Buyer shall promptly pay to Seller any payments received by Buyer with respect to Seller's final meter reading and Utility Service rendered by Seller prior to Closing. In addition, Seller shall be entitled to the unbilled revenue earned during its operation of the Assets for the period between the final meter reading and Closing. The parties shall, prior to Closing, agree on a credit to Seller on the Closing Statement for Wastewater Utility Service, based on the prior month's billing, pro-rated according to the number of days between the final meter reading and Closing.

Buyer shall begin billing the customers based on the final meter reading as the starting point for future billing. Seller shall promptly pay Buyer any payments received by Seller for Wastewater Utility Service rendered by Buyer after Closing. If a payment, or the documentation relating thereto, does not indicate whether such payment is for the period prior to or after Closing, the parties jointly shall determine whether the payment belongs to Buyer or Aqua:

1.4 Purchase Price; Payment

The purchase price for the Assets is \$2,500,000 (the "Purchase Price"), payable in cash at closing, subject to such adjustments and pro rations as set forth herein.

1.5 Assumption of Liabilities

Attached hereto on Appendix E are the agreements that shall become the sole responsibility of Buyer following Closing, which agreements shall be assigned to Buyer as of the Closing. Thereafter, Aqua shall be responsible or liable for any claims under such agreements arising prior to Closing, or for any claims arising after Closing as a result of Aqua's actions or inactions prior to Closing. BSU shall be responsible under such agreements for its actions or

inactions following Closing. Other than as set forth herein, Buyer accepts no liabilities of Seller, financial or otherwise.

2. CLOSING

2.1 Closing Date, Place and Time

Closing hereunder shall take place on or about November 30, 2011 or as may be adjusted by mutual agreement of the parties (the "Closing"). The Closing shall occur at the offices of BSU or its attorney, and commence at 10:00 a.m. Eastern Standard Time. The date of the Closing is referred to herein as the "Closing Date." The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

2.2 Items to be delivered at Closing by Aqua

At Closing, subject to the terms and conditions herein contained, Aqua shall deliver: (i) to Buyer all title, assets, properties and rights to the Wastewater System Assets, and (ii) to FLCA all title, assets, properties and rights of the Irrigation System Assets, including, without limitation, the following:

a. A Bill of Sale, Assignment of Contracts, Special Warranty Deed, and other instruments and documents of conveyance and transfer executed by Aqua, all in form mutually satisfactory to Buyer and Aqua, as shall be necessary and effective to transfer and assign to, and vest in Buyer, good and marketable title to the Assets;

b. To the extent that Aqua possesses such legal entitlements, an Assignment of Easements in a form mutually satisfactory to Buyer, and Aqua for ownership of, access to and use, maintenance and operation of the Assets;

c. Copies, or the originals, where appropriate, of all agreements, contracts, commitments, leases, plans, instruments and other documents belonging to Aqua or in Aqua's possession that are part of or related to the Assets;

d. A complete and accurate list of the names, addresses, and billing addresses of all customers and lot owners as of the Closing along with all final meter readings and billing information for the prior year;

e. Keys to all facilities identified as the Assets; and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual, physical possession and operating control of the Wastewater System Assets, and FLCA in actual, physical possession and operating control of the Irrigation System Assets;

f. Any prepaid connection charges or capacity fees collected from new customers at or prior to initial connection in order to defray the cost of making Utility Service available for any lots that have not yet connected to the Assets;

g. The name, address, account number and start date of all customers for whom Seller is holding a deposit, their corresponding customer deposit amount, accrued interest, if any, along with all accounting records related thereto; provided that, at Closing, the parties may agree to handle the transfer of customer deposits as a credit to Buyer on the Closing Statement; and,

h. Any other documents reasonably required by BSU to be executed by Aqua to consummate this transaction.

2.3 Items to be delivered at Closing by BSU

At Closing and subject to the terms and conditions herein contained, BSU shall deliver to Aqua the adjusted Purchase Price due.

2.4 Transfer of Utilities

The parties will cooperate to transfer utility service, including, but not limited to, telephone and electric, as of the Closing Date. In the event service cannot be transferred in the name of Buyer as of the Closing Date, the bills shall be pro-rated as of the Closing Date. Aqua and Buyer agree to make such payments to each other as may be necessary to adjust for any utility billing and/or utility service change that is not effective as of Closing Date.

