

Eric Fryson

From: Michele Parks [mparks@sfflaw.com]
Sent: Friday, September 21, 2012 2:19 PM
To: Filings@psc.state.fl.us
Cc: Saylor, Erik; Martha Barrera
Subject: {BULK} Docket No.: 110200-WU; Application for Increase in Water Rates in Franklin County by Water Management Services, Inc.

Importance: Low

Attachments: Motion to Allow Withdrawals From Escrow (FINAL).pdf

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- b. Docket No.: 110200-WU; Application for Increase in Water Rates in Franklin County by Water Management Services, Inc.
- c. <![endif]>Water Management Services, Inc.
- d. Motion (4 pages); Contract attached to the Motion (8 pages)
- e. Motion to Allow Withdrawals from Escrow

MICHELE PARKS

Paralegal for Martin S. Friedman and Bridget M. Grimsley

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DOCUMENT NUMBER-DATE
06374 SEP 21 09
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in
Water Rates in Franklin County by
Water Management Services, Inc.

Docket No. 110200-WU

**WATER MANAGEMENT SERVICES, INC.'S
MOTION TO ALLOW WITHDRAWALS FROM ESCROW**

Applicant, WATER MANAGEMENT SERVICES, INC. ("WMSI"), by and through its undersigned attorneys, requests this Commission to allow it to withdraw funds from the interim escrow account and the PAA Order escrow account, and in support thereof states:

1. Pursuant to Order No. PSC-12-0435-PAA-WU ("PAA Order"), this Commission granted a rate increase to fund certain pro forma projects, the most substantial of which is construction of a new water storage tank. Included is the purchase of land upon which to construct the new water storage tank and related improvements. Although the PAA Order was protested by OPC, OPC did not protest the pro forma projects.

2. A concern expressed by WMSI's customers regarding the pro forma project was the \$425,000 cost of the land upon which to construct the water storage tank. WMSI has continued to explore other options, and WMSI located 24 bank-owned lots which were obtained through foreclosure and which can be purchased for \$190,000. In order to tie up the property, WMSI has executed a Contract to purchase those lots, a

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

copy of which is attached. In addition to an initial substantial savings from the original lots, WMSI will sell the twelve (12) lots not needed for this project, further reducing the cost to WMSI and to its customers.

3. However, as a result of OPC's protest, WMSI does not have the resources to close on the purchase of the bank-owned lots by the November 8, 2012, closing date provided for in the Contract. However, in light of the OPC protest, the seller bank has agreed to allow WMSI to pay \$15,000 per month to extend the closing date until after a final order is entered, not to exceed one year. WMSI does not have the resources, due to the OPC protest, to fund the \$15,000 per month cost without the use of escrow funds. Further, until such time as the OPC protest is resolved, WMSI cannot obtain permanent financing and funding of the pro forma projects, including the purchase of the land. This is a narrow window of opportunity to obtain a substantial savings in the cost of the pro forma project. Thus, WMSI requests that the \$15,000 payment to the bank in November be authorized from the interim escrow account, and to the extent necessary, that the remaining payments of \$15,000 per month be withdrawn from the PAA Order escrow account.

4. Pursuant to the PAA Order, WMSI is to escrow 35.25% of its revenue, as clarified in the Amendatory Order, payments from the escrow are to be made on the bank loan for construction contracts, for construction loan interest, and on the DEP loan. Thus, the Staff does not have the administrative authority to authorize the withdrawal of funds from the escrow account for payment of the land. Further, since the PAA Order

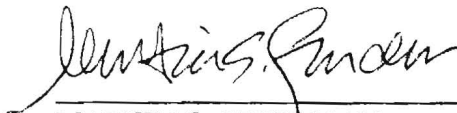
was protested, the funds to be held pursuant to the PAA Order are not held pursuant to these escrow requirements.

