

**Dorothy Menasco**

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**From:** Dana Rudolf [DRudolf@RSBattorneys.com]  
**Sent:** Thursday, December 22, 2011 4:45 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Martin Friedman  
**Subject:** Docket No. 090385-WU; Application for Authority to Transfer the Assets of Colina Bay Water Company, LLC and Certificate No. 632-W in Lake County, Florida to Colina Recovery, Inc.

**Attachments:** Amendment to Application of Colina Recovery.pdf

- a) Martin S. Friedman, Esquire  
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766 North Sun Drive, Suite 4030  
Lake Mary, FL 32746  
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- b) Docket No. 090385-WU  
Application for Authority to Transfer the Assets of Colina Bay Water Company, LLC  
and Certificate No. 632-W in Lake County, Florida to Colina Recovery, Inc.
- c) Colina Recovery, Inc.
- d) 14 pages
- e) Second Amendment to Application of Colina Recovery, Inc. for Authority to Transfer  
Assets and Certificate No. 632-W.

12/27/2011

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority )  
to Transfer the Assets of COLINA BAY )  
WATER COMPANY, LLC and Certificate )  
No. 632-W in Lake County, Florida to )  
COLINA RECOVERY, INC. )

Docket No. 090385-WU

**SECOND AMENDMENT TO APPLICATION OF COLINA RECOVERY, INC.  
FOR AUTHORITY TO TRANSFER ASSETS AND CERTIFICATE NO. 632-W**

COLINA RECOVERY, INC. (hereinafter "Utility"), by and through its undersigned attorneys, files this second amendment to its Application as amended and supplemented, for authority to transfer the water utility assets and Certificate No. 632-W, and states:

1. This Application was originally filed for approval of the transfer of assets of Colina Bay Water Company, LLC and Certificate 632-W to Colina Recovery, Inc., which was an entity created by Mercantile Bank to hold the assets pursuant to a foreclosure on Colina Bay Water Company, LLC.

2. Mercantile Bank subsequently sold the stock of Colina Recovery, Inc. to Turtle Creek Lots, LLP, and a copy of the Agreement has been previously filed in this Docket, and an amendment to the Application filed. Immediately upon the purchase of Colina Recovery, Inc., the development lots were conveyed to a separate entity, leaving only the utility assets in Colina Recovery, Inc.

3. On December 9, 2011, an agreement was entered into to sell all of the stock of the Utility to Colina Bay Homeowners Association, Inc., a non-profit Florida corporation ("HOA"). A true and correct copy of the Agreement is attached hereto as Exhibit "A" ("Agreement").

4. Pursuant to Section 2.1 of the Declaration of Easements, Covenants, Conditions and Restrictions for Colina Bay, recorded in Official Records Book 3307, Page

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2126, of the Public Records of Lake County, Florida, every lot owner must be a member of the HOA, and only lot owners may be members of the HOA. Thus, the ownership and operation of a water utility by the HOA is exempt from Commission jurisdiction pursuant to Section 367.022(7), Florida Statutes.

5. On December 16, 2011, the closing on the sale of the stock of the Utility was closed, as evidenced by the Stock Assignment and Transfer Power Separate from Certificate attached hereto as Exhibit "B." Pursuant to Section 4 of the Agreement, the closing is contingent to Commission approval.

6. Although the water plant is constructed and operational as are the distribution lines, the Utility has no customers.

7. Incidentally, the \$200,000 purchase price is substantially below the total of the UPIS and land values of \$1,281,940 established in Order No. PSC-06-0775-PAA-WU issued September 18, 2006.

WHEREFORE, Colina Recovery, Inc. requests this Commission approve the transfer of organizational control to Colina Bay Homeowners Association, Inc., and cancel Certificate No. 632-W.

Respectfully submitted this 22<sup>nd</sup> day of December, 2011, by:

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MARTIN S. FRIEDMAN  
Florida Bar No.: 0199060  
For the Firm

AGREEMENT FOR THE PURCHASE AND SALE  
OF THE STOCK OF COLINA RECOVERY, INC.

THIS AGREEMENT FOR THE PURCHASE AND SALE OF THE STOCK OF COLINA RECOVERY, INC. (the "Agreement") is made and entered into by and between COLINA BAY HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation ("Purchaser"), and COLINA BAY INVESTMENTS, LLC, a Florida limited liability company ("Seller.")