2.5 Conditions Precedent to Closing

In addition to the provisions herein, including Sections 6.1(b), 6.2(b) and 7.5, Buyer's obligation to purchase the Wastewater System Assets and to take the other actions required to be taken by Buyer at Closing is subject to the satisfaction, at or prior to Closing, of the following conditions:

a. All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects.

b. All representations and warranties made by Seller in this Agreement shall be true, correct and complete and shall be reaffirmed through Closing; and no breach or violation of such representations and warranties shall have occurred up to and including the Closing Date.

c. Seller shall have delivered the documents and instruments required by this Agreement and such other documents as Buyer may reasonably request for the purpose of evidencing compliance by Seller with any covenant or obligation required to be performed or complied with, and release of all liens, security interests, and other encumbrances on the Assets other than Permitted Real Estate Encumbrances.

d. All Governmental Authorizations shall have been issued or transferred, as the case may be. In the event that the conditions of paragraphs 6.1.b and 6.2.d are not met on or before November 30, 2011, then this Agreement shall be voidable at the option of either Aqua or BSU without any further obligation, cost or penalty to either party.

e. Between the date of this Agreement and Closing no Material Adverse Event shall have occurred.

If Closing does not take place because of a breach of this Agreement by Seller, or because one or more of the conditions to Buyer's obligations under this Agreement is not satisfied as a result of the Seller's failure to comply with its obligations under this Agreement, the Buyer shall have the right to pursue all legal remedies available at law or in equity.

3. DUE DILIGENCE

3.1 Information to Buyer

Upon execution of this Agreement, Seller shall cooperate with Buyer to provide access to, and make available for inspection any existing surveys, plans and specifications in the possession of Seller or its agents for, the Assets by Buyer's representatives during normal business hours upon reasonable advance notice.

3.2 Due Diligence Determination

Buyer has performed preliminary due diligence, and Buyer shall have sixty (60) days from the execution of this Agreement to complete its due diligence at the end of which Buyer, in its sole discretion, may terminate this Agreement by delivering notice of its termination to Seller; otherwise, Buyer and Seller shall be obligated to proceed to Closing. Upon termination of this Agreement pursuant to this section, Seller and Buyer shall have no liability and no further obligation one to the other under this Agreement.

3.3 Evidence of Title

a. At the party's mutual expense, within forty five (45) days of execution of this Agreement, Buyer shall obtain from the Title Company the following:

(1) A title commitment issued by the Title Company to insure good and marketable title to each Fee Parcel in a cumulative amount determined by the Buyer, naming Buyer as the proposed insured and having the effective date as set forth therein, wherein the Title Company will have agreed to issue an ALTA form owner's title insurance policy, with Florida modifications; and,

(2) Copies of all recorded documents listed as Schedule B-2 exceptions thereunder (the "Recorded Documents"); and,

(3) The Title Commitment shall include the Title Company's requirements for issuing the Title Policy on or before Closing, including those requirements that must be met by releasing or satisfying monetary encumbrances, but excluding encumbrances that will remain after Closing as agreed to by the Buyer.

b. The following shall be considered title objections if contained within the Title Commitment or survey ("Title Objections"):

- (1) A party, other than Seller, holds title to a Fee Parcel; or
- (2) A title exception disclosed in Schedule B is not one of the Permitted Real Estate Encumbrances; or
- (3) A UCC statement of any nature that is outstanding and not terminated or subject to termination as a condition of closing; or
- (4) A tax lien.

Within fifteen (15) days of receipt of the Title Commitment, Buyer shall advise Seller in writing of any Title Objections. Within fifteen (15) days of Seller's receipt of Buyer's Title Objections, Seller shall advise Buyer in writing which Title Objections it will cure. Seller shall use its Best Efforts to cure each such Title Objection that it has agreed to cure. Upon Seller's failure to eliminate all such Title Objections within sixty (60) days of notice from Buyer, or within fifteen (15) days following receipt of the Title Objections Seller has not agreed to cure, Buyer may elect to either: (i) terminate this Agreement, in which event neither party shall have any liability to the other under this Agreement; or (ii) accept whatever title Seller is able to convey with no abatement of the Purchase Price and proceed to Closing; or (iii) upon mutual agreement of the parties extend the time for closing.

c. Buyer shall have the right, but not the obligation, at its expense, to secure such surveys for the Fee Parcels as Buyer desires. If Buyer desires to have any standard survey exceptions deleted or modified in the Title Policy, Buyer shall deliver to the Title Company, no later than five (5) days prior to the Closing Date, properly certified and current original surveys of the specified Fee Parcels satisfactory to the Title Company.

3.4 Environmental Warranties

a. Seller has no Knowledge of any material non-compliance with any Environmental Law or material liability under any Environmental Law by, at, or from the Assets or Fee Parcels. To Seller's Knowledge, Seller has not disposed of any Hazardous Materials on the Fee Parcels, nor has Seller removed Hazardous Materials from the Fee Parcels, except as provided by law.

b. Seller has not received notice of any violation of applicable federal, state or local statutes, laws and regulations (including, without limitation, any applicable environmental, building, zoning, or other law, ordinance or regulation) adversely affecting the current condition or operation of the Assets or Utility Service.

c. Buyer may, within the due diligence period set forth herein and its expense, perform up to a Phase 3 Environmental Site Assessment ("ESA") pursuant to applicable ASTM standards. Seller shall cooperate with Buyer and its agents by providing reasonable access to the Fee Parcels so that Buyer or its agents may conduct the ESA.

d. If the ESA reveals Hazardous Materials on the Fee Parcels that require remedial action, Seller shall have the option to terminate this Agreement. Additionally, Seller shall have the right, but not the obligation, to perform such cleanup and remediation as is necessary

hereunder. Upon Seller's failure to undertake and successfully complete such remediation, Buyer may elect to either: (i) terminate this Agreement, in which event neither party shall have any liability to the other under this Agreement; or (ii) accept the property in its current condition and proceed to Closing; or (iii) upon mutual agreement of the parties extend the time for closing.

