

120011-WS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Joint Notice by Rainbow)
Springs Utilities, L.C., and the)
City of Dunnellon, Florida of)
transfer of water and wastewater)
assets located in Marion County,)
Florida to the City of)
Dunnellon, Florida and request)
for cancellation of)
certificates.)
_____)

DOCKET NO.

Filed: January 6, 2012

COMMISSION
CLERK

12 JAN -6 AM 11:37

RECEIVED FPSC

JOINT NOTICE OF TRANSFER OF RAINBOW SPRINGS UTILITIES, L.C.,
WATER AND WASTEWATER ASSETS LOCATED IN MARION COUNTY,
FLORIDA TO THE CITY OF DUNNELLO, FLORIDA AND
REQUEST FOR CANCELLATION OF CERTIFICATES

Rainbow Springs Utilities, L.C. ("Transferor" or "Rainbow Springs"), and the City of Dunnellon ("Transferee" or "City") file this Notice pursuant to Section 367.071(4), Florida Statutes, as notice of the transfer of Rainbow Springs' water and wastewater assets in Marion County to the City and to request the cancellation of the certificates issued to Rainbow Springs by the Florida Public Service Commission (the "Commission").

1. The name and address of Rainbow Springs and its authorized representative, for purposes of this Notice, are:

Rainbow Springs Utilities, L.C.
c/o Chase Enterprises
225 Asylum Street, 29th Floor
Hartford, CT 06103-1538

Authorized Representative:

COM _____
APA _____
ECR 1
GCL 1
RAD _____
SRC _____
ADM _____
OPC _____
CLK 1 Ng

DOCUMENT NUMBER DATE

00115 JAN-6 2

FPSC-COMMISSION CLERK

F. Marshall Deterding
Sundstrom, Friedman & Fumero, LLP
2548 Blairstone Pines Dr.
Tallahassee, Florida 32301
Phone: 850-877-6555

2. The name and address of the City of Dunnellon/Transferee and its authorized representative, for purposes of this Notice, are:

City Manager Lisa Algiere
City of Dunnellon
20750 River Drive
Dunnellon, FL 34431

Authorized Representative:

Fowler, O'Quinn, Feeney & Sneed, P.A.
Attn: Marsha Segal-George
28 West Central Blvd., 4th Floor
Orlando, FL 32801
Phone: 407-425-2684

3. After a diligent search of all Utility records, the Management of Rainbow Springs is unable to locate the Original Certificate Nos. 355-W and 311-S last issued by the Florida Public Service Commission in August of 1998. Attached as Composite Exhibit A are copies of those Certificates.

4. On December 28, 2011, the City conducted a public hearing in accordance with Section 180.301, Florida Statutes, addressed the factors identified in such statute and found the acquisition of the

water and wastewater assets of Rainbow Springs ("Rainbow Springs' System") to be in the public interest.

5. The City obtained from Rainbow Springs the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction.

6. The transaction closed in escrow on December 30, 2011.

7. Subsequent to the closing of this transaction in Escrow, Rainbow Springs has retained no assets that would constitute a system providing or proposing to provide water or wastewater service to the public for compensation.

8. Rainbow Springs has submitted a final bill to its customers and has transferred the minor amount of customer deposits outstanding, with interest, to the City as appropriate and required by this Commission or by law. Since all Rainbow Springs' customers with deposits were credited with accrued interest as of November 15, 2011, the amount of interest accrued from that date to closing is minor. A listing of outstanding deposits and accrued interest thereon is attached hereto as Exhibit B. These deposits with accrued interest through closing were transferred to the City at closing and will be maintained by the City in accordance with their policies and procedures. This explanation and disposition complies with the requirements of subsection (4)(g) of Rule 25-30.037, FAC.

9. There are no outstanding issues relevant to Rainbow Springs' water and/or wastewater facilities pending before the Commission.

10. Attached hereto as Exhibit C are the required forms to pay all outstanding regulatory assessment fees due from July 1, 2011 through the date of closing, which are being filed with the Commission's Division of Administration today, along with a check payable to the PSC for the full amount owed.

11. Section 367.071(4)(a), Florida Statutes, provides that the transfer of utility assets to a governmental authority shall be approved as a matter of right. Thus only the requirements in subsection (4) of Rule 25-30.037, Florida Administrative Code (the "Rule") apply.

The information identified in paragraph 4(a) of the Rule is provided in Section 1 herein. The information identified in paragraph 4(b) of the Rule is provided in Section 2 herein. The information identified in paragraph 4(d) of the Rule is provided in Section 7 herein. The information identified in paragraph 4(e) of the Rule is provided in Section 6 herein. The information identified in paragraph 4(f) of the Rule is provided in Section 6 herein. Attached as composite Exhibit D is a copy of the items identified in paragraph 4(c) of the Rule.

The City respectfully requests a Commission order consistent with Subsection (6) of the Rule, which provides that "[u]pon its receipt of items required in paragraphs 4(a), (b), (c), (d), (e) and (f), the Commission will issue an order acknowledging that the facilities or any portion thereof have been acquired by the governmental authority."

12. In accordance with the requirements of Rule 25-30.037(7), upon receipt of the items required by subsection (4)(g) and subsection (4)(h), the utility certificate will be canceled. The information provided in paragraphs 8, 9 and 10 hereof comply with the requirements of those subsections and as such the Commission should cancel the certificates of Rainbow Springs.

13. Notice is submitted without waiving any legal position or claims that Rainbow Springs or the City may have regarding the standards and criteria to be utilized by the Commission in processing this Notice.

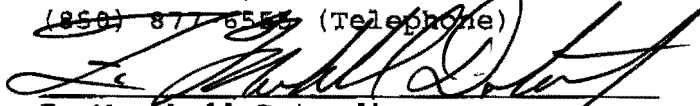
WHEREFORE, Rainbow Springs and the City request that the Commission:

1. Acknowledge the sale of Rainbow Springs' water and wastewater assets to the City as set forth in this Notice; and

2. Cancel the Certificates of Rainbow Springs attached hereto as composite Exhibit A.

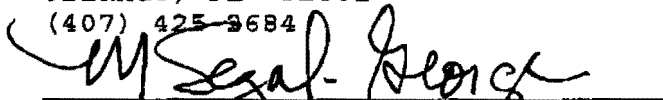
Respectfully submitted,

SUNDSTROM, FRIEDMAN & FUMERO, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
~~(850) 877-6555~~ (Telephone)



F. Marshall Deterding
Attorney for Rainbow Springs Utilities, L.C.

Fowler, O'Quinn, Feeney & Sneed, P.A.
28 West Central Blvd., 4th Floor
Orlando, FL 32801
(407) 425-3684



Marsha Segal George, Esq.
Attorney for City of Dunnellon, Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Hand Delivery and U.S. Mail this 6th day of January, 2012, to:

Curt Kiser, Esq.
General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850



F. Marshall Deterding
Attorney for Rainbow Springs Utilities, L.C.

COMPOSITE EXHIBIT A

COPIES OF RAINBOW SPRINGS' WATER AND WASTEWATER CERTIFICATES

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number
355 - W

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

RAINBOW SPRINGS UTILITIES, L.C.

Whose principal address is:

19974 S.W. 102nd Street Road
Dunnellon, Florida 34432 (Marion County)

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

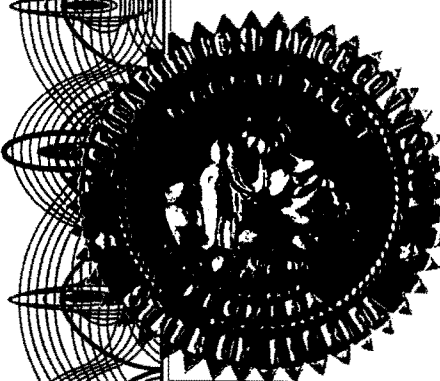
This Certificate shall remain in force and effect until
suspended, cancelled or revoked by Orders of this
Commission.

ORDER	10846	DOCKET	810352-WS
ORDER	PSC-95-1305-FOF-WS	DOCKET	950599-WS
ORDER	PSC-98-0593-FOF-WS	DOCKET	971195-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
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BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Diana S. Bayji

Director
Division of Records and Reporting



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number
311 - S

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

RAINBOW SPRINGS UTILITIES, L.C.

Whose principal address is:

19974 S.W. 102nd Street Road
Dunnellon, Florida 34432 (Marion County)

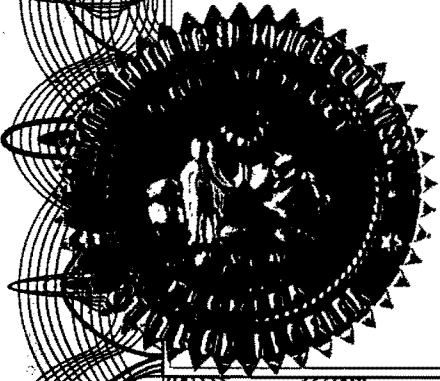
to provide wastewater service in accordance with the
provision of Chapter 367, Florida Statutes, the Rules,
Regulations and Orders of this Commission in the
territory described by the Orders of this Commission.

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

ORDER	10846	DOCKET	810352-WS
ORDER	PSC-95-1305-FOF-WS	DOCKET	950599-WS
ORDER	PSC-98-0593-FOF-WS	DOCKET	971195-WS
ORDER		DOCKET	
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ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Glenn S. Boyd
Director
Division of Records and Reporting



COMPOSITE EXHIBIT B

ITEMS REQUIRED BY RULE 25-30.037(4)(c), F.A.C.

RAINBOW SPRINGS OUTSTANDING CUSTOMER
DEPOSITS AND INTEREST

ACCT #	NAME	DEPOSIT PD	DEPOSIT AMT	(a) credited 11/16/2011	interest # days	(b) interest to 12/30/2011
100170	Dustin Hickey	11/4/2011	\$118.60			
200070	Dawn Cavanaugh	12/6/2011	\$85.82		56	\$1.09
1000020	Alfred Bingham	4/7/2009	\$156.50	\$18.42	24	\$0.34
1900310	Leon & Wilma Linebarger	11/27/2006	\$105.16	\$12.38	44	\$1.13
12300010	Patricia Decker	8/15/2008	\$70.58	\$8.31	44	\$0.76
15500020	Clayton Douglas	10/6/2009	\$168.76	\$19.86	44	\$0.51
15500030	Susan Marr	12/11/2008	\$155.64	\$18.32	44	\$1.22
15900360	Shonnel Aveni	12/6/2011	\$118.06		44	\$1.13
16500130	Troy & Elisa Bell	11/4/2008	\$160.72	\$18.92	24	\$0.47
16700050	William Tubbs	10/7/2011	\$92.92		44	\$1.16
16700540	Paul Dippert	7/10/2008	\$127.94	\$15.06	84	\$1.28
16800020	Lanisia Brooks	12/6/2011	\$66.28		44	\$0.93
17300130	Cecilia O'Neil	10/17/2011	\$48.78	\$0.24	24	\$0.26
17600160	Dawn Ryder	10/7/2011	\$101.52		44	\$0.35
17800080	Violet McGillicuddy	9/16/2011	\$133.76	\$1.34	84	\$1.40
17800160	Orlando Flores	8/14/2008	\$47.82	\$5.63	44	\$0.97
18000050	Thomas & Winifred Tenhagen	12/6/2011	\$94.26		44	\$0.35
					24	\$0.37
			\$1,853.12	\$118.48		

COMPOSITE EXHIBIT C

ITEMS REQUIRED TO PAY OUTSTANDING REGULATORY ASSESSMENT FEES

ROSE, SUNDSTROM & BENTLEY, LLP
IOTA ACCOUNT
PH 850-877-6555
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FL 32301

2137

63-68/631
BRANCH 002

DATE Jan. 6, 2012

PAY TO THE ORDER OF Florida Public Service Commission | \$*27,084.34*

Twenty-Seven Thousand Eighty-Four and 34/100-----DOLLARS



John Wharton
E. M. Okey

FOR 29030.08

11

© HARLAND STYLE XXX

Large Water System Regulatory Assessment Fee Return

Florida Public Service Commission

STATUS:

Actual Return
 Estimated Return

PERIOD COVERED:
 07/01/2011 TO 12/31/2011

(See Filing Instructions on Back of Form)

WS199-11-W-2-R
Rainbow Springs Utilities, L.C.
P. O. Box 1850
Dunnellon, FL 34430-1850

Please Complete Below If Official Mailing Address Has Changed

FOR PSC USE ONLY	
Check # _____	
\$ _____	0604001
\$ _____ E	003001
\$ _____ P	0604001
\$ _____ I	004010
Postmark Date _____	
Initials of Preparer _____	

Rainbow Springs Utilities, L.C.	225 Asylum Street, 29th Floor	Hartford, CT	06103-1538
<small>(SYSTEM'S NAME)</small>	<small>(ADDRESS)</small>	<small>(CITY/STATE)</small>	<small>(ZIP)</small>