5. DEP has agreed to accept \$40,000 on or before November 15, 2012, with the next payment to be due May 15, 2013, in the amount of \$171,408.35. Since the provisions of the escrow provision of the PAA Order authorizing the Staff to authorize withdrawal from the escrow account to make the payment to DEP is not applicable to the interim rate or PAA Order escrows, WMSI requests that it be allowed to withdraw and pay to DEP \$40,000 from the interim rate escrow, when that payment is due November 15, 2012.

WHEREFORE, Applicant, WATER MANAGEMENT SERVICES, INC. requests this Commission authorize the withdrawal, on or before November 15, 2012, of \$40,000 to pay DEP, and \$15,000 per month, beginning November 15, 2012, and continuing monthly thereafter to pay to Centennial Bank for the purchase of its lots.

Respectfully submitted on this 21st day of
September, 2012 by:

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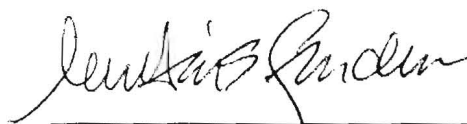
MARTIN S. FRIEDMAN
For the Firm

CERTIFICATE OF SERVICE
DOCKET NO. 110200-WU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent to
furnished by U.S. Mail and E-Mail to the following parties this 21st day of September,
2012:

Erik Sayler, Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400

Martha Barrera, General Counsel
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850



MARTIN S. FRIEDMAN
For the Firm

Water Management Contract

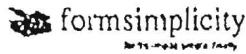


2* 1. SALE AND PURCHASE: Centennial Bank (*Seller*)
 3* and Water Management Services, Inc. (*Buyer*)
 4 agree to sell and buy on the terms and conditions specified below the property ("Property") described as:
 5* Address: Miscellaneous Lots located along W. Pine Street, 2nd Street and N. Bayshore Dr. on St. George Island, Florida
 6* Legal Description: Gulf Beaches Unit 1 Block 3 West Lots 1-7, 12-19, 22-30 located on St. George Island in Franklin
 7* County, Florida. Franklin County Parcel IDs 29-09S-08W-7311-003W-010, 020, 030, 040, 050, 060, 070, 120, 130, 140,
 8* 150, 160, 170, 180, 190, 220, 230, 240, 250, 260, 270, 280, 290, and 300.
 9*
 10*
 11*
 12* including all improvements and the following additional property: Not Applicable
 13*
 14*

15 **PRICE AND FINANCING**
 16* 2. PURCHASE PRICE: \$ 190,000.00 payable by Buyer in U.S. funds as follows:
 17* (a) \$ 5,000.00 Deposit received (checks are subject to clearance) on _____ by
 18* _____ for delivery to _____ Dodd Title (*Escrow Agent*)
 19* Signature Name of Company
 20* (Address of Escrow Agent) 40 4th Street, Apalachicola, FL 32320
 21* (Phone # of Escrow Agent) 850-653-9537
 22* (b) \$ _____ Additional deposit to be delivered to Escrow Agent by _____,
 23* or _____ days from Effective Date (10 days if left blank).
 24* (c) _____ Total financing (see Paragraph 3 below) (express as a dollar amount or percentage)
 25* (d) \$ _____ Other: _____
 26* (e) \$ 185,000.00 Balance to close (not including Buyer's closing costs, prepaid items and prorations). All funds
 27* paid at closing must be paid by locally drawn cashier's check, official check or wired funds.