RECITALS

- A. Seller is the owner of all the duly issued, paid up, non-assessable and outstanding shares of the capital stock (the "Stock") of Colina Recovery, Inc., a Florida corporation ("Colina"); and
- B. Colina is the owner of the real property which is legally described on Exhibit A attached hereto and made a part hereto ("Tract F") together with the potable water treatment plant, equipment, improvements, operating permits and licenses (the "Water Plant") located thereon; and
- C. The Water Plant supplies potable water to all of the subdivision lots located in the "Colina Bay" subdivision (the "Subdivision") and is located on "Tract F" as that tract is described in the duly recorded plat of the Subdivision; and
- D. The Purchaser is the homeowners association for the Subdivision, formed in accordance with the "Declaration of Easements, Covenants, Conditions and Restrictions for Colina Bay" recorded in the public records of Lake County Florida commencing at Official Records Book 3307, Page 2126 (the "Declaration") and Florida Statutes Chapter 720; and
- E. Under the terms and conditions of the Declaration, the Purchaser is charged with overseeing, administering and managing certain portions of the "Common Areas" (as that term is defined in the Declaration) for the common use and enjoyment of its "Members" (as that term is defined in the Declaration); and
- F. The Purchaser reasonably believes that a consistent supply of potable water meeting the health requirements of Lake County, Florida and the State of Florida is necessary for the common use and enjoyment of each of the lots in the Subdivision; and
- G. The Purchaser also reasonably believes that it is in the best interests of all of its Members that the Water Plant be owned and administered by the Purchaser for common benefit of all of its Members rather than allowing it to be owned and operated by a private third party; and
- F. Subject to the terms and conditions set forth in this Agreement, the Purchaser desires to purchase and the Seller desires to sell the Stock.

AGREEMENT

NOW THEREFORE, in consideration of the terms of this Agreement and other good and valuable consideration paid by Purchaser to Seller, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser hereby agree as follows:



1. Agreement to Buy and Sell. Subject to the terms and conditions contained herein, Seller hereby agrees to sell and Purchaser agrees to purchase all of the Stock. For the purposes of this Agreement, the phrase "Effective Date" shall mean the date on which the last party executes this Agreement.

2. Purchase Price. The total purchase price for the Stock shall be \$200,000.00 (the "Purchase Price.") At the Closing (as defined below) the Purchaser shall pay the Purchase Price to the Seller by delivering a purchase money promissory note, in form and substance reasonably acceptable to the Seller, in the original principal amount of \$200,000.00 and bearing interest at the rate of four (4%) percent per annum (the "Note"). The Note shall provide that, (i) on each occasion on which Colina shall have received a "water connection fee", or similar fee for the right to connect to the Colina Assets and receive potable water, then a corresponding payment shall be due and payable by the Purchaser to the Seller thereunder, and (ii) all such payment received by the Seller shall be first applied to the costs of collecting such payment, if any, then to accrued and unpaid interest and finally is reduction of the outstanding principal balance of the Note. The Note shall mature and all sums due the Seller thereunder shall be due and payable in full, on the tenth anniversary of the Closing Date.

3. Interested Party Disclosure. The Seller hereby discloses the following matters for all purposes hereunder:

A. The Seller is the owner of record of the Stock and is also the owner of record of the lands in the Subdivision that are legally described as follows (collectively, the "Seller Lots"):

All of the Lots and Tracts comprising, of COLINA BAY, according to the Plat thereof as recorded in Plat Book 60, Page(s) 34 through 38, of the Public Records of Lake County, Florida, LESS AND EXCEPT the following Lots and Tracts:

Tracts A, B, C, D, E and G and Lots 16, 52, 53, 63, 65, 68, 69 and 72; and

B. By virtue of its ownership of the Seller Lots, the Seller has the sufficient votes, acting in its capacity as a "Member" (as that term is defined in the Declaration) of the Purchaser, to control its "Board of Directors" (as that term is defined in the Declaration) and, as a consequence, to cause the Purchaser's Board of Directors to approve the execution, delivery and performance of this Agreement. While the Purchaser intends to seek the approval of this Agreement by its Members, such approval is not required under either the Declaration or Florida Statutes Chapter 720. As a consequence of the forgoing, the terms and conditions set forth in this Agreement, while reasonably believed by the Seller to be fair and reasonable under the circumstances, are not the result of arms length negotiations between the parties; and

C. While the Seller has been assigned a limited portion of the rights originally afforded to Colina Bay, LLC as the "Developer" (as that term is defined in the Declaration) under the terms and conditions of the Declaration, the Seller is not deemed to be a Developer thereunder. As a consequence, the provisions set forth in Florida Statutes Chapter 720 regarding developers of subdivisions in general do not apply to the Seller in connection with its ownership of the Seller Lots and its membership in the Seller.