	#	#	#
Florida Public Service Commission Certificate			
WATER OPERATING REVENUES			
1. Unmetered Water Revenues (460)	\$	\$	\$
MEASURED WATER REVENUES			
2. Residential Revenues (461.1)			110,212.10
3. Commercial Revenues (461.2)			3,384.41
4. Industrial Revenues (461.3)			
5. Revenues from Public Authorities (461.4)			
6. Multiple Family Dwelling Revenues (461.5)			
7. TOTAL METERED SALES	\$	\$	\$ 113,596.51
FIRE PROTECTION REVENUES			
8. Public Fire Protection (462.1)			525.32
9. Private Fire Protection (462.2)			
10. TOTAL FIRE PROTECTION REVENUE	\$	\$	\$ 525.32
11. Other Sales to Public Authorities (464)			
12. Sales to Irrigation Customers (465)			164,742.21
13. SALES FOR RESALE (466)			
14. Interdepartmental Sales (467)			
15. TOTAL WATER SALES (Lines 1+7+10+11+12+13+14)	\$	\$	\$ 278,864.04
OTHER WATER REVENUES			
16. Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (469)			
17. Forfeited Discounts (470)			
18. Miscellaneous Service Revenues (471)			1,895.00
19. Rents From Water Property (472)			
20. Interdepartmental Rents (473)			
21. Other Water Revenues (474) Describe: Unbilled revenues			25,756.39
22. TOTAL OTHER WATER REVENUES (Lines 16+17+18+19+20+21)	\$	\$	\$ 27,651.39
23. TOTAL WATER OPERATING REVENUES* (Lines 15+22)	\$	\$	\$ 306,515.43
24. LESS: Expense for Purchased Water From FPSC-Regulated Utility	()	()	()
25. NET WATER OPERATING REVENUES (Line 23 Less Line 24)			306,515.43
26. Regulatory Assessment Fee Due - (Multiply Line 25 by 0.045)			13,793.19
27. LESS: Payment for January 1-June 30 Period		()	
28. LESS: Approved Prior-Period Credit		()	
29. NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)			
30. Penalty for Late Payment			
31. Interest for Late Payment			
32. TOTAL AMOUNT DUE		\$	\$ 13,793.19

* These amounts must agree with Annual Report Schedule F-3

If service was purchased from a regulated utility, please insert its name: _____

AS PROVIDED IN SECTION 350.113, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$15

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

As a managing member and not individually or in any other capacity 11/4/12

(Signature of System Official) (Title) (Date)

Cheryl A. Chase
(Please Print Name)

Telephone Number (860) 549-1674 Fax Number (860) 293-4297

F.E.I. No. 59-3304495

FLORIDA PUBLIC SERVICE COMMISSION
Instructions For Filing Regulatory Assessment Fee Return
(Large Water System)

1. **WHO MUST FILE:** Each large regulated utility under the jurisdiction of the Florida Public Service Commission (Commission) for any part of the six-month periods, January 1 through June 30 and July 1 through December 31, preceding the due date as reflected in the following paragraph. A large utility is defined as a utility with annual revenues of \$200,000 or more based on the most recent prior calendar year.

2. **WHEN TO FILE:** To avoid payment of penalties and interest, the Regulatory Assessment Fee Return form must be filed or postmarked:

On or before July 30 for the six-month period January 1 through June 30, AND
On or before January 30 for the six-month period July 1 through December 31.

However, if July 30 or January 30 falls on a Saturday, Sunday, or holiday, the Regulatory Assessment Fee may be filed or postmarked on the next business day, without penalty.

3. **FEES:** Each Commission-regulated system shall pay the presently established percentage (Line 26) of its gross operating revenues derived from intrastate business. (Gross Operating Revenues are defined as the total revenues before expenses.) To assure an accurate recording of your fee payment, it is most important that you identify each certificate number in the appropriate space.

4. **FAILURE TO FILE BY DUE DATE:** Failure to file a return by the established due date will result in a penalty being added to the amount of fee due, 5% for each 30 days or fraction thereof, not to exceed a total penalty of 25% (Line 30). In addition, interest shall be added in the amount of 1% for each 30 days or fraction thereof, not to exceed a total of 12% per year (Line 31).

5. **EXTENSION:** A system may be granted an extension for a period not to exceed 30 days. Such request should be made by filing the enclosed *Request for Extension to File Regulatory Assessment Fee Return* form (PSC/CCA 124), two weeks prior to the filing date. If an extension is granted, a charge shall be added to the amount due:

0.75% of the fee to be remitted for an extension of 15 days or less, *or*
1.5% of the fee for an extension of 16 to 30 days.

In lieu of paying the charges outlined above, a system may file a return and remit payment based upon estimated gross operating revenues. If such return is filed by the normal due date, the system shall be granted a 30-day extension period in which to file and remit the actual fee due without paying the above charges, provided the estimated fee payment remitted is at least 90% of the actual fee due for the period. An automatic 30-day extension to file an actual return may be obtained by checking the "Estimated Return" space in the top left-hand corner on the reverse side.

6. **AUTHORITY:** The authority to collect regulatory assessment fees is granted to the Commission by Section 350.113 and 367.145, Florida Statutes.

7. **REGULATORY ASSESSMENT FEE DUE:** Amounts are due and payable to the Commission by either January 30 or July 30 depending on the reporting period. If there are no revenues *OR* if revenues are insufficient to generate a minimum annual fee, remit the minimum fee. A Regulatory Assessment Fee Return must be completed, signed, and filed even if there are no revenues to report or if the minimum amount is due.

8. **FEE ADJUSTMENTS:** Computation errors and/or differences in gross operating revenues reported for regulatory assessment fee purposes and those reported in the annual report may cause adjustments to amounts paid to the Commission. You will be notified as to the amount and reason for any adjustment. Penalty and interest charges may be applicable to additional amounts owed the Commission by reason of the adjustment.

9. **MAILING INSTRUCTIONS:** Please complete this form, make a copy for your files, and return the original in the enclosed preaddressed envelope. Use of this envelope should assure a more accurate and expeditious recording of your payment. However, if you are unable to use the envelope, please address your remittance as follows:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

ATTENTION: Fiscal Services

10. **ADDITIONAL ASSISTANCE:** If you need additional information or assistance in preparing your Regulatory Assessment Fee Return, please contact the Division of Economic Regulation at (850) 413-6900 or at the above-referenced address, changing the Attention Line.

11. **AMOUNT OF REVENUES TO BE REPORTED:** For the January 1 through June 30 reporting period, the amount of gross operating revenues to be reported is for that period. However, for the July 1 through December 31 reporting period, the amount of gross operating revenues to be reported is for the entire 12-month period of January 1 through December 31. After calculating the regulatory assessment fee due for the 12-month period (Line 26), deduct the payment made for the January 1 through June 30 period (Line 27) to determine the TOTAL AMOUNT DUE (Line 32).

Large Wastewater System Regulatory Assessment Fee Return

Florida Public Service Commission

STATUS:

Actual Return
 Estimated Return

PERIOD COVERED:
 07/01/2011 TO 12/31/2011

(See Filing Instructions on Back of Form)
WS199-11-S-2-R
 Rainbow Springs Utilities, L.C.
 P. O. Box 1850
 Dunnellon, FL 34430-1850

FOR PSC USE ONLY	
Check # _____	
\$ _____	0604002
_____	000000
\$ _____ E	
\$ _____ P	0604002
_____	000000
\$ _____ I	
Postmark Date _____	
Initials of Preparer _____	

Please Complete Below If Official Mailing Address Has Changed

Rainbow Springs Utilities, L.C. 225 Asylum Street, 29th Floor Hartford, CT 06103-1538
 (SYSTEM'S NAME) (ADDRESS) (CITY/STATE) (ZIP)

Florida Public Service Commission Certificate	# _____	# _____	# _____
WASTEWATER OPERATING REVENUES			
FLAT-RATE REVENUES			
1. Residential Revenues (521.1)	\$ _____	\$ _____	\$ 145,498.21
2. Commercial Revenues (521.2)	_____	_____	2,359.08
3. Industrial Revenues (521.3)	_____	_____	_____
4. Revenues from Public Authorities (521.4)	_____	_____	_____
5. Multiple Family Dwelling Revenues (521.5)	_____	_____	_____
6. Other Revenues (521.6)	_____	_____	_____
7. TOTAL FLAT-RATE REVENUES	\$ _____	\$ _____	\$ 147,857.29
MEASURED REVENUES			
8. Residential Revenues (522.1)	_____	_____	113,767.56
9. Commercial Revenues (522.2)	_____	_____	7,604.85
10. Industrial Revenues (522.3)	_____	_____	_____
11. Revenues from Public Authorities (522.4)	_____	_____	_____
12. Multiple Family Dwelling Revenues (522.5)	_____	_____	_____
13. TOTAL MEASURED REVENUES	\$ _____	\$ _____	\$ 121,372.41
14. Revenues from Public Authorities (523)	_____	_____	_____
15. Revenues from Other Systems (524)	_____	_____	_____
16. Interdepartmental Revenues (525)	_____	_____	_____
17. TOTAL (Lines 7+13+14+15+16)	\$ _____	\$ _____	\$ 269,229.70
OTHER WASTEWATER REVENUES			
18. Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (530)	_____	_____	_____
19. Sales of Sludge (531)	_____	_____	_____
20. Forfeited Discounts (532)	_____	_____	_____
21. Rents from Wastewater Property (534)	_____	_____	_____
22. Interdepartmental Rents (535)	_____	_____	_____
23. Other Wastewater Revenues (536) Describe: Unbilled revenue	_____	_____	26,129.14
24. TOTAL OTHER WASTEWATER REVENUES (Lines 18+19+20+21+22+23)	\$ _____	\$ _____	\$ 26,129.14
25. TOTAL WASTEWATER OPERATING REVENUES*(Lines 17+24)	\$ _____	\$ _____	\$ 295,358.84
26. LESS: Expense for Purchased Wastewater Treatment from FPSC-Regulated Utility	(_____)	(_____)	(_____)
27. NET WASTEWATER OPERATING REVENUES (Line 25 Less Line 26)	_____	_____	_____
28. Regulatory Assessment Fee Due - (Multiply Line 27 by 0.045)	_____	_____	13,291.15
29. LESS: Payment for January 1 - June 30 Period	_____	_____	(_____)
30. LESS: Approved Prior-Period Credit	_____	_____	(_____)
31. NET REGULATORY ASSESSMENT FEE (Line 28 Less Line 29)	_____	\$ _____	13,291.15
32. Penalty for Late Payment	_____	_____	_____
33. Interest for Late Payment	_____	_____	_____
34. TOTAL AMOUNT DUE	_____	\$ _____	13,291.15

*These amounts must agree with Annual Report Schedule F-3

If service was purchased from a regulated utility, please insert its name: _____

AS PROVIDED IN SECTION 350.113, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$25

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

Cheryl A. Chase
 (Signature of System Official)
 Cheryl A. Chase
 (Please Print Name)

AS a managing member and not individually
 or in any other capacity

 (Title) (Date) 1/4/12

Telephone Number (860) 549-1674 Fax Number (860) 293-4297

F.E.I. No. 59-3304495

FLORIDA PUBLIC SERVICE COMMISSION

Instructions For Filing Regulatory Assessment Fee Return (Large Wastewater System)

1. **WHO MUST FILE:** Each large regulated system under the jurisdiction of the Florida Public Service Commission (Commission) for any part of the 12-month period, January 1 through December 31, preceding the due date as reflected in the following paragraph. A large utility is defined as a utility with annual revenues of \$200,000 or more based on the most recent prior calendar year.

2. **WHEN TO FILE:** To avoid payment of penalties and interest, the Regulatory Assessment Fee Return form must be filed or postmarked:

*On or before July 30 for the six-month period January 1 through June 30, AND
On or before January 30 for the six-month period July 1 through December 31.*

However, if July 30 or January 30 falls on a Saturday, Sunday, or holiday, the Regulatory Assessment Fee may be filed or postmarked on the next business day, without penalty.

3. **FEES:** Each Commission-regulated system shall pay the presently established percentage (Line 28) of its gross operating revenues derived from intrastate business. (Gross Operating Revenues are defined as the total revenues before expenses.) To assure an accurate recording of your fee payment, it is most important that you identify each certificate number in the appropriate space.

4. **FAILURE TO FILE BY DUE DATE:** Failure to file a return by the established due date will result in a penalty being added to the amount of fee due, 5% for each 30 days or fraction thereof, not to exceed a total penalty of 25% (Line 31). In addition, interest shall be added in the amount of 1% for each 30 days or fraction thereof, not to exceed a total of 12% per year (Line 32).

5. **EXTENSION:** A utility may be granted an extension for a period not to exceed 30 days. Such request should be made by filing the enclosed *Request for Extension to File Regulatory Assessment Fee Return* form (PSC/CCA 124), two weeks prior to the filing date. If an extension is granted, a charge shall be added to the amount due:

*0.75% of the fee to be remitted for an extension of 15 days or less, or
1.5% of the fee for an extension of 16 to 30 days.*

In lieu of paying the charges outlined above, a utility may file a return and remit payment based upon estimated gross operating revenues. If such return is filed by the normal due date, the utility shall be granted a 30-day extension period in which to file and remit the actual fee due without paying the above charges, provided the estimated fee payment remitted is at least 90% of the actual fee due for the period. An automatic 30-day extension to file an actual return may be obtained by checking the "Estimated Return" space in the top left-hand corner on the reverse side.