28* (f) (complete only if purchase price will be determined based on a per unit cost instead of a fixed price) The unit
 29* used to determine the purchase price is lot acre square foot other (specify: _____)
 30* prorating areas of less than a full unit. The purchase price will be \$ _____ per unit based on a calculation of total
 31* area of the Property as certified to Buyer and Seller by a Florida-licensed surveyor in accordance with Paragraph 8(c) of this
 32* Contract. The following rights of way and other areas will be excluded from the calculation: _____
 33*

34* 3. CASH/FINANCING: (Check as applicable) (a) Buyer will pay cash for the Property with no financing contingency.
 35* (b) This Contract is contingent on Buyer qualifying and obtaining the commitment(s) or approval(s) specified below (the
 36* "Financing") within 60 days from Effective Date (if left blank then Closing Date or 30 days from Effective Date, whichever
 37* occurs first) (the "Financing Period"). Buyer will apply for Financing within 5 days from Effective Date (5 days if left blank)
 38* and will timely provide any and all credit, employment, financial and other information required by the lender. If Buyer, after
 39* using diligence and good faith, cannot obtain the Financing within the Financing Period, either party may cancel this Contract
 40* and Buyer's deposit(s) will be returned after Escrow Agent receives proper authorization from all interested parties.
 41* (1) New Financing: Buyer will secure a commitment for new third party financing for \$ TBD or
 42* TBD % of the purchase price at the prevailing interest rate and loan costs based on Buyer's creditworthiness. Buyer will
 43* keep Seller and Broker fully informed of the loan application status and progress and authorizes the lender or mortgage
 44* broker to disclose all such information to Seller and Broker.
 45* (2) Seller Financing: Buyer will execute a first second purchase money note and mortgage to Seller in the
 46* amount of \$ _____, bearing annual interest at _____ % and payable as follows: _____
 47* _____
 48* The mortgage, note, and any security agreement will be in a form acceptable to Seller and will follow forms generally
 49* accepted in the county where the Property is located; will provide for a late payment fee and acceleration at the mortgagee's
 50* Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is Page 1 of 7 Pages.



51 option If Buyer defaults; will give Buyer the right to prepay without penalty all or part of the principal at any time(s) with
52 interest only to date of payment; will be due on conveyance or sale; will provide for release of contiguous parcels, if
53 applicable; and will require Buyer to keep liability insurance on the Property, with Seller as additional named insured. Buyer
54 authorizes Seller to obtain credit, employment and other necessary information to determine creditworthiness for the
55 financing. Seller will, within 10 days from Effective Date, give Buyer written notice of whether or not Seller will make the loan.
56 (3) Mortgage Assumption: Buyer will take title subject to and assume and pay existing first mortgage to _____
57 _____
58 LNH# _____ in the approximate amount of \$ _____ currently payable at
59 \$ _____ per month including principal, interest, taxes and insurance and having a fixed other
60 (describe) _____
61 Interest rate of _____ % which will will not escalate upon assumption. Any variance in the mortgage will be
62 adjusted in the balance due at closing with no adjustment to purchase price. Buyer will purchase Seller's escrow
63 account dollar for dollar. If the lender disapproves Buyer, or the interest rate upon transfer exceeds _____ % or the
64 assumption/transfer fee exceeds \$ _____, either party may elect to pay the excess, failing which this agreement
65 will terminate and Buyer's deposit(s) will be returned.

66 CLOSING

67 4. CLOSING DATE; OCCUPANCY: This Contract will be closed and the deed and possession delivered on November 8
68 2012 ("Closing Date"). Unless the Closing Date is specifically extended by the Buyer and Seller or by any other provision in this
69 Contract, the Closing Date shall prevail over all other time periods including, but not limited to, financing and feasibility study
70 periods. If on Closing Date insurance underwriting is suspended, Buyer may postpone closing up to 5 days after the insurance
71 suspension is lifted. If this transaction does not close for any reason, Buyer will immediately return all Seller-provided title
72 evidence, surveys, association documents and other items.

73 5. CLOSING PROCEDURE; COSTS: Closing will take place in the county where the Property is located and may be conducted by
74 mail or electronic means. If title insurance insures Buyer for title defects arising between the title binder effective date and
75 recording of Buyer's deed, closing agent will disburse at closing the net sale proceeds to Seller (in local cashier's checks if Seller
76 requests in writing at least 5 days prior to closing) and brokerage fees to Broker as per Paragraph 17. In addition to other expenses
77 provided in this Contract, Seller and Buyer will pay the costs indicated below.