4. Regulatory Approval Contingency. The sale of assets contemplated by this Agreement is subject to and contingent upon Florida Public Service Commission ("FPSC") approval. As provided in Section 367.071, Florida Statutes, the parties desire to close the transaction in advance of the FPSC's approval. In the event that the FPSC determines that the sale and transfer of the Stock is not in the public interest and that the Purchaser will not fulfill the commitments, obligations, and representations of the utility,

and, therefore, the FPSC denies such transfer then the Stock shall remain with the Seller and any and all agreements or understandings regarding the sale and conveyance of the Stock will be null and void between the Seller and Buyer.

5. Information. The Seller shall, no later than three business days prior to the Closing Date (as that term is defined below), deliver true, accurate and complete copies of the following documents and/or instruments (collectively, the "Books and Records") to the Purchaser to the extent that the same are within the care, custody or control of the Seller (i) Colina's corporate articles of incorporation, by-laws, minute book and stock transfer ledger; and (ii) Colina's books of account, ledgers, check registers, bank account records, and other financial records and documents.

6. Closing. The Seller and Purchaser shall consummate the purchase and sale transaction contemplated by this Agreement (the "Closing") at the offices of the White & Luczak, P.A. or another mutually agreeable location, at 10:00 AM on a date which is the fifth business day following the date on which the Purchaser shall have duly adopted a resolution authorizing its president to execute and deliver this Agreement (the "Closing Date").

7. Obligations at Closing. At the Closing, the following shall occur:

A. Purchaser shall: (i) pay to Seller the Purchase Price by delivering the Note to it, subject however to adjustments and pro-rations as provided for below, plus all Purchaser Closing Costs (defined below) and any other sums due Seller pursuant to the terms of this Agreement; and (ii) execute and/or deliver to Seller any other documents or matters required by this Agreement, including a closing or settlement statement.

B. Seller shall: (i) lawfully endorse for transfer, assign and deliver all of the certificates evidencing the Stock and; (ii) execute and deliver any other documents or matters required by this Agreement, including a closing or settlement statement

8. Closing Costs. At the Closing, the Seller shall pay (i) all documentary stamp and other taxes, if any, which are due the State of Florida or any other jurisdiction or governmental agency in connection as a result of the transfer of the Stock (or, if required by applicable law, the imputed transfer of the Colina Assets); and (ii) its own attorney's fees. At the Closing, the Purchaser shall pay (i) the recording fees, if any, associated with the recording of any document required hereunder; and (ii) Purchaser's attorneys' fees and costs ("Purchaser Closing Costs").

9. As Is Where Is. At the Closing and by virtue of its acquisition of title to the Stock, the Purchaser at shall be deemed to have accepted Colina, Tract F and the Water Plant (collectively, the "Colina Assets") in their then-present condition, "AS IS, WITH ALL FAULTS AND DEFECTS, LATENT OR APPARENT, AND, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED" other than those warranties and representations of the Seller set forth in Section 13 below (collectively the "Seller Warranties"). Purchaser acknowledges and agrees that, with the exception of the Seller Warranties, Seller has not made, does not make and specifically negates and disclaims any other representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (i) the value, nature, quality or physical condition of the Colina Assets, including, without limitation, the water, soil and geology, (ii) the income to be derived from the Colina Assets, (iii) the compliance of or by the Colina Assets or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, (iv) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Colina Assets, (v) the manner or quality of the