6. **AUTHORITY:** The authority to collect regulatory assessment fees is granted to the Commission by Section 350.113 and 367.145, Florida Statutes.

7. **REGULATORY ASSESSMENT FEE DUE:** Amounts are due and payable to the Commission by January 30 or July 30 depending on the reporting period. If there are no revenues *OR* if revenues are insufficient to generate a minimum annual fee, remit the minimum fee. A Regulatory Assessment Fee Return must be completed, signed, and filed even if there are no revenues to report or if the minimum amount is due.

8. **FEE ADJUSTMENTS:** Computation errors and/or differences in gross operating revenues reported for regulatory assessment fee purposes and those reported in the annual report may cause adjustments to amounts paid to the Commission. You will be notified as to the amount and reason for any adjustment. Penalty and interest charges may be applicable to additional amounts owed the Commission by reason of the adjustment.

9. **MAILING INSTRUCTIONS:** Please complete this form, make a copy for your files, and return the original in the enclosed preaddressed envelope. Use of this envelope should assure a more accurate and expeditious recording of your payment. However, if you are unable to use the envelope, please address your remittance as follows:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

ATTENTION: Fiscal Services

10. **ADDITIONAL ASSISTANCE:** If you need additional information or assistance in preparing your Regulatory Assessment Fee Return, please contact the Division of Economic Regulation at (850) 413-6900 or at the above-referenced address, changing the Attention line.

11. **AMOUNT OF REVENUES TO BE REPORTED:** For the January 1 through June 30 reporting period, the amount of gross operating revenues to be reported is for that period. However, for the July 1 through December 31 reporting period, the amount of gross operating revenues to be reported is for the entire 12-month period of January 1 through December 31. After calculating the regulatory assessment fee due for the 12-month period (Line 28), deduct the payment made for the January 1 through June 30 period (Line 29) to determine the TOTAL AMOUNT DUE (Line 34).

COMPOSITE EXHIBIT D

ITEMS REQUIRED BY RULE 25-30.037(4)(c), F.A.C.

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

By and Between

RAINBOW SPRINGS UTILITIES, L.C.

Seller,

and

CITY OF DUNNELLON, FLORIDA

Purchaser

December 28, 2011

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EXHIBITS

- Exhibit "A" (Real Property)**
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- Exhibit "C" (Treatment plants, etc.)**
- Exhibit "D" (Certificates, permits, etc.)**
- Exhibit "E" (Developer Agreements)**
- Exhibit "F" (Contracts and Leases)**
- Exhibit "G" (Pending Legal Actions)**
- Exhibit "H" (Service Area)**
- Exhibit "I" (Inventories)**

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

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER AND WASTEWATER ASSETS ("Agreement") is made as of this ___ day of December, 2011 by and between **Rainbow Springs Utilities, L.C.**, a Florida limited liability company (hereafter "Seller"), and **the City of Dunnellon, Florida** a political subdivision of the State of Florida ("Purchaser").

WHEREAS, Seller owns and operates domestic wastewater collection, treatment and effluent disposal systems, and potable water supply, treatment, storage, transmission and distribution systems (collectively, the "Utility System"), all of which are located in Marion County, Florida, and commonly known as Rainbow Springs Utilities, LC.; and

WHEREAS, the Purchaser has the power and authority to provide water, wastewater and reclaimed water infrastructure and service within its service territory; and

WHEREAS, the Purchaser desires to acquire the utility assets of Seller ; and

WHEREAS, Seller agrees to sell the Utility System of Seller for the consideration and on the terms and subject to the conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the foregoing recitals and benefits to be derived from the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree to sell and purchase the Utility System upon the following terms and conditions:

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

2. **COVENANT TO PURCHASE AND SELL; DESCRIPTION OF PURCHASED ASSETS.**
 - a. Purchaser shall buy from Seller, and Seller shall sell to Purchaser, the Purchased Assets (as defined below) upon the terms, and subject to the conditions precedent, set forth in this Agreement.

- b. "Purchased Assets" shall include all assets, business properties, and rights, both tangible and intangible, that Seller owns regarding the ownership, construction, operation or maintenance of the Utility System including, but not limited to:
- i. The real property owned by Seller and all buildings and improvements located thereon, as identified in **Exhibit "A"** to this Agreement ("Real Property").
 - ii. All easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, canals, streets and other areas owned by Seller in connection with the ownership, operation and maintenance of the Utility System, as identified in **Exhibit "B"** to this Agreement.
 - iii. All water supply, treatment, storage, distribution, and transmission facilities, wastewater collection, treatment and disposal facilities of every kind and description whatsoever, including, but not limited to, pumps, plants, wells, tanks, lift stations, transmission mains, distribution mains, supply pipes, collection pipes or facilities, effluent disposal facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, as identified in **Exhibit "C"** to this Agreement.
 - iv. All certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds, and all rights to construct, maintain and operate the Utility System and its plants and systems for the procuring, treatment, storage and distribution of potable water and the collection and disposal of wastewater, and every right of every character whatever in connection therewith, and the obligations thereof (hereinafter referred to as the "Certificates"); together with all rights granted to Seller under the Certificates, as identified in **Exhibit "D"** to this Agreement; to the extent that Seller's rights to the foregoing are transferable. **Exhibit "D"** shall also identify any of the foregoing which are not transferable or which require third party consents to transfer.
 - v. All items of inventory owned by Seller on the Closing Date, which shall not be unnecessarily depleted prior to that date. Inventory as of the date of signing this Agreement by Seller includes, but is not limited to those items identified in **Exhibit "I"** to this Agreement.

- vi. All supplier lists, customer records, prints, plans, including plans in electronic or digital format, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System in Seller's possession, including any rights of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper or electronic form.
 - vii. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias or other reproducible materials in Seller's possession, including any rights of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper or electronic form.
 - viii. All rights and obligations of Seller under any Developer Agreements, as identified in **Exhibit "E"** to this Agreement, which shall be assumed by Purchaser pursuant to Article 11.b.iv. Exhibit "E" shall identify any of the foregoing which are not transferable or which require third party consents for the assumption by Purchaser.
 - ix. All rights and obligations of Seller under the Contracts and Leases, as identified in **Exhibit "F"** to this Agreement, which shall include, but not be limited to Seller's contractual right to take the Juliet Falls facilities, and all agreements with respect to bulk service, effluent disposal and reuse, if any, which are assumed by Purchaser pursuant to Article 11.b.iv. **Exhibit "F"** shall contain a schedule identifying any third party consents necessary for the assumption by Purchaser.
 - x. All equipment, tools, parts, laboratory equipment, office equipment and other personal property owned by Seller in connection with the construction, operation and maintenance of the Utility System.
- c. "Excluded Assets". Notwithstanding any other provision in this Agreement that may be construed to the contrary, Purchased Assets do not include the Excluded Assets. The following assets are excluded from the Purchased Assets:
- i. Cash, accounts receivable, bank accounts, equity and debt securities of any nature, deposits maintained by Seller with any governmental authority, and any prepaid expenses of Seller, which shall be Seller's sole property as of the Closing Date.

- ii. Escrow and other Seller provisions for payment of federal and state taxes, and other obligations to governmental entities, including regulatory assessment fees, which shall be Seller's responsibility to pay through the Closing Date.
- iii. The name and Florida limited liability company known as Rainbow Springs Utilities, L.C. and related logos and signage owned or used by Seller, including without limitation, logos and signage using the Rainbow Springs Utilities, L.C. name and logo.

3. LIABILITIES

- a. Assumed Liabilities. On the Closing Date, the Purchaser shall assume and agree to discharge only the following Liabilities of Seller (the "Assumed Liabilities"):
 - i. All liabilities to the customers of the Utility System incurred after the Closing;
 - ii. Any liability of Purchaser under this Agreement or any other document executed in connection with this Agreement;
 - iii. Any liability of Purchaser based upon Purchaser's acts or omissions occurring after the Effective Time (as defined below);
 - iv. Any liability arising from or related to the ownership, construction, operation and maintenance of the Utility System after the Closing;
- b. Excluded Liabilities. Notwithstanding the foregoing, the following shall not constitute liabilities assumed by the Purchaser:

All debts, or other financial obligations of Seller. Purchaser does not assume and shall not be liable for any expense, assessment, exposure, fine, penalty, liability, act or omission of any kind whatsoever imposed or required by any third party, whether known or unknown, whether contingent, liquidated or unliquidated, including any federal, state, or local authority, whether arising or accruing under contract, tort, or pursuant to statute, rule, ordinance, law, regulation or otherwise, whether or not based upon, related to, or arising out of any violation of law, breach of Certificate obligation, breach of contract, occurrence of any tort or other event arising or accruing before or after the Closing Date but only for those where the operative act or omission was that of or attributable to the Seller for its actions prior to the Closing Date.

Seller shall remain liable for and shall pay, perform or discharge all such liabilities and obligations; provided Seller is not hereby limited in its right to contest in good faith any such liabilities or obligations.

4. **PURCHASE PRICE.** The total consideration intended to be paid for the Utility System is the Purchase Price plus adjustments as set forth in Section 11.b.ix. Purchaser shall pay to Seller, subject to the additions, adjustments and prorations referenced in this Agreement, a Cash Payment in the amount of \$5.95 million in good funds via wire transfer to the account(s) designated by Seller at the Date of Closing.

5. **REPRESENTATIONS AND WARRANTIES OF SELLER.** As a material inducement to Purchaser to execute this Agreement and perform its obligations hereunder, Seller represents and warrants to Purchaser as follows:

- a. Seller is a duly organized, validly existing limited liability company, and its status is active under the laws of the State of Florida. Seller has all requisite power and authority and has taken all requisite action necessary to (i) enter into this Agreement, and (ii) perform all of the terms and conditions of this Agreement.
- b. The Members of Seller have approved Seller entering into this Agreement.
- c. This Agreement constitutes, and all other agreements to be executed by Seller with respect to this Agreement will constitute, when executed and delivered, valid and binding obligations of Seller, enforceable in accordance with their terms.
- d. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Seller, the Articles of Organization or Operating Agreement of Seller, nor any Certificate, indenture, agreement, or other instrument to which Seller is a party, or by which it is bound.
- e. Seller has good and marketable title to the Real Property. To Seller's knowledge, the Real Property is subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction except Permitted Encumbrances, as defined in Article 6 of this Agreement other than those that will be satisfied or released by the Closing. At Closing, Seller shall deliver title to such Real Property free and clear of all debts, liens, pledges, charges or encumbrances whatsoever, other than Permitted

Encumbrances. Seller makes no representation as to the condition of the Real Property, and Purchaser acknowledges that it is accepting the Real Property in accordance with the Title Policy referenced in Article 6 hereof.

- f. Seller has good and marketable title to all Purchased Assets other than the Real Property, including those used or located on property controlled by Seller in its business or elsewhere on the date of this Agreement. At Closing the Purchased Assets other than the Real Property shall be subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction except Permitted Encumbrances. At Closing, Seller shall deliver title to the Purchased Assets other than the Real Property free and clear of all debts, liens, pledges, charges or encumbrances, whatsoever. Seller makes no representation as to the condition of the Purchased Assets, and Purchaser acknowledges that it is relying on its own investigation in its decision to consummate the transaction contemplated hereby.
- g. Environmental Law Compliance.

- i. Definitions.

- (a) "Environmental Law" means any federal, state, or local statute, order, regulation, or ordinance, or common law or equitable doctrine relating to the protection of human health or the environment in effect as of the Closing Date and includes, but is not limited to, The Florida Air and Water Pollution Control Act (Chapter 403, Florida Statutes), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA")(42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), and the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), as such have been amended or supplemented as of the Closing Date, the regulations promulgated pursuant thereto, and in effect as of the Closing Date and any conditions and requirements contained in any permits possessed by Seller from any federal, state or local agencies necessary to operate the Utility System.

- (b) "Hazardous Material" means petroleum or any substance, material, or waste which is regulated under any Environmental Law in the jurisdictions in which Seller

conducts its business including, without limitation, any material or substance that is defined as or considered to be a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "toxic waste," or "toxic substance" under any provision of Environmental Law.

(c) "Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, or dispersal into the environment, at or from any property owned or operated by Seller or related to Hazardous Materials generated by Seller.

(d) "Remedial Action" means all actions required to (i) clean up, remove, or treat any Hazardous Material; (ii) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the environment; or (iii) perform pre-remedial studies and investigations or post-remedial monitoring and care directly related to or in connection with any such remedial action.

ii. Representations. To Seller's knowledge:

(a) Seller is in material compliance with all applicable Environmental Laws and has no material liability thereunder, and there is no reasonable basis for Seller to believe that any such liability exists.

(b) Seller has obtained all permits required, or has submitted applications for such permits in a timely manner, under applicable Environmental Laws necessary for the operation of its business as conducted as of the date of this Agreement.

(c) Except as set forth in this Agreement, Seller has not received within the last three years written notice (or to Seller's knowledge verbal 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) relating to the Utility System.