78 (a) Seller Costs:

79 Taxes on the deed
80 Recording fees for documents needed to cure title
81 Title evidence (if applicable under Paragraph 8)
82 Other: _____

83 (b) Buyer Costs:

84 Taxes and recording fees on notes and mortgages
85 Recording fees on the deed and financing statements
86 Loan expenses
87 Lender's title policy at the simultaneous issue rate
88 Inspections
89 Survey and sketch
90 Insurance
91 Other: _____

92 (c) Title Evidence and Insurance: Check (1) or (2):

93 (1) The title evidence will be a Paragraph 8(a)(1) owner's title insurance commitment. Seller will select the title agent and
94 will pay for the owner's title policy, search, examination and related charges or Buyer will select the title agent and pay for
95 the owner's title policy, search, examination and related charges or Buyer will select the title agent and Seller will pay for
96 the owner's title policy, search, examination and related charges.

97 (2) Seller will provide an abstract as specified in Paragraph 8(a)(2) as title evidence. Seller Buyer will pay for the
98 owner's title policy and select the title agent. Seller will pay fees for title searches prior to closing, including tax search and
99 lien search fees, and Buyer will pay fees for title searches after closing (if any), title examination fees and closing fees.

100 (d) Prorations: The following items will be made current and prorated as of the day before Closing Date: real estate taxes,
101 interest, bonds, assessments, leases and other Property expenses and revenues. If taxes and assessments for the current year
102 cannot be determined, the previous year's rates will be used with adjustment for any exemptions. PROPERTY TAX
103 DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF
104 PROPERTY TAXES THAT BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF
105 OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER
106 PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S
107 OFFICE FOR FURTHER INFORMATION.

108 (e) Special Assessment by Public Body: Regarding special assessments imposed by a public body, Seller will pay (i) the full
109 amount of liens that are certified, confirmed and ratified before closing and (ii) the amount of the last estimate of the assessment

110 Buyer (Signature) and Seller (Signature) acknowledge receipt of a copy of this page, which is Page 2 of 7 Pages.

111 if an improvement is substantially completed as of Effective Date but has not resulted in a lien before closing, and Buyer will
 112 pay all other amounts. If special assessments may be paid in installments Buyer Seller (if left blank, Buyer) shall pay
 113 installments due after closing. If Seller is checked, Seller will pay the assessment in full prior to or at the time of closing. Public
 114 body does not include a Homeowner Association or Condominium Association.
 115 (f) Tax Withholding: If Seller is a "foreign person" as defined by FIRPTA, Section 1445 of the Internal Revenue Code requires
 116 Buyer to withhold 10% of the amount realized by the Seller on the transfer and remit the withheld amount to the Internal
 117 Revenue Service (IRS) unless an exemption applies. The primary exemptions are (1) Seller provides Buyer with an affidavit
 118 that Seller is not a "foreign person"; (2) Seller provides Buyer with a Withholding Certificate providing for reduced or
 119 eliminated withholding, or (3) the gross sales price is \$300,000 or less, Buyer is an individual who purchases the Property to
 120 use as a residence, and Buyer or a member of Buyer's family has definite plans to reside at the Property for at least 50% of the
 121 number of days the Property is in use during each of the first two 12 month periods after transfer. The IRS requires Buyer and
 122 Seller to have a U.S. federal taxpayer identification number ("TIN"). Buyer and Seller agree to execute and deliver as directed
 123 any instrument, affidavit or statement reasonably necessary to comply with FIRPTA requirements including applying for a TIN
 124 within 3 days from Effective Date and delivering their respective TIN or Social Security numbers to the Closing Agent. If Seller
 125 applies for a withholding certificate but the application is still pending as of closing, Buyer will place the 10% tax in escrow at
 126 Seller's expense to be disbursed in accordance with the final determination of the IRS, provided Seller so requests and gives
 127 Buyer notice of the pending application in accordance with Section 1445. If Buyer does not pay sufficient cash at closing to
 128 meet the withholding requirement, Seller will deliver to Buyer at closing the additional cash necessary to satisfy the
 129 requirement. Buyer will timely disburse the funds to the IRS and provide Seller with copies of the tax forms and receipts.
 130 (g) 1031 Exchange: If either Seller or Buyer wishes to enter into a like-kind exchange (either simultaneously with closing or
 131 after) under Section 1031 of the Internal Revenue Code ("Exchange"), the other party will cooperate in all reasonable respects to
 132 effectuate the Exchange including executing documents; provided, however, that the cooperating party will incur no liability or
 133 cost related to the Exchange and that the closing shall not be contingent upon, extended or delayed by the Exchange.