4. REPRESENTATIONS AND WARRANTIES

4.1 Seller Representations

Aqua makes the following representations and warranties that shall be true and accurate as of the Closing Date, except as disclosed on Appendix F which may be amended from time to time, attached hereto:

a. Aqua is a validly existing corporation under Florida law and has full power and authority to enter into this Agreement and to perform the obligations required of it under this Agreement. This Agreement constitutes a legal, valid and binding obligation of Aqua and is enforceable against Aqua in accordance with its terms.

b. The execution, delivery, and performance of this agreement by Aqua shall not constitute a violation or breach of any contract or agreement to which Aqua is a party, any statute, judgment, order, decree, regulation, or rule of any governmental body or agency applicable to Aqua or any of the Assets, or any lease, mortgage, deed of trust, commitment, license, franchise, authorization, or any other obligation or instrument to which Aqua is a party or by which any of the Assets are bound. Except as set forth on Appendix G, there are no leases or other agreements or understandings affecting the Assets. The execution, delivery and performance of this Agreement by Aqua will not adversely affect any such contracts or other arrangements.

c. To the best of Aqua's knowledge, Aqua does not have any liabilities or obligations outstanding that relate to the Assets, or may give rise to a claim against the Assets.

d. Aqua has, or will have at Closing, good and marketable title to the Assets free and clear of all liens, claims, charges and encumbrances of any kind.

e. At Closing, there will be no liens, encumbrances or security interests against the Assets. To the best of Aqua's knowledge, Aqua has no liabilities of any nature, accrued or contingent, for federal, state or other taxes that constitute a charge or lien against any of the Assets, and there are no claims, actions, suits, or proceedings, in equity or at law, or any governmental or administrative investigations pending or, to the knowledge of Aqua, threatened against Aqua or any of the Assets.

f. To the best of Aqua's knowledge, there are no liabilities of Aqua to any of Aqua's customers, or pending or threatened claims regarding operation of the Assets.

g. There are no tax liens upon, pending against, or to the knowledge of Aqua, threatened against any of the Assets. There are no judgments outstanding and unsatisfied against Aqua or any of the Assets.

h. There are no employment or personnel-related liabilities associated with the Assets whatsoever, including, but not limited to, any liability under any employment contract, liability for wages or salary, liability for bonuses or commissions, liability for severance (including without limitation as a result of this transaction), COBRA liability, OSHA liability, liability for disabled individuals, workers' compensation liability, ERISA obligations or liability, sick pay, vacation accruals, or similar matters, liability under any profit sharing plan, liability under any pension plan, liability under any welfare benefit plan, or liability for any claims alleging illegal discrimination of any type;

i. The Wastewater System Assets are subject to regulation by the Florida Public Service Commission ("FPSC") and Aqua has not received any notice of, nor has Aqua any knowledge of, any violation of the rules and regulations of the FPSC. In addition to and without waiving the foregoing, Aqua is in full compliance with, and is not in default or in violation in any respect of any law, regulation, writ, injunction, decree order or rule applicable to Aqua or any of the Assets, including applicable Environmental Laws and regulations. The Parties agree that as of the Effective Date of this Agreement, Aqua has furnished to Buyer copies of all environmental registrations, reports or other documentation required by or recommended by the Florida Department of Environmental Protection ("FDEP") or any other applicable regulatory agency.

4.2 Buyer Representations

Buyer makes the following representations and warranties that shall be true and accurate as of the Closing Date, except as disclosed on Appendix H which may be amended from time to time, attached hereto:

a. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of the documents to be executed or delivered by Buyer at the Closing, each such document will constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

b. Buyer has the right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and such action has been duly authorized by all necessary action.