(d) There is no Hazardous Material in violation of

Environmental Law located at any Utility System site that is owned by Seller other than chemicals used for treatment (such as chlorine); no Utility System site that is owned by Seller is listed or formally proposed for listing under CERCLA, the Comprehensive Environmental Response, Compensation Liability Information System ("CERCLIS") or on any similar state list that is the subject of federal, state, or local enforcement actions or other investigations that may lead to claims against Seller for clean-up costs, remedial work, damages to natural resources, or for personal injury claims, including, but not limited to, claims under CERCLA; and there is no reasonable basis for Seller to be named in such claims or for any similar action to be brought against Seller.

(e) No written or to Seller's knowledge verbal notification of a Release of a Hazardous Material has been filed by or on behalf of Seller or any third party with respect to any Utility System property owned by Seller. No such Utility System property is listed or proposed for listing on the National Priority List promulgated pursuant to CERCLA, or CERCLIS, or any similar state list of sites requiring investigation or clean up.

(f) No Hazardous Material has been released in material violation of Environmental Law at, on, or under any Utility System property now owned by Seller.

- h. Except as provided in **Exhibit "G"** hereto, there are no current actions, suits or proceedings at law or in equity pending or, to Seller's knowledge, threatened against the Seller before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Utility System or any of the Purchased Assets or the Seller's right and ability to make and perform this Agreement; nor is the Seller aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. Seller is not in default with respect to any Certificate, permit, order or decree of any court or of any administrative or governmental agency or instrumentality affecting the Utility System or any of the Purchased Assets. Seller agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings and orders which in any way relate to the construction, operation or maintenance of the Utility System.

- i. No representation or warranty made by the Seller in this Agreement contains any untrue statement of material facts or omits to state any material fact required to make the statements herein contained not misleading.

6. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.** As a material inducement to Seller to execute this Agreement and to perform its obligations hereunder, Purchaser represents and warrants to Seller as follows:

- a. Purchaser has been duly organized, and is a validly existing political subdivision under the laws of the State of Florida. Purchaser has all requisite power and authority to (i) enter into this Agreement, and (ii) carry out and perform the terms and conditions of this Agreement.
- b. Prior to the execution of this Agreement Purchaser conducted and completed its due diligence relative to the Utility System and the Purchased Assets. Purchaser acknowledges that it is acquiring the Purchased Assets "as-is".
- c. This Agreement constitutes, and all other agreements to be executed by Purchaser with respect to this Agreement, will constitute, when executed and delivered, valid and binding obligations of Purchaser, enforceable in accordance with their terms.
- d. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Purchaser, nor any indenture, agreement, or other instrument to which Purchaser is a party, or by which it is bound.
- e. All necessary public hearings and referenda required to authorize Purchaser's purchase of the Utility System and Purchaser entering into this Agreement will have been duly held prior to the Closing Date and all appropriate governmental actions required to be taken by Purchaser will have been duly taken prior to the Closing Date.

7. **TITLE INSURANCE AND PERMITTED ENCUMBRANCES.**

- a. At least twenty (20) days prior to the Closing, Purchaser shall obtain a current title insurance commitment in favor of Purchaser issued by a title company licensed to do business in the State of Florida, covering the Real Property, which shall be in an amount equal to \$5,950,000.00. The cost of the title insurance commitment and title insurance policy shall be borne by Purchaser. The title insurance

commitment shall commit the insurer to issue owner's title insurance policies to Purchaser covering the Real Property (substantially in accordance with the ALTA Standard Owner's Form B), reflecting title to the Real Property to be marketable and insurable, except for the Permitted Encumbrances (as defined in Article 6.e. below), the standard printed exceptions usually contained in an owner's title insurance policy, and the standard exclusions from coverage; provided, however, that the title insurance company shall delete the standard exceptions customarily deleted for such items as materialman's liens, and mechanic's liens. Seller shall execute at, or prior to, Closing, in favor of Purchaser and the title insurance company, the appropriate mechanic's lien affidavit and "Gap" affidavit sufficient to allow the title insurance company to delete all standard exceptions addressed by such affidavits.

Purchaser shall notify Seller in writing no less than ten (10) days after receipt of the title insurance commitment of any alleged material defect in Seller's title to the Real Property, other than those accepted herein and the Permitted Encumbrances (such written notice to include all exceptions, encumbrances, liens, easements, covenants, restrictions or other defects in Seller's title to the Real Property other than the Permitted Encumbrances), which render or may render Seller's title to the Real Property (i) unmarketable in accordance with standards adopted by The Florida Bar, or (ii) uninsurable. Any objections to title to the extent not shown on the notice furnished by Purchaser in accordance with the provisions of this paragraph shall be deemed to have been waived by Purchaser and Purchaser shall not be entitled to any damages or other remedies. Seller shall have thirty (30) days after receipt of Purchaser's notice to eliminate the objections to title set forth in Purchaser's notice. However, in no event shall Seller be required to bring suit or expend any sum in excess of \$10,000 in the aggregate to cure title defects (exclusive of mortgages against the Real Property, which are in a liquidated amount) that Seller has an obligation to discharge by the Closing pursuant to the terms of this Agreement. If Seller fails to deliver title as herein provided, then Purchaser may:

- i. Accept whatever title Seller is able to convey with no abatement of the Purchase Price; or
 - ii. Reject title and terminate this Agreement with no further liability of either party to the other.
- b. Purchaser may not object to title by reason of the existence of any mortgage, lien, encumbrance, covenant, restriction or other matter that

(i) may be satisfied with a payment of money and Seller advises Purchaser that Seller elects to do so by paying same at or prior to the Closing Date; (ii) any mechanic's lien or other encumbrance that can be released of record, bonded or transferred of record to substitute security so as to relieve the Real Property from the burden thereof and Seller advises Purchaser that Seller elects to do so at or prior to Closing; or (iii) the title insurance company issuing the title insurance commitments affirmatively insures-over.

c. Purchaser shall have the right, but not the obligation, to do such surveys on the fee parcels as Purchaser desires. Surveys procured by Purchaser shall be at the sole cost and expense of Purchaser.

d. As used above, "Permitted Encumbrances" include the following:

i. All present and future building restrictions, zoning regulations, laws, ordinances, resolutions, regulations and orders of any governmental authority having jurisdiction over the Real Property and the use thereof.

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

iii. Such other matters as are permitted under the terms of this Agreement, including but not limited to the Developer Agreements.

8. **CONDITIONS PRECEDENT TO CLOSING.** The obligations of each party to close the transaction contemplated by this Agreement are subject to the conditions that, at or before the Closing Date:

Conditions Precedent for Purchaser and Seller

a. Neither Party is prohibited by decree or law from consummating the transaction.

- b. There is not pending on the Closing Date any legal action or proceeding that (i) prohibits the acquisition or sale of the Purchased Assets, (ii) prohibits Purchaser or Seller from closing the transaction or Purchaser from paying the Purchase Price, or (iii) that inhibits or restricts in any material manner Purchaser's use, title, or enjoyment of the Purchased Assets.
- c. Each of the other parties hereto has performed all of the undertakings required to be performed by them under the terms of this Agreement.
- d. There has been no material adverse change in the physical condition of the Purchased Assets. For purposes of this Agreement, a "material adverse change" shall mean a loss or damage to the Purchased Assets that materially reduces: (1) their value in the aggregate; or (2) the ability to operate the Utility System as operated by Seller prior to the Closing Date.
- e. All warranties and representations of the other party are true in all material respects as of the Closing Date, except to the extent they specifically refer to another date.

Condition precedent for Seller

- a. Purchaser has performed each of the requirements and duties and has considered each of the criteria that are required by Florida Statutes, to be performed and considered in connection with the Purchaser's purchase of the Utility System prior to Closing this transaction.

9. **PRE-CLOSING CONDUCT; COVENANTS.** Prior to the Closing Date, the parties covenant to each other, and shall conduct themselves, as follows:

- a. During the period between November 15, 2011 and the Closing Date, Seller shall:
 - i. Operate and maintain the Utility System and Purchased Assets in a normal and ordinary manner to ensure that the condition of the Utility System and the Purchased Assets remains in all material respects unchanged, normal wear and tear and usage excepted, and the inventory on hand shall not be materially diminished or depleted, other than in the ordinary course of business;
 - ii. Promptly notify Purchaser of any notification received by

Seller from any person, business, or agency of any existing, or potential Environmental Law violation;

- iii. Provide Purchaser, or its designated agent(s), with unrestricted access to the business premises, Utility System, Purchased Assets, Seller's books and records, employees, agents, or representatives, on reasonable advance notice and during business hours.
- iv. Promptly notify Purchaser of any event, activity or occurrence that has, or may have, a material adverse effect upon the Purchased Assets or this transaction.

b. During the period between execution hereof and Closing, Seller shall:

- i. Make no unbudgeted capital expenditures in excess of \$10,000 or enter into any contract, oral or written, relating to the Purchased Assets without the prior written consent of Purchaser which consent shall not be unreasonably withheld, conditioned or delayed;
- ii. Seller shall not, without the prior written consent of Purchaser, which shall not be unreasonably withheld, enter into any new Developer Agreements or modify any existing developer agreements. Copies of any new or modified developer agreements shall be promptly delivered to Purchaser and shall not be signed by Seller without prior written consent from Purchaser.

c. Seller shall maintain its existing levels of insurance on the Purchased Assets and Utility System and the risk of any loss shall remain with Seller.

d. Purchaser, in its discretion, may cause to be performed, at its sole expense, a Phase I Environmental Survey (and a subsequent Phase II, if necessary) of each parcel of Real Property owned by Seller. If such Survey discloses the presence of any Hazardous Material, Seller shall have the right to perform such cleanup and remediation as is necessary hereunder. Upon Seller's failure to perform such cleanup and remediation, prior to the Closing Date, Purchaser may elect to either (i) terminate this Agreement, in which event neither party shall have any liability to the other; or (ii) proceed to Closing without abatement of the Purchase Price.

10. TERMINATION OF AGREEMENT.

- a. This Agreement may be terminated (i) by mutual written consent of the parties, (ii) by either party if the transactions contemplated hereby have not closed by January 3 , 2012, or (iii) as provided in paragraphs b. and c. below.
- b. Purchaser may terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:
 - i. The failure, in any material respect prior to Closing, of any conditions precedent to closing or pre-closing conduct and covenant of Seller set forth in Articles 8 and 9.
 - ii. Any material breach of this Agreement by Seller, including, but not limited to, a material breach of any representation or warranty, if Seller has not cured such breach within 30 days after notice from Purchaser; provided, however, such breach must in any event be cured by the Closing Date unless the date for cure has been extended by Purchaser.
- c. Seller may terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:
 - i. Closing does not occur by January 3 , 2012.
 - ii. The failure, in any material respect prior to Closing, of any of the conditions precedent to closing set forth in Article 8.
 - iii. Any material breach of this Agreement by Purchaser, including, but not limited to, a material breach of any representation or warranty, if Purchaser has not cured such breach within 30 days after notice from Seller, provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Seller.
- d. Upon the occurrence of any of the bases for termination of this Agreement, the party seeking to terminate this Agreement shall provide written notice of its termination of this Agreement to the other by delivering the same as provided in Article 12.c.
- e. Upon the termination of this Agreement, the following shall occur:

- i To the extent permitted by Florida law, each party shall return all documents, including copies, in its possession, custody, or control, or in the possession, custody, or control, of its agents and consultants to the other, as the case may be. Each party, its agents and consultants, shall treat any information previously received as confidential, and shall not disclose or use such information, unless required by law.
- ii Except as otherwise set forth in this Agreement, each party shall be responsible for payment of its own attorney and other professional fees and other costs of any nature whatsoever incurred prior to the termination of this Agreement.
- iii. This Agreement shall forthwith become void and there shall be no liability on the part of Purchaser or Seller, or their respective Council members, members, managers, officers or directors.

11. CLOSING DATE AND CLOSING.

- a. This transaction shall be closed on or before January 3, 2012, at a location mutually acceptable to both parties. As used in this Agreement, the term "Closing Date" shall mean the date that this transaction is closed, but in no event shall the Closing Date be extended beyond January 3, 2012. TIME IS OF THE ESSENCE WITH RESPECT TO THESE DATES.
- b. At Closing:
 - i. Purchaser shall pay the Cash Payment, subject to any adjustment as provided for in this Agreement.
 - ii. Purchaser shall execute such documents as are necessary to secure the Futures Payments.
 - iii. Title to the Real Property shall be conveyed to Purchaser by Special Warranty Deed free of all claims, liens, or encumbrances whatsoever, other than Permitted Encumbrances. Title to the remaining Purchased Assets shall be conveyed to Purchaser by Bill of Sale free of all claims, liens, or encumbrances, whatsoever, other than

Permitted Encumbrances. Seller shall further provide to Purchaser such other instruments of conveyance as shall be, in the reasonable opinion of Purchaser and its counsel, necessary to transfer the Utility System and Purchased Assets in accordance with this Agreement and, when necessary or desirable, in recordable form.