134 **PROPERTY CONDITION**

135 **6. LAND USE:** Seller will deliver the Property to Buyer at the time agreed in its present "as is" condition, with conditions
 136 resulting from Buyer's inspections and casualty damage, if any, excepted. Seller will maintain the landscaping and grounds in
 137 a comparable condition and will not engage in or permit any activity that would materially alter the Property's condition without
 138 the Buyer's prior written consent.

139 (a) **Flood Zone:** Buyer is advised to verify by survey, with the lender and with appropriate government agencies which flood
 140 zone the Property is in, whether flood insurance is required and what restrictions apply to improving the Property and
 141 rebuilding in the event of casualty.

142 (b) **Government Regulation:** Buyer is advised that changes in government regulations and levels of service which affect
 143 Buyer's intended use of the Property will not be grounds for canceling this Contract if the Feasibility Study Period has expired
 144 or if Buyer has checked choice (c)(2) below.

145 (c) **Inspections:** (check (1) or (2) below)

146 (1) **Feasibility Study:** Buyer will, at Buyer's expense and within _____ days from Effective Date ("Feasibility Study
 147 Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion, for _____
 148 _____ use. During the Feasibility Study Period, Buyer may conduct a Phase I environmental
 149 assessment and any other tests, analyses, surveys and investigations ("Inspections") that Buyer deems necessary to
 150 determine to Buyer's satisfaction the Property's engineering, architectural and environmental properties; zoning and
 151 zoning restrictions; subdivision statutes; soil and grade; availability of access to public roads, water, and other utilities;
 152 consistency with local, state and regional growth management plans; availability of permits, government approvals, and
 153 licenses; and other inspections that Buyer deems appropriate to determine the Property's suitability for the Buyer's
 154 intended use. If the Property must be rezoned, Buyer will obtain the rezoning from the appropriate government agencies.
 155 Seller will sign all documents Buyer is required to file in connection with development or rezoning approvals.

156 Seller gives Buyer, its agents, contractors and assigns, the right to enter the Property at any time during the Feasibility
 157 Study Period for the purpose of conducting inspections; provided, however, that Buyer, its agents, contractors and
 158 assigns enter the Property and conduct inspections at their own risk. Buyer will indemnify and hold Seller harmless
 159 from losses, damages, costs, claims and expenses of any nature, including attorneys' fees, expenses and liability
 160 incurred in application for rezoning or related proceedings, and from liability to any person, arising from the conduct of
 161 any and all inspections or any work authorized by Buyer. Buyer will not engage in any activity that could result in a
 162 construction lien being filed against the Property without Seller's prior written consent. If this transaction does not
 163 close, Buyer will, at Buyer's expense, (1) repair all damages to the Property resulting from the inspections and return
 164 the Property to the condition it was in prior to conduct of the inspections, and (2) release to Seller all reports and other
 165 work generated as a result of the inspections.