5. INDEMNIFICATION

5.1 Indemnification and Reimbursement by Aqua; Survival

a. All representations, warranties, covenants and obligations in this Agreement shall survive the Closing for a period of one (1) year.

b. Aqua will indemnify and hold harmless Buyer (including its governing body and members, managers, officers, employees and agents) from and against any and all claims, suits, actions, arbitrations, proceedings, investigations, judgments, deficiencies, losses, damages, settlements, liabilities and other expenses, including reasonable legal fees and other expense of

counsel mutually chosen by Buyer and Aqua ("Indemnified Amounts") arising out, based upon or resulting from:

(1) Any error, inaccuracy, breach or misrepresentation in any of the representations, warranties, agreements or covenants made by or on behalf of Aqua in this Agreement;

(2) Any violation or breach by Aqua of or default by Aqua in the performance of its covenants and agreements in this Agreement;

(3) Any act or omission of Aqua, or any of its officers, directors, or employees, occurring prior to the Closing Date, any condition or circumstances existing in any of the Assets or with respect to the operation of the wastewater system, or any claims concerning services provided by Aqua, as of the Closing Date;

(4) The presence, release, remediation or clean-up of, or exposure to, a regulated substance or other material to or located on, within or under the Assets at any time prior to the Closing Date; and

(5) Any debts, liabilities or obligations of Aqua, direct or indirect, fixed, contingent or otherwise that are not expressly assumed by Buyer in this Agreement.

5.2 Indemnification and Reimbursement by Buyer; Survival

a. All representations, warranties, covenants and obligations in this Agreement shall survive the Closing for a period of one (1) year.

b. BSU will indemnify and hold harmless Aqua (including its governing body and members, managers, officers, employees and agents) from and against any and all claims, suits, actions, arbitrations, proceedings, investigations, judgments, deficiencies, losses, damages, settlements, liabilities and other expenses, including reasonable legal fees and other expense of counsel mutually chosen by Buyer and Aqua ("Indemnified Amounts") arising out, based upon or resulting from:

(1) Any error, inaccuracy, breach or misrepresentation in any of the representations, warranties, agreements or covenants made by or on behalf of the BSU in this Agreement;

(2) Any violation or breach by BSU of or default by the BSU in the performance of its covenants and agreements in this Agreement;

(3) Any act or omission of BSU, or any of its officers, directors, or employees, occurring following the Closing Date, any condition or circumstances developing in any of the Wastewater System Assets or with respect to the operation of the Wastewater System Assets by BSU, or any claims concerning services provided by BSU, following the Closing Date;

(4) The presence, release, remediation or clean-up of, or exposure to, a regulated substance or other material to or located on, within or under the Wastewater System Assets at any time by BSU following the Closing Date; and

(5) Any debts, liabilities or obligations of the BSU, direct or indirect, fixed, contingent or otherwise, that are not expressly retained by Aqua in this Agreement.

5.3 Limit on Indemnification

Notwithstanding the foregoing, except as otherwise provided in this Agreement, any amount to be indemnified by one party to the other under this Agreement shall not exceed the Purchase Price.

6. CONVENANTS, ACKNOWLEDGMENTS AND UNDERTAKINGS

6.1 By Buyer

a. Buyer agrees to cooperate with Aqua in its FPSC application for transfer and will assist with the transfer of other Governmental Authorizations.

b. Upon execution of this Agreement, Buyer shall undertake to have the City Council of the City of Bonita Springs, and the Lee County Board of County Commissioners, pass and adopt an Ordinance authorizing acquisition of the Wastewater System Assets by BSU as contemplated by this Agreement and approving a BSU proposed customer special service charge to obtain cost recovery for the acquisition and upgrade of the Assets. BSU shall use its Best Efforts to secure such approval. The parties acknowledge and agree that adoption of such an ordinance is a prerequisite to Buyer's obligation to Close, and Buyer shall have the option to terminate this Agreement if such ordinance has not been adopted at least thirty (30) days prior to Closing.

6.2 By Seller

a. Until the Closing of the transaction as set forth herein, Aqua will continue to operate and maintain the Assets and provide Utility Service to all customers of record in a manner consistent with its prior provision of service and in compliance with the rules, regulations and Governmental Authorizations of the FPSC, DEP and South Florida Water Management District.

b. Upon execution of this Agreement, Seller shall undertake to have the FPSC issue its final, non-appealable order authorizing and approving transfer of the Wastewater System Assets to Buyer as contemplated by this Agreement. Aqua shall use its Best Efforts to secure such approval. The parties acknowledge and agree that issuance of such an order is a prerequisite Buyer and Seller's obligation to Close, and either party shall have the option to terminate this Agreement if such order has not been issued at least thirty (30) days prior to Closing.

7. **GENERAL PROVISIONS**

7.1 **Notices**

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if sent by regular mail where the receipt of which is confirmed by a telephone conversation, or delivered personally, or sent by overnight delivery service or registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Aqua:

President
Highway 466 Suite 204
Lady Lake, FL 32518

With a copy to:

Christopher P. Luning, Vice President
Aqua America
762 West Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

If to BSU:

Fred Partin, Executive Director
11860 East Terry Street
Bonita Springs, Florida 34135

With a copy to:

John R. Jenkins, Esq.
Rose, Sundstrom & Bentley LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

or to such other address as the addressee may have specified in a written notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, or mailed.

7.2 **Governing Law**

This instrument shall be governed by and enforced in accordance with the laws of the State of Florida. The obligations of the parties to this Agreement are deemed to be performable in Lee County, Florida.