- iv. Seller shall assign its right, title and interest in those easements, licenses, etc. identified in **Exhibit "B."**
- v. Seller and Purchaser shall enter into separate Assignment and Assumption Agreements with respect to the (i) Developer Agreements identified in **Exhibit "E"**, and (ii) Contracts and Leases identified in **Exhibit "F."**
- vi. Real property and personal property taxes on the Purchased Assets and Utility System, and any other applicable taxes, shall be prorated as of the Closing Date and Seller shall be required to pay its pro rata share at Closing. All other taxes, assessments and regulatory assessment fees accrued or owed by Seller as of the date of Closing with respect to the Utility System and Purchased Assets shall remain the obligation of Seller. All other taxes and assessments imposed or attempted to be imposed from and after the date of Closing with respect to the Utility System and Purchased Assets, if any, shall be the obligation of Purchaser.
- vii. Recording fees, if any, to record the deeds and any other instruments necessary to deliver title to the Purchaser shall be paid by the Purchaser.
- viii. Connection Charges (defined as plant capacity, transmission line capacity, or other unit connection fees paid for the availability of utility capacity) received by Seller prior to Closing shall be retained by Seller. Connection Charges paid after Closing shall be retained by Purchaser, except to the extent such charges relate to connections completed by Seller prior to the closing Date.
- ix. In addition to the Cash Payment, Seller shall receive payment for 95% of its accounts receivable (less than 90 days old) for monthly water and wastewater commodity service revenues, net of any credit balances, due Seller for unpaid water and wastewater service as of the Closing Date to the extent

provided in this Article 11.b.ix. Seller shall furnish to Purchaser, at Closing, a listing of its accounts receivable, by customer and individual amounts due. Additionally, an estimate of the gross revenue for water and wastewater services rendered but not yet billed as of the Closing Date shall be rendered to Purchaser three (3) days prior to Closing and, upon approval and acceptance by Purchaser, 95% of such amount shall be paid to Seller, and the adjusted amount shall be reflected on the Closing Statement as an addition to the Cash Payment to be paid to the Seller. Purchaser shall be entitled to all revenues collected and derived from the operation of the Utility System after Closing.

- x. All transfers required or necessary to carry out the intent and purpose of this Agreement shall take place, unless waived or extended by mutual consent.
- xi. Each of the parties shall pay the fees of its own attorneys, bankers, engineers, accountants, and other professional advisers or consultants in connection with the negotiation, preparation and execution of this Agreement, and any documents associated with the Closing.
- xii. All bills of any kind for services, materials and supplies of any kind rendered in connection with the construction, operation and maintenance of the Utility System prior to Closing, including but not limited to electricity, phone service, and payroll for a period up to and including the Closing Date, shall be paid by Seller. Purchaser shall be responsible for all such costs and expenses incurred subsequent to Closing.
- xiii. Purchaser shall assume the liability for customer deposits, and Seller shall, by electronic transfer, transfer all customer deposits and accrued interest thereon through Closing to Purchaser.
- xiv. Purchaser, at Closing, shall reimburse or credit Seller for the cost of any additional capital improvements made to the Utility System by or on behalf of Purchaser prior to the Closing Date, provided Purchaser has specifically requested that such improvements be made in writing and at Purchaser's expense.

- xv. Each party shall deliver to the other party a certificate stating that:
 - (a) The party is not prohibited by decree or law from consummating the transaction contemplated hereby.
 - (b) There is not pending on the Closing Date any legal action or proceeding that hinders the ability of either party to close the transaction.
 - (c) All warranties and representations of such party contained in this Agreement are true and correct in all material respects as of the Closing Date.

- xvi. Seller shall deliver to Purchaser, in a form reasonably acceptable to Purchaser, an opinion of Seller's counsel substantially to the effect that:
 - (a) Seller is validly organized, existing and its status is active under the laws of the State of Florida.
 - (b) This Agreement has been duly and validly executed and approved by Seller and is a valid and binding agreement upon Seller.
 - (c) The execution, delivery and performance of this Agreement will not violate any agreement of or binding on, or any law applicable to, Seller.

- xvii. Purchaser shall deliver to Seller in a form acceptable to Seller, an opinion of Purchaser's Counsel substantially to the effect that:
 - (a) Purchaser is validly organized and existing as a political subdivision under the laws of the State of Florida.
 - (b) This Agreement has been duly and validly executed and approved by Purchaser and is a valid and binding agreement upon Purchaser.
 - (c) The execution, delivery and performance of this Agreement will not violate any agreement of, or binding on, or any law applicable to, Purchaser.

12. POST CLOSING COOPERATION.

- a. Seller and Purchaser shall, after the Closing Date, upon reasonable request of the other party and at no cost to the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, assignments, transfers, powers of attorney and assurances as may be required in order to implement and perform any of the obligations, covenants and agreements of the parties.
- b. Each of the parties hereto shall provide the other with such assistance as reasonably may be requested in connection with the preparation of any tax return, audit or other examination by any taxing authority or any judicial or administrative proceedings relating to liability for taxes relating to the transactions contemplated by this Agreement, including reasonable access during regular business hours to any and all necessary documentation and/or records. Subject to the provisions of paragraph e. below, each party shall retain and provide the other with any records or information that may be relevant to such return, audit or examination, proceedings or determination. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant tax returns and supporting work Exhibits. The party requesting assistance hereunder shall reimburse the other for reasonable out-of-pocket expenses incurred in providing such assistance.
- c. Seller agrees to provide reasonable assistance to the Purchaser to transition the administration and operation of the Utility System and Purchased Assets for a period of Thirty (30) days after the Closing Date. Purchaser shall reimburse Seller for any costs or expenses incurred by any services provided under this subparagraph.
- d. The party requesting assistance hereunder shall reimburse the other for reasonable out-of-pocket expenses incurred in providing such assistance.
- e. The respective representations and warranties of the parties contained in this Agreement or any document delivered pursuant to this Agreement shall survive the consummation of the transactions contemplated hereby and continue for a period of one year from the Closing Date, and thereafter shall terminate.

13. MISCELLANEOUS PROVISIONS.

- a. This Agreement, the Documents and the Exhibits hereto, collectively

embody the entire agreement and understandings between the parties and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original.

- b. Within 15 days after the execution of this Agreement, Seller shall prepare and the Purchaser and Seller will jointly submit a notice of the impending transfer of the system to the Florida Public Service Commission in a Petition for Termination of the Certificates of Authorization of Seller. Seller shall file reports, if any, required to satisfy its outstanding gross receipts tax, regulatory assessment fees, and other obligations and governmental assessments through the date of Closing. All of Seller's costs and expense relative to the termination of Seller's relationship with the Florida Public Service Commission, including regulatory assessment fees, shall be borne by Seller. Copies of the Order(s) of the Commission acknowledging sale of the system to Buyer shall be promptly provided to Buyer upon Seller's receipt thereof.
- c. Any notice or other document required or allowed to be given pursuant to this Agreement by either party to the other shall be in writing and shall be delivered personally, or by recognized overnight courier, or by electronic or facsimile transmission with written confirmation.

If to Seller, such notice shall be delivered at:

Cheryl A. Chase
Rainbow Springs Utilities, L.C.
c/o Chase Enterprises
225 Asylum St., 29th Floor
Hartford, CT 06103-1538
cchase@chaseenterprises.com

with a copy to:

Ernest A. Porco
Senior Vice President
Chase Enterprises
Goodwin Square
225 Asylum St., 29th Floor
Hartford, CT 06103-1538
860-293-4294
eporco@chaseenterprises.com

and a copy to:

Rose, Sundstrom & Bentley, LLP
Attn: William E. Sundstrom, Esq.
2548 Blirstone Pines Drive
Tallahassee, FL 32301
850-877-6555
wes@rsbattorneys.com

If to Purchaser, such notice shall be delivered at:

City Manager Lisa Algieri
City of Dunnellon
20750 River Drive
Dunnellon, FL 34431
352-465-8500
lalgieri@dunnellon.org

with a copy to:

Fowler, O'Quinn, Feeney & Sneed, P.A.
Attn: Marsha Segal-George
28 West Central Blvd., 4th Floor
Orlando, FL 32801
407-425-2684
marsha@foslslaw.com

Notices shall be effective upon receipt or failure to accept delivery. Facsimile transmission shall be deemed received on the date sent if received by 4:00 p.m. Eastern Daylight Time on a business day. If received after 4:00 p.m. EDT, such transmission shall be deemed received on the next business day.

- d. The headings used are for convenience only, and they shall be disregarded in the construction of this Agreement.
- e. The drafting of this Agreement was a joint effort of the parties, and in the interpretation hereof, it shall be assumed that no party had any more input or influence than any other.
- f. This Agreement is solely for the benefit of the parties hereto and no other causes of action shall accrue upon or by reason hereof to or for the benefit of any third party (other than successors and assigns), who or which is not a formal party hereto.

- g. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.
- h. This Agreement may be amended or modified only if executed in writing and with the same formality as the original.
- i. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida.
- j. All words, terms, and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.
- k. Except as provided for herein, this Agreement may not be assigned without the prior written consent of the non-assigning party. If properly assigned, this Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns.
- l. For purposes of this Agreement, an individual is deemed to have "knowledge" of a particular fact or other matter if such individual has actual awareness of such fact or matter, or a prudent individual could be expected to discover or otherwise become aware thereof in the ordinary course of conducting his business.
- m. Notwithstanding anything to the contrary contained herein or in any other instrument or document execute by or on behalf of the Purchaser or Seller in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement, or obligation of any present or future member, officer, employee, contractor or agent of the Purchaser or Seller, or of any incorporator, member, director, trustee, officer, employee or agent of any successor to the Purchaser or Seller, in any such Person's individual capacity, and no such Person, in an individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the Purchase Price or for any claim based hereon or on any such stipulation, covenant, agreement, or obligation, against any such Person, in an individual capacity, either directly or through the Purchaser or Seller or any successor to the Purchaser or Seller, under any rule of law or equity,

statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such Person, in an individual capacity, is hereby expressly waived and released. All references to the Purchaser in this paragraph shall be deemed to include the Purchaser, its Government members, Council members, officers, employees, contractors and agents. The provisions of this Section shall survive the termination of this Agreement.

- n. Purchaser shall bear no liability for accrued or current salaries or benefits of any kind related to Sellers construction, operation, or maintenance of the Utility System up to and including Closing.
- o. This Agreement shall be binding upon the successors and assigns of the parties hereto. Purchaser may collaterally assign its rights hereunder to any financial institution providing financing in connection with the transaction contemplated hereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[EXECUTION PAGES TO FOLLOW]

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

ATTEST:

Secretary

(SEAL)

RAINBOW SPRINGS UTILITIES, L.C.

CHERYL A. CHASE,
a Member, and not individually or in any other capacity

ATTEST:

CITY OF DUNNELLON, FLORIDA

FRED R. WARD
Mayor

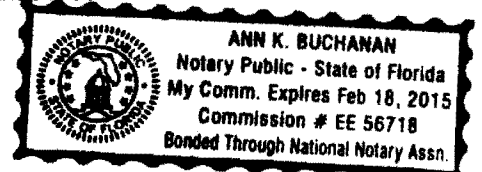
(SEAL)

~~STATE OF CONNECTICUT~~ FLORIDA
~~COUNTY OF HARTFORD~~ PALM BEACH

The foregoing instrument was acknowledged before me this ___ day December, 2011 by CHERYL A. CHASE, solely as a Member of Rainbow Springs Utilities, L.C. and not individually or in any other capacity, a Florida limited liability company, on behalf of the company. She is personally known to me.

Notary Public Ann K. Buchanan

My Commission Expires:



**STATE OF FLORIDA
COUNTY OF MARION**

The foregoing instrument was acknowledged before me this day of December, 2011, by Fred R. Ward, as Mayor of the City of Dunnellon, on behalf of the City of Dunnellon. He is personally known to me.



**JEANETTE L. REHBERG
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD963421
Expires 2/21/2014**

Jeanette L. Rehberg
Notary Public

My Commission Expires: *2-21-2014*

EXHIBIT "A"

PARCEL 1:

Commence at the NE corner of Lot 2, Block H, Rainbow Springs Country Club Estates, as recorded in Plat Book S, pages 106-116, public records of Marion County, Florida, said point being on the West right-of-way line of S.W. 196th Avenue as shown on said plat, said point also being on a curve, concaved Easterly, having a central angle of 50°36'16" and a radius of 1344.42 feet, thence Northwesterly along the arc of said curve and along said West right-of-way line a distance of 126.46 feet to the Point of Beginning, (chord bearing and distance between said points being N 6°56'06" W 126.41 feet), thence continue Northwesterly along the arc of said curve and along said right-of-way line a distance of 50.01 feet to a point (chord bearing and distance between said points being N 3°10'28" W 50.01 feet), thence S 87°55'03" W 49.87 feet, thence S 2°04'57" E 50 feet, thence N 87°55'03" E 50.82 feet to the Point of Beginning.