construction or materials, if any, incorporated into the Colina Assets, (vi) the manner, quality, state of repair or lack of repair of the Colina Assets, or (vii) the correctness or accuracy of the information in the Books and Records or of the ability of Purchaser to rely upon or use such information. Seller has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land uses laws, rules, regulations, orders or requirements, including the existence in or on the Colina Assets of hazardous substances. Purchaser further acknowledges and agrees that Purchaser is relying on the Seller Warranties and not on any other information or Information provided or to be provided by Seller, and at the Closing agrees to accept the Colina Assets and waive, excepting only as to claims based upon the Seller's Warranties, all other objections or claims against Seller (including, but not limited to, any right or claim of contribution) arising from or related to the matters set forth above in this Section or as to any hazardous substances on Tract F. The Purchaser expressly acknowledges that, with the exception of the Seller Warranties upon which the Purchaser has relied, Purchaser has not relied on any other warranties, promises, understandings or representations, express or implied, oral or written, of Seller and/or any Seller Party, relating to the Colina Assets which are not contained in this Agreement. The Purchaser further acknowledges and agrees that any information provided or to be provided with respect to the Colina Assets was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Seller is not liable or bound in any manner by any verbal or written statements, representations or information pertaining to the Colina Assets, or the operation thereof, furnished by any real estate broker, agent, employee, servant or other person, except as otherwise provided herein. THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THE CONSIDERATION FOR SELLER'S ENTERING INTO THIS AGREEMENT, AND SHALL SURVIVE CLOSING.

10. Purchaser's Release of Seller. As an inducement to the Seller to enter into this Agreement, Purchaser for itself and its respective directors, officers, shareholders, partners, affiliates, employees, agents, attorneys, representatives, heirs, successors and assigns ("Purchaser Party" or "Purchaser Parties"), hereby waives, releases and discharges Seller and all affiliates of Seller and their respective directors, officers, shareholders, employees, agents, attorneys, representatives, heirs, successors and assigns ("Seller Party" or "Seller Parties") from all actions, claims, causes of action, suits, proceedings, demands, damages, costs, expenses, liabilities and affirmative defenses of any kind or nature whatsoever, whether known or unknown, against any or all of the Seller Parties arising from, relating or with respect to or involving in any way, directly or indirectly, any act, statement, omission or conduct, regarding the environmental condition (including the presence in the soil, air, structures and surface and subsurface waters, of materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Colina Assets under current or future federal, state and local laws, rules, regulations or guidelines, including, without limitation, naturally occurring gases, fungi, mycotoxins and pathogens such as carbon dioxide, radon and mold, valuation, salability or utility of the Colina Assets, or its suitability for any purpose whatsoever. Without limitation, Purchaser, for itself and all other Purchaser Parties, specifically releases Seller from any claims it, any other Seller Party or their respective successors and assigns may have against Seller now or in the future under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended; and any other analogous state or federal statute; and common law arising from the environmental conditions of the Colina Assets or the presence of hazardous substances, solid wastes or any other pollutants or contamination the Colina Assets. The provisions of this paragraph shall survive the Closing.

11. Default. If the Purchaser breaches this Agreement and such breach continues uncured for a period of ten (10) days following the Purchaser's receipt of written notice thereof from the Seller, then



the Seller shall be entitled to all remedies available to it at law or equity as a consequence thereof. If the Seller breaches this Agreement and such breach continues uncured for a period of ten (10) days following the Seller's receipt of written notice thereof from the Purchaser, then the Purchaser shall be entitled to pursue either (i) the equitable remedy of specific performance, or (ii) an action at law for damages against the Seller provided however that the Purchaser's damages shall not exceed a sum of money which is equal to the attorney's fees, consulting fees and all other "out-of-pocket" due diligence costs and expenses incurred by the Purchaser to the date of such breach. Under no circumstances (x) may a party pursue a claim for consequential damages as a result of a post closing default or (y) must a party give the other party notice of a breach of this Agreement if the breach is the failure of such party to close at the Closing.

12. Purchaser's Representation and Warranties. Purchaser hereby represents, warrants and covenants to Seller that the Purchaser has the legal capacity and authority to execute and perform this Agreement and that all necessary consents and approvals that may be required of Purchaser have been obtained.

13. Seller's Representation and Warranties. As an inducement to the Purchaser to enter into this Agreement, the Seller warrants and represents to, and covenants with, the Purchaser as follows:

A. Seller is a duly organized and validly existing Florida limited liability company, qualified to do business in the state of Florida, and in good standing; that Seller has the power as a limited liability company to execute and perform this Agreement; all necessary consents and approvals from Seller have been obtained; and that the persons executing this Agreement on behalf of Seller are duly empowered to bind Seller to perform its obligations hereunder.