7.3 **Entire Agreement; Modification; Integration Clause**

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by written instrument duly executed by each of the parties hereto. Any and all previous agreements and understandings between or among any or all of the parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement.

7.4 **Binding Effect; Assignment**

All terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the legal representatives, successors and assigns of the parties. No assignment of any obligations under this Agreement shall be permitted without the consent of the other party.

7.5 Conveyance of Irrigation System to FLCA

The parties acknowledge that, as a part of this transaction, BSU is facilitating transfer of the Irrigation System Assets to FLCA. The parties further acknowledge and agree that if, through no fault of Aqua, transfer of the Irrigation System Assets to FLCA does not occur at the time of Closing, BSU shall remain obligated to purchase the Wastewater System Assets under this Agreement at the Purchase Price; provided, however, that BSU shall have no further obligation with respect to the Irrigation System Assets.

7.6 Schedules

All of the Schedules and Exhibits referred to herein are intended to be and hereby are specifically made a part of this Agreement.

7.7 Survival

Except as set forth in Sections 5.1 and 5.2 of this Agreement, the terms and conditions of this Agreement shall survive Closing.

7.8 Representation by Counsel: Construction

Each party acknowledges and represents to the other that it has been represented by legal counsel in connection with the preparation and execution of this document and related documents, and each party therefore acknowledges and agrees that any rule of construction or interpretation of language against the drafting party shall not be applicable to this document or any related document.

7.9 Arbitration

Each party agrees to arbitrate any dispute, claim or controversy arising from, or related to this Agreement with the exception of any claim for restraints or injunctive relief. By agreeing to arbitrate each dispute, claim or controversy, subject to the limitations set forth above, each party is also agreeing to waive any right it may have to a jury trial or other proceeding in court with regard to such dispute, claim or controversy. Any such arbitration shall be conducted in Lee County, Florida, in accordance with the rules of the American Arbitration Association Arbitration or at such other agreed upon location in which the American Arbitration Association conducts arbitration proceedings.

7.10 Counterparts; Facsimile Signature

This Agreement may be executed in counterparts. A facsimile copy of the signature page and signature on behalf of each party shall be effective as an original signature for purposes of showing the execution of this document.

7.11 No Third Party Beneficiaries

This Agreement does not create, and shall not be construed as creating any rights enforceable by any person not a party to this Agreement, including without limitation, FLCA.

7.12 Waiver

Any waiver by a party of a breach of any provision of this Agreement shall not operate as, or be construed to be a waiver of any other breach of that provision, or of any breach of any other provision of this Agreement. Any such waiver must be in writing and signed by, or on behalf of the waiving party.

7.13 Severability

If any provisions of this Agreement are contrary to, prohibited by, or deemed invalid under any applicable law or regulation, such provisions shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid. The remainder of this Agreement shall not be invalidated thereby and shall be given full force and effect.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first above written.

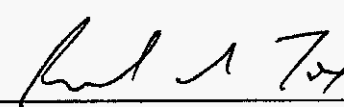
AQUA UTILITIES FLORIDA, INC.

By: 
Richard S. Fox, President

BONITA SPRINGS UTILITIES, INC.

By: _____
Robert Bachman, President

AQUA OPERATIONS, INC.

By: 
Richard S. Fox, Chief Operating Officer, Florida Operations.

7.11 No Third Party Beneficiaries

This Agreement does not create, and shall not be construed as creating any rights enforceable by any person not a party to this Agreement, including without limitation, FLCA.

7.12 Waiver

Any waiver by a party of a breach of any provision of this Agreement shall not operate as, or be construed to be a waiver of any other breach of that provision, or of any breach of any other provision of this Agreement. Any such waiver must be in writing and signed by, or on behalf of the waiving party.

7.13 Severability

If any provisions of this Agreement are contrary to, prohibited by, or deemed invalid under any applicable law or regulation, such provisions shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid. The remainder of this Agreement shall not be invalidated thereby and shall be given full force and effect.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first above written.

AQUA UTILITIES FLORIDA, INC.

By: _____
Richard S. Fox, President

BONITA SPRINGS UTILITIES, INC.

By:  _____
Robert Bachman, President

AQUA OPERATIONS, INC.

By: _____
Richard S. Fox, Chief Operating Officer, Florida Operations.