PARCEL 2:

Commence at the NE corner of Lot 2, Block H, Rainbow Springs Country Club Estates, as recorded in Plat Book S, pages 106-116, public records of Marion County Florida, said point being on the West right-of-way line of S.W. 196th Avenue as shown on said plat, said point also being on a curve, concaved Easterly, having a central angle of 50°36'16" and a radius of 1344.42 feet, thence Northwesterly and Northeasterly along the arc of said curve and along said West right-of-way line a distance of 785.74 feet to a point (chord bearing and distance between said points being N 7°06'48" E 774.61 feet), thence N 66°08'36" W 200 feet to a point on a curve, concaved Southeasterly, having a central angle of 5°25'23" and a radius of 1544.42 feet, thence Southwesterly along the arc of said curve a distance of 146.18 feet to a point (chord bearing and distance between said points being S 21°08'47" W 146.13 feet), thence N 52°00'35" W 113.39 feet to the P.C. of a curve, concaved Northeasterly, having a central angle of 46°37'33" and a radius of 666.60 feet, thence Northwesterly along the arc at said curve a distance of 542.46 feet to a point (chord bearing and distance between said points being N 41°33'07" W 527.62 feet), thence S 71°37'41" W 72.56 feet to the Point of Beginning, thence continue S 71°37'41" W 30 feet, thence S 18°22'19" E 30 feet, thence N 71°37'41" E 30 feet, thence N 18°22'19" W 30 feet to the Point of Beginning.

PARCEL 3:

A portion of Tract "E" of the record plat of Rainbow Springs, as recorded in Plat Book P, pages 10-29, of the public records of Marion County, Florida, being more particularly described as follows:

Beginning at the Northeast corner of said Tract "E"; thence S. 37°44'36" W. along the East line of said Tract E, 382.49 feet; thence continue along said East line, S. 52°15'24" E. 15.00 feet; thence

continue along said East line, S. 37°44'36" W. 1676.84 feet to the Southeast corner of said Tract E; thence N. 89°05'14" W. along the South line of said Tract E, 355.94 feet; thence continue along said South line N. 89°08'47" W. 795.19 feet; thence N. 00°51'13" E. 1788.88 feet, to the North line of said Tract E; thence S. 85°56'12" E. along said North line, 2379.03 feet to the Point of Beginning.

PARCEL 4:

Lot 2, Block H, Rainbow Springs Country Club Estates, according to the map or plat thereof as recorded in Plat Book S, Page 106, Public Records of Marion County, Florida.

PARCEL 5:

A portion of Tract 4 of Rainbow Springs Country Club Estates as recorded in Plat Book S, Pages 106 through 116, of the Public Records of Marion County, Florida, lying in Section 13, Township 16 South, Range 18 East and being more particularly described as follows:

Commencing at the Northwest corner of Parcel 2 as described in Official Records Book 2135, Pages 1662 through 1666, of the Public Records of Marion County, Florida, thence S 02°08'25" E, along the West line of said Parcel 2, 107.58 feet; thence S 60°55'46" W, 160.48 feet; thence N 64°22'34" W, 154.19 feet; thence S 77°09'31" W, 251.14 feet, to the Point of Beginning, thence S 14°46'53" E, 1.00 feet; thence S 75°13'07" W, 40.00 feet; thence N 14°46'53" W, 40.00 feet; thence N 75°13'07" E, 40.00 feet; thence S 14°46'53" E, 39.00 feet to the Point of Beginning.

TOGETHER WITH an easement for access as recorded in Utility Easement recorded in O.R. Book 3509, Page 653, Public Records of Marion County, Florida more particularly described as follows:

A portion of Tract 4 of Rainbow Springs Country Club Estates as recorded in Plat Book S, Pages 106 through 116, of the Public Records of Marion County, Florida, lying in Section 13, Township 16 South, Range 18 East and being more particularly described as follows:

Beginning at the Northwest corner of Parcel 2 as described in Official Records Book 2135, Pages 1662 through 1666, of the Public Records of Marion County, Florida, thence S 02°08'25" E, along the West line of said Parcel 2, 107.58 feet; thence S 60°55'46" W, 160.48 feet; thence N 64°22'34" W, 154.19 feet; thence S 77°09'31" W, 251.14 feet, thence N 14°46'53" W, 30.02 feet; thence N 77°09'31" E, 262.62 feet, thence S 64°22'34" E, 151.49 feet; thence N. 45°36'36" E, 121.37 feet; thence N. 11°12'51" E, 185.08 feet, to the common line between Tracts 4 and 5 of aforementioned Rainbow Springs Country Club Estates; thence S 69°16'34" E, along said common line, 13.04 feet, to a non-tangent intersection with the Easterly line of said Tract 4, said Easterly line being a circular curve, concave Easterly and having a radius of 1544.42 feet; thence Southerly, along said Easterly line and curve, 109.13 feet, through a central angle of 04°02'55" and a chord bearing and distance of S 00°06'58" E, 109.11 feet, to the Point of Beginning.

PARCEL 6:

A portion of Tract 5 of Rainbow Springs Country Club Estates, as per plat thereof recorded in Plat Book S, pages 106 through 116, of the public records of Marion County, Florida, being more particularly described as follows:

Commencing at the Southernmost corner of Tract 6 of said Rainbow Springs Country Club Estates; thence N. 52°00'35" W. along the Westerly line of said Tract 6, 113.39 feet, to a non-tangent intersection with a circular curve, concave Northeasterly and having a radius of 666.60 feet; thence continue along said Westerly line of Tract 6 and curve, Northwesterly, 533.88 feet, through a central angle of 45°53'18" and a chord bearing and distance of N. 41°55'17" W. 519.73 feet, to the Northwesterly line of a 16 foot wide utility easement as shown on said plat; thence S. 70°20'08" W. along said Northwesterly line, 40.00 feet, to the Point of Beginning of the herein described parcel; thence N. 19°39'52" W. 10.71 feet; thence S. 70°20'08" W. 63.00 feet; thence S. 19°39'52" E. 42.00 feet; thence N. 70°20'08" E. 63.00 feet; thence N. 19°39'52" W. 31.29 feet to the Point of Beginning.

PARCEL 7:

Begin at the NE corner of Lot 2, Block H, Rainbow Springs Country Club Estates, as recorded in Plat Book S, pages 106 through 116, public records of Marion County, Florida, thence S. 80°22'13" W. along the North line of said Lot 2 a distance of 125 feet to the NW corner of said Lot 2, said point being the NE corner of Lot 3 of said Block H, thence S. 64° 14'44" W. along the North line of said Lot 3 a distance of 63.57 feet, thence N. 25°45'16" W. 73.12 feet; thence N. 2°08'25" W. 150 feet to the SW corner of a drainage retention area as shown on said plat, thence N. 87°51'35" E. along the South line of said drainage retention area a distance of 200 feet to the SE corner of said drainage retention, said point being on the Westerly right of way line of SW 196th Avenue as shown on said plat, said point being on a curve concave easterly having a central angle of 50°36'16" and a radius of 1344.42 feet, thence Southeasterly along the arc of said curve and along said Westerly right of way a distance of 175.74 feet to the Point of Beginning (Chord bearing and distance between said points being S. 5°53'06" E. 175.61 feet).

LESS AND EXCEPT:

Commence at the NE corner of Lot 2, Block H, Rainbow Springs Country Club Estates, as recorded in Plat Book S, pages 106-116, public records of Marion County, Florida, said point being on the West right-of-way line of S.W. 196th Avenue as shown on said plat, said point also being on a curve, concaved Easterly, having a central angle of 50°36'16" and a radius of 1344.42 feet, thence Northwesterly along the arc of said curve and along said West right-of-way line a distance of 126.46 feet to the Point of Beginning, (chord bearing and distance between said points being N 6°56'06" W 126.41 feet), thence continue Northwesterly along the arc of said curve and along said right-of-way line a distance of 50.01 feet to a point (chord bearing and distance between said points being N 3°10'28" W 50.01 feet), thence S 87°55'03" W 49.87 feet, thence S 2°04'57" E 50 feet, thence N 87°55'03" E 50.82 feet to the Point of Beginning.

EXHIBIT "B"

EASEMENTS

1. Blanket Water Utility Easement Agreement, dated April 22, 2004, from Rainbow Springs, Limited, recorded in OR Book 3699, Pages 730-735
2. Easement for Waste Water Force Main & Lift Station, recorded in OR Book 2135, Page 1665.
3. Easement for Lift Station #3, recorded in OR Book 2135, Page 1665.
4. Sewerage Facilities and Nonexclusive Easement, recorded in OR Book 2135, Page 1665.
5. Warranty Deed for Utility Easement dated October 24, 1990, from the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, recorded in OR Book 1693, Pages 1058-1067.
6. Utility Easement dated August 28, 2003, from Rainbow Springs, Limited, recorded in OR Book 3509, Pages 0653-0655.
7. Utility Easement Deed (Grand Park Water and Sewer) dated February 28, 2005, from Grand Park Community Association, Inc., recorded in OR Book 3964, Pages 1380-1382.
8. Grant of Easement dated February 23, 1996, from Rainbow Springs Limited, recorded in OR Book 2224, Pages 80-81.

EXHIBIT "C"

TREATMENT PLANTS, ETC.

See Attached

Rainbow Springs Utilities
Inventory as of 11-9-11

WELLS

1	Pump Discharge Column - Well #14
1	Pump Electrical Connection - Well #14
1	10" Turbine Meter - Well #14
1	Air Volume Control
1	Well Drilling - Well #14
1	10" CIP - Well #14
1	10" PVC - Well #14
1	Net Increase in Plant
1	Net Change in Plant
1	Net Change in Plant
1	Air Relief Valve
1	Generator, 175A, 600V, 3 Phase - Well #15
1	Well Head Assembly - Well #15
1	Vertical Turbine Assembly - Well #15
1	Hydromatic Tank Valves & Gauges
1	10000 Gal Hydromatic Tank
1	Chain Link Fence & Gate
1	Well Drilling - Well #15
1	Plant Piping & Valves - Well #15
1	Raw Water Meter - Well #15
1	Control Panel
1	Motor
1	Terminal Board
1	Fence
1	Spring Lever & Check Valve
2	Test Well Meters
1	Air Compressor - Well #14
1	Pumps & Equipment @ Storage Tank
1	Chlorination System @ Storage Tank
1	Storage Tank Piping
1	Storage Yard Piping
1	.5MG Concrete Storage Tank
1	Well 18 Piping
1	10" Flow Meter - Well #14
1	Well #18
1	Chlorine Valves - Well #15
1	Install Breaker WTP
1	Flow Meter - Well #14
1	Barrett Supply
1	Eastec Badger 2200 Metering System Complete
1	Pump - Package Plant
1	Check Valve @ High Service Pump
1	Vacuum Regulator
1	Vacuum Regulator
20	8" SDR 21 PVC
20	4" SDR 21 PVC
1	Vacuum Regulator
1	Vacuum Regulator
1	Check Valve @ High Service Pump
1	Pumps - Well #18
1	Warrick Relay - Well 18
236	Grand Park 4" PVC
1	Gas Chlorine Switchover Module
1	Water Pump
1	Well Pump Motor Well #15
1	Impeller Shaft Assembly HS Pump #1
1	Spare Soft Start for WTP
1	Well #15 Flow Meter Indicator/Totalizer
1	Water Pump - WTP
1	Block Heater for Generator
1	Generator Fuel Tank - WTP
	Road Bores for Water Lines

Rainbow Springs Utilities
Inventory as of 11-9-11

WWTP

1	WWTP Roots Blower
1	WWTP Roots Blower #2
1	Meyers Pump - STP #2
1	Addition to Plant
1	Goulds Submersable Pump
1	Mechanical - Sewer Plant #2 Expansion
1	Mechanical - Sewer Plant #2 PSC Adjustment
1	Generator - Sewer Plant #2 Expansion
1	Diesel Tank - Sewer Plant #2 Expansion
1	Air Release Chamber - WWTP Project
1001	1" Water Service - WWTP Project
1	Additional Engineering - New WWTP Project
1	Trash Pump
1	8" Valve
1	Gas Chlorine Switchover Module
1	150lb Dual Cylinder Scales
1	15 HP Motor WWTP
1	7 1/2 hp Pump
1	1 1/2 hp Pump
1	Bilge Pump WWTP - CL2 Transfer
1	SSM331PC-1 Sewage Pump
1	Myers SRU Sump Pump
1	15 HP Motor WWTP
1	Portable Sampler
1	Myers SRM - 4 Pump
1	Gate Valve WWTP

SPRAYFIELD

1	Flow Meter - Sprayfield
1	Fence - Sprayfield
1	Monitor Well Installation - Sprayfield
1	Monitor Well Covers & Pads - Sprayfield
1170	10" PVC Reuse Irrigation Main
1959	8" PVC Reuse Irrigation Main
1675	6" PVC Reuse Irrigation Main
2623	4" PVC Reuse Irrigation Main
2780	3" PVC Reuse Irrigation Main
2817	2.5" PVC Reuse Irrigation Main
1824	2" PVC Reuse Irrigation Main
81	Full Circle Sprinkler
81	Sprinkler Riser Support
7	Sprinkler System Manual Drain
7	8" Plug Valve - Sprinkler System
1	Pump Station Wet Well - Sprayfield
55	1.8" DIP Intake Pipe - Sprayfield
110	10" PVC Wet Well Influent Pipe - Sprayfield
1	Intake Screen
1	Stilling Tube - Sprayfield
1	6" DIP Station Piping - Sprayfield
138	12" PVC Pipe to Storage Pond - Sprayfield
1	Splashpad - Sprayfield
1	U-type End Wall - Sprayfield
180	1" PVC Pipe - Sprayfield
308	8" PVC Force Main - Sprayfield
36	8" DIP Force Main - Sprayfield
1	8" Plug Valve - Sprayfield
1	1" Water Service & Valve - Sprayfield
1	Concrete Wier - Sprayfield Pond
1	Pond Liner - Sprayfield
1	Pump Station - Sprayfield - 30 HP Motor
1	Pump Station - Sprayfield - Motor Control
1	Pond Liner - Sprayfield
1	Reuse Plant Sewers