B. Neither the execution, delivery or performance of this Agreement by the Seller nor the consummation of any of the transactions provided for in this Agreement (1) will result in any material breach of or default by the Seller under any provision of any contract or agreement of any kind to which the Seller is a party or by which the Seller is bound or to which the properties or assets of the Seller are subject, or (b) is prohibited by, or requires the Seller to obtain or make any consent, authorization, approval, registration or filing under, any statute, law, ordinance, regulation, rule, judgment, decree or order of any court or governmental agency, board, bureau, body, department or authority, or of any other person.

C. There are no actions, suits, proceedings or investigations, either at law or in equity, or before any commission or other administrative authority in any jurisdiction, of any kind now pending or, to the best of the Seller's knowledge, threatened or proposed in any manner, or any circumstances which could reasonably form the basis of any such action, suit, proceeding or investigation, involving the Seller, any affiliate of the Seller, or any of their respective properties or assets that (1) questions the validity of this Agreement, or (2) seeks to delay, prohibit or restrict in any manner any action taken or contemplated to be taken by the Seller under this Agreement.

D. Colina is a corporation validly existing and in good standing under the laws of the State of Florida and has the corporate power and authority to carry on its business as now being conducted and to own and operate the assets now owned and being operated by it. Colina is duly qualified or licensed to do business in Florida.

E. Colina's authorized capital stock consists of 1,000 shares of Common Stock. As of the Effective Date and the Closing Date, 1,000 shares of voting Common Stock of Colina were issued and outstanding. Colina is not a party to or bound by any contract, agreement or arrangement to issue, sell or otherwise dispose of or redeem, purchase or otherwise acquire any capital stock or any other security or



any other security exercisable or exchangeable for or convertible into any capital stock or any other security and there is no outstanding option, warrant or other right to subscribe for or purchase, or contract, agreement or arrangement with respect to, any capital stock or any other security of Colina or any other security exercisable or convertible into any capital stock or any other security of Colina.

F. Colina has good and lawful title to all of its material assets free and clear of any liens or encumbrances of any nature whatsoever.

G. To the best of the Seller's knowledge, Colina has obtained and currently maintains in full force and effect, all of the permits, licenses and governmental approvals which are required in order for it to lawfully own and operate the Colina Assets (collectively the "Permits.")

H. The Seller in the owner of record of the Stock and the Stock is free and clear of any liens or encumbrances of any nature whatsoever.

I. Colina does not have any employees.

14. Seller's Covenants. The Seller covenants that from and after the Effective Date of this Agreement and until the Closing, the Seller shall cause Colina to be operated as follows:

A. The business of Colina shall be operated only in the ordinary course and consistent with past practice and, in connection with such operation, the Seller shall use all reasonable efforts to preserve intact the present organization of Colina and the business relationships of Colina with persons or business entities having business relationships with them, including its vendors.

B. No change shall be made in the Articles of Incorporation of Colina or its Bylaws.

C. No change shall be made in the number of shares of authorized or issued capital stock of Colina; nor shall any option, warrant, call, right, commitment, conversion right, right of first refusal, or agreement of any character be granted or made by it relating to the authorized or issued capital stock thereof; nor shall Colina issue, grant or sell any securities or obligations convertible into shares of its capital stock of Colina; nor shall the Seller in any manner whatsoever transfer any interest in Colina to any person; nor shall Colina make any declaration, setting aside or payment of any dividend or distribution of assets (in cash, in kind or otherwise) in respect of its capital stock, nor repurchase or agree to repurchase any share of such capital stock.

D. Except in the ordinary course of business and consistent with past practice, Colina shall not (i) incur any indebtedness in addition to any indebtedness outstanding on the date hereof or any renewals or extensions thereof; (ii) enter into any agreement requiring the maintenance of a specified net worth; (iii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other individual, firm or Company, except for endorsement of checks for collection in the ordinary course of business; or (iv) make any loans, advances or capital contributions to, or investments in, any other individual, firm or Company, except in connection with normal relocations, travel advances or other advances which in the aggregate are not material.