List of Appendices

Appendix A – Fee Parcels

Appendix B – Irrigation System Assets

Appendix C – Recorded Easements

Appendix D – Wastewater System Assets

Appendix E – Assumed Liabilities

Appendix F – Seller Representations and Warranties Disclosure

Appendix G – Leases and Other Agreements

Appendix H – Buyer Representations and Warranties Disclosure

Appendix A

Fee Parcels

A PARCEL OF LAND IN SECTION 4, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF SECTION 4, TOWNSHIP 47 SOUTH, RANGE 25 EAST; THENCE N 0° 36' 02" W. ALONG THE WEST LINE OF THE SOUTHWEST ONE QUARTER OF SAID SECTION 4 FOR 1018.06 FEET; THENCE N 89° 23' 58" E. FOR 140.00 FEET; THENCE N. 44° 23' 58" E. FOR 120.00 FEET; THENCE N 89° 23' 58" E. FOR 191.90 FEET TO AN INTERSECTION WITH THE WESTERLY LINE OF THAT CERTAIN FLORIDA POWER AND LIGHT COMPANY EASEMENT DESCRIBED IN DEED BOOK 228 AT PAGES 574 THROUGH 579 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE S 21° 20' 53" E. ALONG SAID WESTERLY LINE FOR 1157.73 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF THE SOUTHWEST ONE QUARTER OF THE AFOREMENTIONED SECTION 4; THENCE S 87° 59' 44" W. ALONG SAID SOUTH LINE FOR 827.12 FEET TO THE POINT OF BEGINNING. SAID PARCEL OF LAND SITUATE LYING AND BEING IN LEE COUNTY, FLORIDA.

AND TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL OF LAND:

A PARCEL OF LAND IN SECTION 4, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SECTION 4, TOWNSHIP 47 SOUTH, RANGE 25 EAST, THENCE N. 0° 36' 02" W. ALONG THE WEST LINE OF THE SOUTHWEST ONE QUARTER OF SAID SECTION 4 FOR 1018.06 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUE N 0° 36' 02" W. ALONG SAID WEST LINE FOR 1185.00 FEET TO AN INTERSECTION

WITH THE WESTERLY LINE OF THAT CERTAIN FLORIDA POWER AND LIGHT COMPANY EASEMENT DESCRIBED IN DEED BOOK 228 AT PAGE 574 THROUGH 579 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE S 21° 20' 53" E ALONG SAID WESTERLY LINE FOR 1176.44 FEET; THENCE S. 89° 23' 58" W. FOR 191.90 FEET; THENCE S 44° 23' 58" W. FOR 120.00 FEET; THENCE S. 89° 23' 58" W. FOR 140.00 FEET TO THE POINT OF BEGINNING. SAID PARCEL OF LAND SITUATE LYING AND BEING IN LEE COUNTY, FLORIDA

Appendix B

Irrigation System Assets

All reuse and reclaimed water wells, plants, water supplies, pumps, generators, controls, tanks, distribution and transmission pipes, valves, meters, service connections, equipment, parts, tools, chemicals, real property and other assets, properties and rights (whether tangible, real, personal or mixed) including, but not limited to, six wells, seven irrigation pumps and a distribution system which are held or used in connection with the irrigation system serving the Fountain Lakes residential community; exclusive of customer service lines that run from the meter or electrically operated valve to the residences.

Appendix C

Recorded Easements

<u>Fountain Lakes</u>	<u>Recording Information</u>
Northerly Ingress / Egress & Utility	OR 1631 PG 0536
Villas of Fountain Lakes	OR 1969 PG 1224
Villas of Fountain Lakes	OR 1969 PG 1224
Tracts I & J	OR 1976 PG 0192
FM and Lift Station	OR 2017 PG 1778
Estero Woods	OR 2087 PG 1350
The Seasons	OR 2132 PG 4184
Sungate Villas	OR 2198 PG 4337
Waste Water Plant	OR 2615 PG 1569
Blanket Easement	OR 2017 PG 1778
Northerly Ingress / Egress	OR 2041 PG 0634
Maintenance Road at Plant	OR 2615 PG 1569
The Greens	OR 2132 PG 4109
Sungate Villas	OR 2237 PG2506
Ingress / Egress & Utility in FPL ROW	OR 3373 PG 3153
Loop System at the Plant	OR 3373 PG 3175
Fountain Lakes Blvd & West Tree Dr & Southerly Loop	OR 2501 PG 2598
Between Lot 24 & Lot 25	OR 2501 PG 2607
KA Parcel	OR 2969 PG 1826 1
Well Easement Agreement Sales Office Parcel	OR 3104 PG 2073 1
Well Easement Agreement Tract S	OR 3104 PG 2080 1
Well Easement Agreement Tract O	OR 3104 PG 2087 1
Well Easement Agreement Golf Course Parcel	OR 3104 PG 2094 1
Well Easement Agreement Clubhouse	OR 3104 PG 2101 1
Assignment of Easement Irrigation Pump	OR 3373 PG 3185 1
FPL ROW	DB 228 PG 574
Declaration of Covenants & Restrictions	OR 1976 PG 0175
Declaration of Covenants & Restrictions	OR 1938 PG 4601

Marsh Landing

Tracts A – B – C – D – E – F – G	OR 4690 PG 596
Tracts D & F	OR 2719 PB 3918
Parcel One and Parcel Two	OR 2969 PG 1835
Loop Easement to US 41	OR 2707 PB 0169
Easement From Grassy Pine to Tract T	OR 3293 PG 0210