Rainbow Springs Utilities
Inventory as of 11-9-11

DISTRIBUTION SYSTEM-- WATER

2	Blow off Valve Assy - Phase 21
2754	3/4" Service Line - Phase 21
388	1" Service Line - Phase 21
4369	2" PVC Main - Phase 21
967	4" PVC Main - Phase 21
54101	6" PVC Main - Phase 21
6255	8" PVC Main - Phase 21
2	10" PVC Gate Valve & Box - Phase 22
9	8" PVC Gate Valve & Box - Phase 22
10	4" Pvc Gate Valve & Box - Phase 22
10	2" PVC Gate Valve & Box - Phase 22
3	2" Blow off - Phase 22
14600	2" PVC Main - Phase 23
25	8" PVC Gate Valve & Box - Phase 23
15	6" PVC Gate Valve & Box - Phase 23
35	2" PVC Gate Valve & Box - Phase 23
19	2" Blow off - Phase 23
1500	10" Pvc Main - Phase 22
9950	8" PVC Main - Phase 22
6900	4" PVC Main - Phase 22
4650	2" PVC Main - Phase 22
14900	8" PVC Main - Phase 23
11900	6" PVC Main - Phase 23
133	Double Service - Phase 22
31	Single Service - Phase 22
250	Double Service - Phase 23
39	Single Service - Phase 23
9	8" PVC Gate Valve & Box - Phase 24
10	4" PVC Gate Valve & Box - Phase 24
10	2" PVC Gate Valve & Box - Phase 24
3	2" Blow Off Valve - Phase 24
9950	8" PVC Main - Phase 24
6900	6" PVC Main - Phase 24
4650	2" PVC Main - Phase 24
133	Double Service - Phase 24
31	Single Service - Phase 24
1	4" Gate Valve - Fairway Est
4	6" Gate Valve - Fairway Est
2	Blow off Valve - Fairway Est
2366	6" PVC Main - Fairway Est
182	4" PVC Main - Fairway Est
7	Single Service - Fairway Est
21	Double Service - Fairway Est
3	Fire Hydrant Assembly - Fairway Est
2	8" Gate Valves - Winn Dixie
3	6" Gate Valves - Winn Dixie
1	8" Backflow Valve - Winn Dixie
3	8" Gate Valves - Winn Dixie (Offsite)
5	6" Gate Valves - Fairway Est West
1	4" Gate Valve - Fairway Est West
1	Blow Off Assembly - Fairway Est West
300	8" PVC Main - Winn Dixie
880	6" PVC Main - Winn Dixie
1104	4" PVC Main - Winn Dixie (Off site)
594	5" PVC Main - Winn Dixie (Off site)
2507	8" PVC Main - Winn Dixie (Off site)
2	6" Gate Valves - Winn Dixie (Off site)
3290	6" PVC Main - Fairway Est West
161	4" PVC Main - Fairway Est West
60	6" DIP Main - Fairway Est West
415	2" Service Line - Winn Dixie
3	2" Gate Valves - Winn Dixie
7	Single Service - Fairway Est West
21	Double Service - Fairway Est West
3	Fire Hydrant Assembly - Winn Dixie

Rainbow Springs Utilities
 inventory as of 11-9-11

3	Fire Hydrant Asembly - Fairway Est West
155	4" PVC Main
1595	6" PVC Main
60	6" DIP Main
1	4" Gate Valve
1	6" Gate Valve
2	12" X 6" Wet Tap Valve
1	Blow Off Assembly
204	4" PVC Main
583	6" PVC Main
40	6" DIP Main
1	4" Gate Valve
1	6" X 6" Wet Tap Valve
1	Blow Off Assembly
14	Single Services
16	Double Services
1	Single Services
9	Double Services
2	Hydrants
1	Hydrants
69	Grand Park Single Services
7	Grand Park Hydrants
78	Grand Park Single Services
50	Grand Park 4" DIP
1	Grand Park 4" Gate Valve
4724	Grand Park 6" PVC
492	Grand Park 6" DIP
8	Grand Park 6" Gate Valve
75	Grand Park 8" PVC
1	Grand Park 8 X 8 Wet Tap Valve
	Grand Park 12" PVC
60	Grand Park 12" DIP
3	Grand Park 12" Gate Valve
4	Grand Park Blow Off Assy
2	Grand Park 6 x 6 Wet Tap Valve
17	Grand Park Double Services Services

COLLECTION SYSTEM - SEWER

1	Attraction System
1	Lift Station #1 - Phase 21 (#3)
1	Lift Station #2 - Phase 21 (#4)
1	Lift Station #3 - Phase 21 (#5)
1	Lift Station Work - Phase 21
1347	5" PVC Force Main - Phase 21
555	3" PVC Force Main - Phase 21
557	4" PVC Force Main - Phase 21
1	Collection System - Attraction
1	Phase 21 Additions
6451	6" PVC Gravity Mains
49	Manholes - Phase 21
14464	8" PVC Gravity Main - Phase 21
1	Collection System - Phase 21
1	Collection System - Phase 21
1	Collection System - Phase 21
1	Interconnection - Attraction to Phase 21
1	Lift Station #1 - Phase 23 (#9)
1	Lift Station #2 - Phase 22 (#7)
1	Lift Station #2 - Phase 23 (#10)
1	Lift Station #3 - Phase 22 (#8)
3650	6" PVC Force Main - Phase 22
600	2" PVC Force Main - Phase 22
1600	4" PVC Force Main - Phase 23
3000	8" PVC Force Main - Phase 23
19855	8" PVC Gravity Main - Phase 22
73	Manholes - Phase 22

Rainbow Springs Utilities
Inventory as of 11-9-11

320	4" ClP - Phase 22
120	1" Galvanized Pipe
360	2" PVC - Phase 22
34434	8" PVC Gravity Main - Phase 23
143	Manholes - Phase 23
137	Double Services - Phase 22
22	Single Services - Phase 22
210	Double Services - Phase 23
41	Single Services - Phase 23
22	Single Services - Phase 24
137	Double Services - Phase 24
1	Lift Station #1 - Phase 24 (#12)
1	Lift Station #2 - Phase 24 (#13)
3660	3" Force Main - Phase 24
19855	8" PVC Gravity Main - Phase 24
73	Manholes - Phase 24
1	Cleanout - Phase 24
1	Impellor Housing & O-Ring
1	Lift Station #6 Rehab - WWTP Project
2745	8" PVC Force Main - New WWTP Project
10	Manholes - Fairway Est
2747	6" PVC Gravity Main - Fairway Est
1	Cleanout - Fairway Est
2075	8" PVC Gravity Main - New WWTP Project
20	8" DIP Gravity Main - New WWTP Project
5	Manholes - New WWTP Project
21	Double Services - Fairway Est
7	Single Services - Fairway Est
1	Lift Station #10 3.95" IMP Pumps 30' DL
2	Lift Station #6 SK60M2.20 Pumps
1	Lift Station #7 - Ph22 Relays
1	Lift Station #14 - Winn Dixie
2	Lift Station #12 - Rebuilt Pumps
970	4" PVC Force Main - Winn Dixie
3188	8" PVC Gravity Main - Fairway Est West
17	Manholes - Fairway Est West
978	8" PVC Gravity Main - Winn Dixie
4	Manholes - Winn Dixie
15	Single Service - Fairway Est West
17	Double Service - Fairway Est West
540	Grand Park 4" PVC Force Main
1	Lift Station #8 Motors
1	Lift Station #11 Upgrade
1	Lift Station #3 Motor
1	Lift Station #5 Control Cabinet
11	Manholes
2181	8" PVC Main
6	Manholes
1021	8" PVC PVC Main
18	Single Services
14	Double Services
3	Single Services
3	Double Services
1	LS #11 - Motor Starter, Phase Monitor, 20-20 bkr
2	LS #9 - Pumps
1	LS #9 - Motor Control, Overloads
1	LS #4 - Motor Starters, Overloads, Upgrd Elec
1	Lift Station #10 Ronk add a phase pump
1	Grand Park Lift Station
1	LS #13 - Ph 24 Hydromatic 1200 rpm Pump
1	LS #4 - Relay
1	LS #17 - Pump
1	Hydromatic 30-15 hp Pump - LS #11
1	Hydromatic 3 hp Pump - LS #12
1	Myers 30-2hp Pump - LS #7 #1 Pump
42	Grand Park - Manholes
7097	Grand Park 8" PVC

Rainbow Springs Utilities
Inventory as of 11-9-11

10	Grand Park Double Services
1	Hydraulic Pump Is #11
1	Myers Pump LS #4
1	Control Panel LS #4
1	Stator LS #11
1	Starter for Pump #3
1	Starter for Pump #4
1	Starter for Pump #5
1	Lift Station #7 Check Valve
1	Lift Station #7 Baldor VFD Pump
1	LS Pump
1	LS Pump
1	Volute Pump LS #6
1	CHK Valve - LS #4

METERS

1480	3/4" Meters
2	3/4" Meters
3	2" Meters
1	1 1/2" Meter
1	1" Meter
954	3/4" Irr Meters
1	1 1/2" Irr Meter
1	2" Irr Meter
1	1" Irr Meter
24	Stock 3/4" Meters
10	Stock Double Boxes
4	Stock Single Boxes
48	Stock 3/4" Single Curbstops
13	Stock 1" Single Curb Stops
5	Stock Double Curb Stops
1	Stock 2" Valve

EXHIBIT "D"

CERTIFICATES, PERMITS, ETC.

Wastewater Treatment Facility Permit No. FLA012693

Water Use Permit No. 20004257.012

Florida Public Service Commission Wastewater Certificate 311S

Florida Public Service Commission Water Certificate 355W

EXHIBIT "E"

DEVELOPER AGREEMENTS

Covenant and Agreement to Provide Utility Services, dated November 22, 1995, between Rainbow Springs Utilities, L.C., and Rainbow Springs, Limited.

Developer Agreement dated September 19, 2005, between Vikings, LLC, and Rainbow Springs Utilities, L.C.

EXHIBIT "F"

CONTRACTS AND LEASES

1. Contract No. SCL 025749, Agreement with CSX Transportation covering a utility crossing CSCT's property.
2. Lease between Rainbow Springs Utilities, L.C., and Vering, Inc., dated March 2005, for space located at 11373 North Williams Street, Dunnellon, FL, as amended by the First Amendment of Lease.

EXHIBIT "G"

PENDING LEGAL ACTIONS

NONE

EXHIBIT "H"

SERVICE AREA

See Attached

JUNE 21, 2011

**RAINBOW SPRINGS UTILITIES, L.C.
PSC APPROVED UTILITY SERVICE AREA**

DESCRIPTION

PARCELS OF LAND LYING IN SECTIONS 3, 10, 11, 12, 13, 14, 15, 22, 23 AND 24, TOWNSHIP 16 SOUTH, RANGE 18 EAST, AND ALSO LYING IN SECTIONS 5, 6, 7, 8, 18 AND 19, TOWNSHIP 16 SOUTH, RANGE 19 EAST, ALL IN MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IN SAID SECTION 3: THE SOUTH 1/2, LESS AND EXCEPT THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 THEREOF;

AND

IN SAID SECTION 10: THE EAST 1/2; AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4;

AND

IN SAID SECTION 11: THE NORTHWEST 1/4; AND THE EAST 1/2 OF THE SOUTHWEST 1/4;

AND

IN SAID SECTION 12: THE SOUTH 1/2; THE SOUTH 1/2 OF THE NORTHWEST 1/4; THAT PORTION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 LYING EAST OF U.S. HIGHWAY NO. 41; THE SOUTH 1/4 OF THE NORTHEAST 1/4; AND THAT PORTION OF THE NORTH 3/4 OF THE NORTHEAST 1/4 LYING WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD;

AND

IN SAID SECTION 13: THAT PORTION LYING SOUTH AND WEST OF THE RIGHT- OF-WAY FOR SEABOARD SYSTEMS RAILROAD AND LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41;

AND

IN SAID SECTION 14: THAT PORTION LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41;

AND

IN SAID SECTION 15: THAT PORTION LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD;

AND

IN SAID SECTION 22: THAT PORTION LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD;