E. Colina shall not (i) increase the compensation payable or to become payable by it to any officer or employee thereof, or increase any bonus, insurance, pension or other employee benefit plan, or increase any payment plan, payment or arrangement made to, for or with any employees, or (ii) commit itself to any additional pension, profit-sharing, bonus, stock appreciate right, group insurance, severance pay, retirement or other employee benefit plan, agreement or arrangement, or to any employment or

material consulting agreement with or for the benefit of any person or to amend any of such plans or any of such agreements in existence on the date hereof.

F. Colina shall not, except in the ordinary course of business, sell, transfer, mortgage or otherwise dispose of, or encumber, or agree to sell, transfer, mortgage or otherwise dispose of or encumber, any properties, real, personal or mixed, tangible or intangible.

G. The Seller shall not approve, recommend or undertake any merger, consolidation, acquisition of all or substantially all of the assets or tender offer or other takeover transaction or enter into any negotiations with, or furnish or cause to be furnished, any information concerning its business, properties or assets to, any person.

H. Colina shall not take, or knowingly permit to be taken, any action or do, or knowingly permit to be done, anything in the conduct of the business of Colina which would be contrary to or in breach of any of the terms or provisions of this Agreement or which would cause any of the representations contained herein to be or to become untrue.

I. Colina shall not declare or set aside payment for or make any dividend or other distributions, whether in cash stock or Colina Assets (or any combination thereof), to the Seller.

15. Attorney's Fees and Costs and Jury Waiver. In the event any legal action is instituted in connection herewith, the prevailing party shall be entitled to recovery from the opposing party, and the opposing party shall pay, all of its costs and expenses incurred in connection therewith, including reasonable attorney's fees, prior to trial, at trial and on appeal of the prevailing party. EACH PARTY HERETO WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY ANY PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF PURCHASER AND SELLER HEREUNDER OR THE COLINA ASSETS.

16. Miscellaneous Provisions.

A. Effective Date. The term "date of this Agreement" or "date hereof" or "effective date of this Agreement" or "Effective Date" as used herein shall mean the later of the following dates: (i) the date of Seller's signature or (ii) the date of Purchaser's signature.

B. Interpretation. The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. The parties have equal bargaining power, and intend the plain meaning of the provisions herein. In the event of an ambiguity in, or dispute regarding, the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the draftsman.

C. Integration. This Agreement contains all of the agreements, representations and warranties of the parties hereto and supersedes all other discussions, understandings or agreements in respect to the subject matter hereof. All prior discussions, understandings and agreements are merged into this Agreement, which alone fully and completely expresses the agreements and understandings of the parties hereto. The parties agree that there are no oral agreements, understandings, representations, or warranties which are not expressly set forth herein.

D. Time of the Essence. Time is of the essence of this Agreement.

E. Non-waiver. No delay or failure by either party to exercise any right hereunder and no partial or single exercise of such right will constitute a waiver of that or any other right, except by written agreement executed by the parties or unless expressly provided otherwise herein.

F. Commissions. Seller and Purchaser each hereby warrant and represent to the other that no brokers', agents', finders' fees, commissions or other similar fees are due or arising in connection with the entering into of this Agreement, the sale and purchase of the Colina Assets, or the consummation of transactions contemplated herein, and Seller and Purchaser each hereby agree to indemnify and hold the other harmless from and against all liability, loss, cost, damage or expense (including, but not limited to, attorneys' fees and costs of litigation) which the other party shall suffer or incur because of any claim by a broker, agent or finder claiming by, through or under such indemnifying party, whether or not such claim is meritorious, for any compensation with respect to the entering into of this Agreement, the sale and purchase of the Colina Assets, or the consummation of the transactions contemplated herein.

G. No Assignment. This Agreement shall not be assignable by Purchaser without the prior written consent of Seller, which may be withheld in Seller's sole and absolute discretion.

H. Binding Effect. This Agreement shall be binding upon the parties, their successors and assigns.

I. Business Day. If any time period under this Agreement ends on a day other than a Business Day (as hereinafter defined) then the time period shall be extended until the next Business Day. The term "Business Day" shall mean Monday through Friday excluding legal holidays recognized by the United States government when the U.S. Post Office in Orange County, Florida is closed.

J. Further Assurances. Seller and Purchaser each hereby covenant and agree to execute and deliver all such documents and instruments, and to take such further actions as may be reasonably necessary or appropriate, from time to time, to carry out the intent and purpose of this Agreement and to consummate the transactions contemplated hereby; provided, however, that all such documents and instruments executed, and actions taken, by Seller shall be without recourse, representation or warranty of any kind or nature whatsoever, except as specifically and expressly provided in this Agreement.

K. Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida, with venue for any legal action in the court of jurisdiction in Orange County Florida.

L. Entire Agreement. The parties agree that the provisions of this Agreement represent the entire Agreement between the parties. Any amendments hereto shall be in writing and signed by both parties.

M. Notices. All notices provided for in this Agreement shall be in writing and shall be deemed to have been duly given as of the date and time the same are personally delivered, or within five (5) days after depositing same with the United States Postal Service, postage prepaid by registered or certified mail, return receipt requested, or within one (1) business day after depositing with Federal Express or other overnight delivery service from which a receipt may be obtained, at such address as either party hereto shall from time to time designate to the other party by notice in writing as herein provided.

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I. Business Day. If any time period under this Agreement ends on a day other than a Business Day (as hereinafter defined) then the time period shall be extended until the next Business Day. The term "Business Day" shall mean Monday through Friday excluding legal holidays recognized by the United States government when the U.S. Post Office in Orange County, Florida is closed.

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K. Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida, with venue for any legal action in the court of jurisdiction in Orange County Florida.

L. Entire Agreement. The parties agree that the provisions of this Agreement represent the entire Agreement between the parties. Any amendments hereto shall be in writing and signed by both parties.

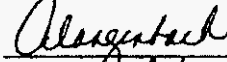
M. Notices. All notices provided for in this Agreement shall be in writing and shall be deemed to have been duly given as of the date and time the same are personally delivered, or within five (5) days after depositing same with the United States Postal Service, postage prepaid by registered or certified mail, return receipt requested, or within one (1) business day after depositing with Federal Express or other overnight delivery service from which a receipt may be obtained, at such address as either party hereto shall from time to time designate to the other party by notice in writing as herein provided.


Counsel for the parties set forth herein may deliver or receive notice on behalf of the parties. When any period of time prescribed herein is less than six (6) days, intermediate non-Business Days shall be excluded in the computation.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth below.

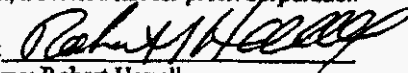
Signed, sealed and delivered  
in the presence of:

Witnesses:

  
Print Name: A. Langebach

  
Print Name: Claudia DeMao

Purchaser:  
Colina Bay Homeowners Association,  
Inc., a Florida not for profit corporation

by:   
Name: Robert Harrell  
Title: President

Date of execution: December 9, 2011

Seller:  
Colina Bay Investments, LLC, a Florida limited liability

Marcia Blackburn  
Print Name: MARCIA BLACKBURN  
Marilyn Detweiler  
Print Name: Marilyn Detweiler

company

By: Ralph Singleton  
Name: Ralph Singleton  
Its: Manager

Date of execution: December 7, 2011

E X H I B I T " A "


Tract F, COLINA BAY, according to the Plat thereof as recorded in Plat Book 60, Page(s) 34 through 38,  
of the Public Records of Lake County

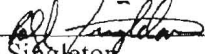
**STOCK ASSIGNMENT AND TRANSFER POWER**  
**SEPARATE FROM CERTIFICATE**

FOR VALUE RECEIVED, COLINA BAY INVESTMENTS, LLC, a Florida limited liability company whose address is 529 Versailles Drive, Suite 200, Maitland, Florida 32751 ("Assignor"), hereby sells, assigns, conveys and transfers unto COLINA BAY HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation ("Assignee"), ONE THOUSAND (1,000) SHARES (the "Shares") of the Common Capital Stock of COLINA RECOVERY, INC., a Florida corporation (the "Corporation"), standing in the name of the Assignor on the books of the Corporation and do hereby irrevocably constitute and appoint the corporate secretary of the Corporation as its lawful attorney-in-fact for the purposes of transferring the ownership of the Shares to the Assignee on the books and records of the Corporation with full power of substitution in the premises effective as of the 16<sup>th</sup> day of December, 2011.

ASSIGNOR:  
Colina Bay Investments, LLC, a Florida limited liability company

  
Print Name: Robert B. White Jr.

  
Print Name: MATTHEW FUTCH

By:   
Name: Ralph Singleton  
Its: Manager

Date of execution: December 16<sup>th</sup>, 2011