1. Denotes irrigation easements to be assigned to FLCA. All other easements are for sewer system.

Appendix D

Wastewater System Assets

All wastewater treatment plants, monitoring wells, effluent disposal facilities, lift stations, pumps, generators, controls, tanks, collection and transmission facilities, valves, service connections, equipment, parts, tools, chemicals, real property and other assets, properties and rights (whether tangible, real, personal or mixed), which are held and used in connection with the wastewater service to the Fountain Lakes and Marsh Landing residential communities including, but not limited to, one activated-sludge extended-aeration treatment plant with a surge tank; 6 aeration basins; 2 clarifiers; 1 chlorine contact basin; 2 sludge storage tanks/digesters; and 3 percolation 'perk' ponds with associated equipment located on 20 acres of land and currently permitted for 0.19 million gallons per day along with 6 collection systems that include 39,187 LF of gravity main, 202 manholes and 6 lift stations; exclusive of customer service lines that run from the curb clean-out area to the residences.

Appendix E

Assumed Liabilities

None

Appendix F

Seller Representations and Warranties Disclosure

1. Florida Public Service Commission Docket No. 090056, Application for Approval of Transfer of Wastewater System of Fountain Lakes Sewer Corporation, holder of Certificate 442-S, to Aqua Utilities Florida, Inc., holder of Certificate 268-S, and for amendment of Certificate 268-S, in Lee County, by Aqua Utilities Florida, Inc.

Appendix G

Leases and Other Agreements

1. Lease dated May 1, 2008, by and between Fountain Lakes Sewer Corp. and Rick Niebrugge d/b/a JRC Lawn Maintenance.

2. The following License Agreements by and between Aqua Utilities Florida, Inc. and certain residents in Fountain Lakes, each entered into on January 1, 2011:

<u>Unit</u>	<u>Name</u>	<u>Address</u>
1	Bill and Theresa Groth	22674 Fountain Lakes Blvd
2	Richard Pflieger	22638 Island Lakes Drive
3	Lynda Hansen	8790 Commerce Drive
4	Candace Lynch	3920 Spring Garden Lane
5	David and Meggan Wells	22130 Seashore Circle
9	Charles & Beverly Smith	22765 Fountain Lakes Blvd.
10	Carolyn Lindow	3671 Stone Way
11	Kip Belland Hills	27703 Island Lakes Drive
12	Dennis and Lori Martell	22631 Fountain Lakes Drive
13	Barry Jones	22675 Forestview Drive
14	William Gutierrez	22068 Seashore Circle
15	Robert (Joy Cohen) Owens, Jr.	22644 Fountain Lakes Blvd.
16	James and Terri Touchette	3851 Springside Drive
17	Elaine Drinkwater	22759 Fountain Lakes Blvd.
18	Steven Morris	22191 Fairmount Court
19	Walter and Patricia Tenley	6622 Willow Park Drive
20	Dean and Patricia Dorn	22045 Seashore Circle
21	Eric Breuer	22723 Fountain Lakes Blvd.
24	James and Marie Rose	3800 Springside Drive
25	Jerry Hildebrand	3911 Preserve Way
28	Stanley Andrzejewski	21707 Sungate Court

Appendix H

Buyer Representations and Warranties Disclosure

None

EXHIBIT "B"

**FIRST AMENDMENT TO
ASSET PURCHASE AGREEMENT**

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT is made and entered into as of this 6th day of October, 2011, by and between Bonita Springs Utilities, Inc., Aqua Utilities Florida, Inc. and Aqua Operations, Inc.

WITNESSETH:

WHEREAS, the parties entered into an Asset Purchase Agreement dated August 11, 2011 ("Agreement") regarding the sale of the wastewater and irrigation facilities; and,

WHEREAS, the parties wish to amend the Agreement as provided herein.

NOW THEREFORE, for and in consideration of the premises, mutual covenants and promises of the parties contained herein, and for other good and valuable and sufficient consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. In the first sentence of Section 3.2 of the Agreement the phrase: "sixty (60) days from the execution of this Agreement" shall be deleted and "until November 9, 2011" shall be substituted in its place.

2. In Section 2.1 of the Agreement, the original Closing Date of November 30, 2011 is changed to December 15, 2011.

2. Except as set forth herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have accepted and executed, upon the date first written above, this Amendment in two counterparts, each of which may be deemed an original Agreement.

AQUA UTILITIES, FLORIDA, INC.

By: 
Richard S. Fox, President

BONITA SPRINGS UTILITIES, INC.

By: _____
Robert Bachman, President

AQUA OPERATIONS, INC.

By: 
Richard S. Fox, Chief Operating Officer, Florida Operations

**FIRST AMENDMENT TO
ASSET PURCHASE AGREEMENT**

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT is made and entered into as of this ____ day of October, 2011, by and between Bonita Springs Utilities, Inc., Aqua Utilities Florida, Inc. and Aqua Operations, Inc.