AND

IN SAID SECTION 23: THE WEST 5/8 OF THE SOUTHWEST 1/4; THAT PORTION OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; THAT PORTION OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THAT PORTION OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 23; THENCE S 01°19'23" E, ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4, 644.07 FEET, TO THE POINT OF BEGINNING; THENCE N 88°40'37" E, 320.04 FEET; THENCE N 01°19'23" W, 642.55 FEET, TO A NON-TANGENT INTERSECTION WITH A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 1673.01 FEET; THENCE EASTERLY, ALONG SAID CURVE, 169.74 FEET, THROUGH A CENTRAL ANGLE OF 05°48'47" AND A CHORD BEARING AND DISTANCE OF S 83°02'11" E, 169.66 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE S 85°56'34" E, 480.52 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 47.12 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF S 40°56'34" E, 42.43 FEET, TO THE POINT OF TANGENCY THEREOF AND THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; THENCE S 04°03'26" W, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, 1249.34 FEET, TO THE SOUTH LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE N 89°55'37" W, ALONG SAID SOUTH LINE, 187.72 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD; THENCE N 60°00'08" W, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 806.05 FEET, TO THE AFOREMENTIONED WEST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE N 01°19'23" W, ALONG SAID WEST LINE, 279.89 FEET, TO THE POINT OF BEGINNING; AND

THAT PORTION OF THE NORTH 1/2 LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD AND LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; AND THAT PORTION OF THE NORTH 1/2 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 23; THENCE N 89°53'44" W, ALONG THE SOUTH LINE OF SAID NORTH 1/2, 1584.03 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD; THENCE N 60°00'08" W, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 780.99 FEET; THENCE N 29°59'52" E, 48.53 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 857.77 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 320.26 FEET, THROUGH A CENTRAL ANGLE OF 21°23'31" AND A CHORD BEARING AND DISTANCE OF N 19°18'07" E, 318.40 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N 08°36'21" E, 13.12 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 757.77 FEET;

THENCE NORTHERLY, ALONG SAID CURVE, 282.92 FEET, THROUGH A CENTRAL ANGLE OF 21°23'31" AND A CHORD BEARING AND DISTANCE OF N 19°18'07" E, 281.28 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N 29°59'52" E, 531.95 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE EASTERLY, ALONG SAID CURVE, 53.15 FEET, THROUGH A CENTRAL ANGLE OF 101°30'00" AND A CHORD BEARING AND DISTANCE OF S 80°44'52" E, 46.46 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE S 48°30'08" E, 1632.09 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1673.01 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 623.52 FEET, THROUGH A CENTRAL ANGLE OF 21°21'13" AND A CHORD BEARING AND DISTANCE OF S 59°10'45" E, 619.92 FEET; THENCE S 20°08'40" W, 88.89 FEET, TO THE POINT OF BEGINNING;

AND

IN SAID SECTION 24: THE NORTH 1/2; THE NORTH 1/2 OF THE SOUTHWEST 1/4; THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; AND THAT PORTION OF THE NORTH 3/4 OF THE SOUTHEAST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD;

AND

IN SAID SECTION 5: THAT PORTION OF THE WEST 1/2 LYING SOUTH AND EAST OF THE RIGHT-OF-WAY FOR STATE ROAD 40;

AND

IN SAID SECTION 6: THAT PORTION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 LYING SOUTH AND EAST OF THE RIGHT-OF-WAY FOR STATE ROAD 40; AND THAT PORTION OF THE WEST 1/2 OF THE NORTHEAST 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 6; THENCE S 59°30'43" W, 948.08 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE WESTERLY, ALONG SAID CURVE, 39.27 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF N 75°29'17" W, 35.36 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N 30°29'17" W, 677.96 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 78.54 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF N 14°30'43" E, 70.71 FEET, TO THE POINT OF TANGENCY THEREOF AND THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 40; THENCE N 59°30'43" E, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 1002.78 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 2824.79 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND CURVE, EASTERLY, 345.80 FEET, THROUGH A CENTRAL ANGLE OF 07°00'50" AND A CHORD BEARING AND DISTANCE OF N 63°01'08" E, 345.58 FEET, TO THE EAST LINE OF THE WEST 1/2 OF THE

NORTHEAST 1/4 OF SAID SECTION 6; THENCE S 00°21'50" E, ALONG SAID EAST LINE, 846.09 FEET, TO THE POINT OF BEGINNING.

AND

IN SAID SECTION 7: THAT PORTION OF THE NORTH 1/2 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 7; THENCE N 84°23'51" E, 557.94 FEET; THENCE S 31°51'04" E, 61.65 FEET, TO THE SOUTH LINE OF THE NORTH 1/2 OF SAID SECTION 7; THENCE S 89°47'41" W, ALONG SAID SOUTH LINE, 587.81 FEET, TO THE POINT OF BEGINNING; AND

THE SOUTH 1/2, LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE EAST 1/4 CORNER OF SAID SECTION 7; THENCE S 00°21'42" E, ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 26.67 FEET; THENCE WEST, 1244.42 FEET; THENCE S 57°00'00" W, 486.38 FEET; THENCE N 33°00'00" W, 220.08 FEET, TO A TANGENT INTERSECTION WITH A CIRCULAR CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHERLY, ALONG SAID CURVE, 39.27 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF S 12°00'00" W, 35.36 FEET, TO THE POINT OF COMPOUND CURVATURE WITH A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 638.26 FEET; THENCE WESTERLY, ALONG SAID CURVE, 157.61 FEET, THROUGH A CENTRAL ANGLE OF 14°08'55" AND A CHORD BEARING AND DISTANCE OF S 64°04'28" W, 157.21 FEET; THENCE N 31°51'04" W, 238.97 FEET, TO THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION 7; THENCE N 89°47'41" E, ALONG SAID NORTH LINE, 2046.91 FEET, TO THE POINT OF BEGINNING;

AND

IN SAID SECTION 8: THE WEST 1/2, LESS AND EXCEPT THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 THEREOF;

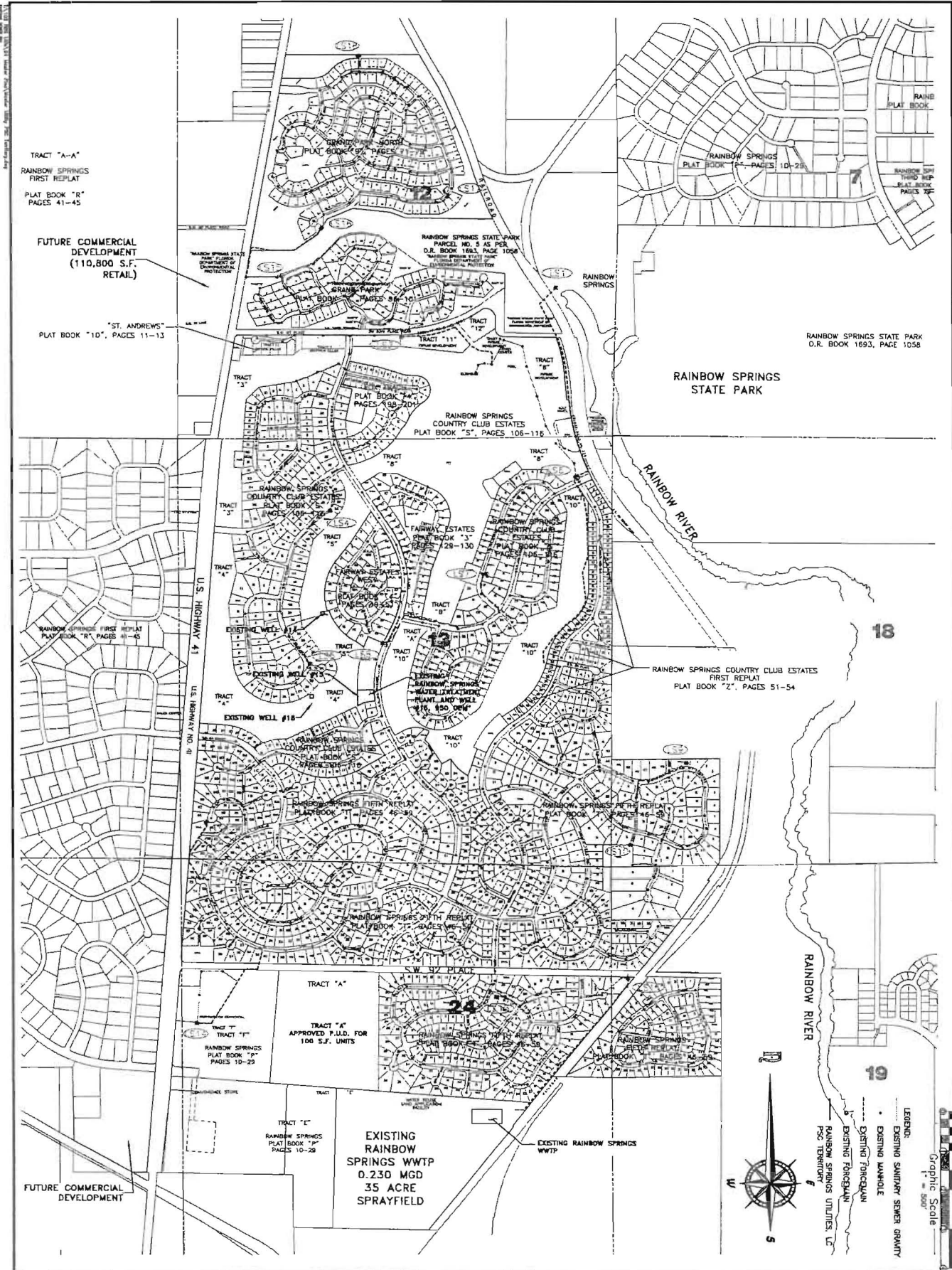
AND

IN SAID SECTION 18: THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4; THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD; AND THAT PORTION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 LYING EAST OF THE RAINBOW RIVER;

AND

IN SAID SECTION 19: THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4; AND THAT PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD.

THIS DESCRIPTION WAS EXTRACTED BY PIGEON-ROBERTS & ASSOCIATES, LLC (FLORIDA LICENSED BUSINESS NO. LB7481), FROM THE SKETCH OF DESCRIPTION PREPARED FOR RAINBOW SPRINGS UTILITIES, L.C., BY BERRYMAN & HENIGAR, DRAWING PSCSOD2_2002, PROJECT NO. 78283.02, DATED MARCH 10, 1998.



001 of 001 Job No. 102.04 Plot No. 102.04.001	Pigeon - Roberts & Associates, LLC CIVIL ENGINEERS - PLANNERS SURVEYORS & MAPPERS 238 N.E. 27th Street Suite A Ocala, Florida 34471 (352) 361-7738 (352) 361-7739	SCALE: 1" = 500' DATE: 08.25.11 CHECKED: DMP DRAWN: DMP FIELD BOOK: N/A PAGES: N/A DATE: N/A FILE NO.: 102.04.001 JOB NO.: 102.04 SHEET: 001 of 001	PREPARED FOR RAINBOW SPRINGS UTILITIES, L.C.		SECTION: VARY, TOWNSHIP: 18 NORTH, RANGE: 18 EAST, MARION, FLORIDA SHEET NO. _____ OF _____ DATE: _____	VILLAGE OF RAINBOW SPRINGS EXISTING WASTEWATER COLLECTION SYSTEM MASTER MAP MARION COUNTY, FLORIDA	CHECKED BY: PIGEON PROFESSIONAL ENGINEER #37338 STATE OF FLORIDA DATE: _____
			CERTIFICATE OF AUTHORIZATION ENGINEERING SEAL NO. _____ SURVEYING & MAPPING SEAL NO. _____				

EXHIBIT "I"

INVENTORIES

See Attached

Rainbow Springs Utilities
Inventory as of 11-9-11

OFFICE FURNITURE

<u>Qty</u>	<u>Description</u>
1	4 Drawer Legal file cabinet
2	2 Drawer Legal file cabinet
1	2 Drawer Lateral file cabinet
1	2 Door Supply Cabinet
2	2 Folding Tables
4	Stack Chairs
1	Data Cart
1	4 Drawer Letter file cabinet
1	Ice Machine
1	GE Turntable Microwave
1	GE Refrigerator
1	GE Turntable Microwave

OFFICE EQUIPMENT

1	Data Flex Accounting Software
1	Water Plant Diag RS Logics 500 Software
1	Compaq Presario 1650 laptop
1	Sharp AL-1641CS Copier
1	Brother 1270e Fax
1	Epson DFX-8000 Printer
1	IBM Wheelwriter 2 Typewriter
1	Dell Dimension 1100 Computer
1	HP 4000T Printer
1	RCA Phone System
1	Activa LD60 Shredder
5	AT&T Motorola VA76R Cell Phones

TRUCKS & EQUIPMENT

2	Gas Masks
1	Katolight Generator - Trailer Mounted
1	1992 Chevy S-10
1	1992 Chevy 1500
1	Kubota 35 Backhoe BT 900 #10248
1	5.5 HP Honda OHV Road Compactor
1	Scag STC Mower
1	Colorometer /PH Meter
1	GX 120 Honda 3" Mud Pump
1	2007 Ford F-250
1	Trailer
1	Sthi SE-TS 420 Cutoff Saw
1	Fimco LG-15 15 gal Sprayer
1	Power Boss 5500 Generator
1	Metal Detector
1	12 Gal Wet/Dry Vac
1	Poulan Pro pp2822 Hedge Trimmer
1	2007 EZ GO Golf Cart
2	2008 EZ GO Golf Carts