WITNESSETH:

WHEREAS, the parties entered into an Asset Purchase Agreement dated August 11, 2011 ("Agreement") regarding the sale of the wastewater and irrigation facilities; and,

WHEREAS, the parties wish to amend the Agreement as provided herein.

NOW THEREFORE, for and in consideration of the premises, mutual covenants and promises of the parties contained herein, and for other good and valuable and sufficient consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. In the first sentence of Section 3.2 of the Agreement the phrase: "sixty (60) days from the execution of this Agreement" shall be deleted and "until November 9, 2011" shall be substituted in its place.

2. In Section 2.1 of the Agreement, the original Closing Date of November 30, 2011 is changed to December 15, 2011.

2. Except as set forth herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have accepted and executed, upon the date first written above, this Amendment in two counterparts, each of which may be deemed an original Agreement.

AQUA UTILITIES, FLORIDA, INC.

BONITA SPRINGS UTILITIES, INC.

By: _____
Richard S. Fox, President

By: Robert Bachman
Robert Bachman, President

AQUA OPERATIONS, INC.

By: _____
Richard S. Fox, Chief Operating Officer, Florida Operations

EXHIBIT "C"

**SECOND AMENDMENT TO
ASSET PURCHASE AGREEMENT**

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT is made and entered into as of this 7th day of November, 2011, by and between Bonita Springs Utilities, Inc., Aqua Utilities Florida, Inc. and Aqua Operations, Inc.

WITNESSETH:

WHEREAS, the parties entered into an Asset Purchase Agreement dated August 11, 2011, and a First Amendment to Asset Purchase Agreement dated October 6, 2011 (collectively, the "Agreement") regarding the sale of the wastewater and irrigation facilities; and,

WHEREAS, the parties wish to amend the Agreement as provided herein.

NOW THEREFORE, for and in consideration of the premises, mutual covenants and promises of the parties contained herein, and for other good and valuable and sufficient consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. In the first sentence of Section 3.2 of the Agreement the phrase: "until November 9, 2011" shall be deleted and "until December 16, 2011" shall be substituted in its place.

2. In Section 2.1 of the Agreement, the Closing Date of December 15, 2011 is changed to January 30, 2012.

3. In Section 2.5(d) of the Agreement, the phrase "November 30, 2011" shall be deleted and "January 30, 2012" shall be substituted in its place.

4. Except as set forth herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have accepted and executed, upon the date first written above, this Amendment in two counterparts, each of which may be deemed an original Agreement.

AQUA UTILITIES, FLORIDA, INC.

BONITA SPRINGS UTILITIES, INC.

By: 
Richard S. Fox, President

By: _____
Robert Bachman, President

AQUA OPERATIONS, INC.

By: 
Richard S. Fox, Chief Operating Officer, Florida Operations

**SECOND AMENDMENT TO
ASSET PURCHASE AGREEMENT**

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT is made and entered into as of this 7th day of November, 2011, by and between Bonita Springs Utilities, Inc., Aqua Utilities Florida, Inc. and Aqua Operations, Inc.

WITNESSETH:

WHEREAS, the parties entered into an Asset Purchase Agreement dated August 11, 2011, and a First Amendment to Asset Purchase Agreement dated October 6, 2011 (collectively, the "Agreement") regarding the sale of the wastewater and irrigation facilities; and,

WHEREAS, the parties wish to amend the Agreement as provided herein.

NOW THEREFORE, for and in consideration of the premises, mutual covenants and promises of the parties contained herein, and for other good and valuable and sufficient consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. In the first sentence of Section 3.2 of the Agreement the phrase: "until November 9, 2011" shall be deleted and "until December 16, 2011" shall be substituted in its place.

2. In Section 2.1 of the Agreement, the Closing Date of December 15, 2011 is changed to January 30, 2012.

3. In Section 2.5(d) of the Agreement, the phrase "November 30, 2011" shall be deleted and "January 30, 2012" shall be substituted in its place.

4. Except as set forth herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have accepted and executed, upon the date first written above, this Amendment in two counterparts, each of which may be deemed an original Agreement.

AQUA UTILITIES, FLORIDA, INC.

BONITA SPRINGS UTILITIES, INC.

By: _____
Richard S. Fox, President

By: Robert Bachman
Robert Bachman, President

AQUA OPERATIONS, INC.

By: _____
Richard S. Fox, Chief Operating Officer, Florida Operations

EXHIBIT "D"

WILL BE LATE FILED:

Copy of Notice & List of Entities Receiving Notice
(Rule 25-30.030(8))

EXHIBIT "E"

WILL BE LATE FILED:

Affidavit of Mailing Notice to Customers
(Rule 25-30.030(6))

EXHIBIT "F"

WILL BE LATE FILED:

Affidavit of Publication in Newspaper
(Rule 25-30.030(7))

EXHIBIT "G"

WILL BE LATE FILED:

**Affidavit of Mailing Notice of Application
to Rule 25-30.030(5) Entities**