166 Buyer will deliver written notice to Seller prior to the expiration of the Feasibility Study Period of Buyer's determination of
 167 whether or not the Property is acceptable. Buyer's failure to comply with this notice requirement will constitute acceptance
 168 of the Property as suitable for Buyer's intended use in its "as is" condition. If the Property is unacceptable to Buyer and
 169 written notice of this fact is timely delivered to Seller, this Contract will be deemed terminated as of the day after the
 170 Feasibility Study period ends and Buyer's deposit(s) will be returned after Escrow Agent receives proper authorization from
 171 all interested parties.

172 (2) **No Feasibility Study:** Buyer is satisfied that the Property is suitable for Buyer's purposes, including being
 173 satisfied that either public sewerage and water are available to the Property or the Property will be approved for the

174 Buyer _____ and Seller _____ acknowledge receipt of a copy of this page, which is Page 3 of 7 Pages.

175 installation of a well and/or private sewerage disposal system and that existing zoning and other pertinent regulations and
176 restrictions, such as subdivision or deed restrictions, concurrency, growth management and environmental conditions, are
177 acceptable to Buyer. This Contract is not contingent on Buyer conducting any further investigations.

178 (d) **Subdivided Lands:** If this Contract is for the purchase of subdivided lands, defined by Florida Law as "(a) Any contiguous
179 land which is divided or is proposed to be divided for the purpose of disposition into 50 or more lots, parcels, units, or interests;
180 or (b) Any land, whether contiguous or not, which is divided or proposed to be divided into 50 or more lots, parcels, units, or
181 interests which are offered as a part of a common promotional plan.", Buyer may cancel this Contract for any reason
182 whatsoever for a period of 7 business days from the date on which Buyer executes this Contract. If Buyer elects to cancel
183 within the period provided, all funds or other property paid by Buyer will be refunded without penalty or obligation within 20
184 days of the receipt of the notice of cancellation by the developer.

185 **7. RISK OF LOSS; EMINENT DOMAIN:** If any portion of the Property is materially damaged by casualty before closing, or Seller
186 negotiates with a governmental authority to transfer all or part of the Property in lieu of eminent domain proceedings, or if an
187 eminent domain proceeding is initiated, Seller will promptly inform Buyer. Either party may cancel this Contract by written
188 notice to the other within 10 days from Buyer's receipt of Seller's notification, failing which Buyer will close in accordance with
189 this Contract and receive all payments made by the government authority or insurance company, if any.

190 TITLE

191 **8. TITLE:** Seller will convey marketable title to the Property by statutory warranty deed or trustee, personal representative or
192 guardian deed as appropriate to Seller's status.

193 (a) **Title Evidence:** Title evidence will show legal access to the Property and marketable title of record in Seller in accordance
194 with current title standards adopted by the Florida Bar, subject only to the following title exceptions, none of which prevent
195 Buyer's intended use of the Property as C-4 Mixed Use Commercial; covenants, easements and restrictions of
196 record; matters of plat; existing zoning and government regulations; oil, gas and mineral rights of record if there is no right of
197 entry; current taxes; mortgages that Buyer will assume; and encumbrances that Seller will discharge at or before closing.
198 Seller will deliver to Buyer Seller's choice of one of the following types of title evidence, which must be generally accepted
199 in the county where the Property is located (specify in Paragraph 5(c) the selected type). Seller will use option (1) in Palm
200 Beach County and option (2) in Miami-Dade County.

201 (1) A title insurance commitment issued by a Florida-licensed title insurer in the amount of the purchase price and subject
202 only to title exceptions set forth in this Contract and delivered no later than 2 days before Closing Date.

203 (2) An existing abstract of title from a reputable and existing abstract firm (if firm is not existing, then abstract must be
204 certified as correct by an existing firm) purporting to be an accurate synopsis of the instruments affecting title to the
205 Property recorded in the public records of the county where the Property is located and certified to Effective Date. However
206 if such an abstract is not available to Seller, then a prior owner's title policy acceptable to the proposed insurer as a base
207 for reissuance of coverage. Seller will pay for copies of all policy exceptions and an update in a format acceptable to
208 Buyer's closing agent from the policy effective date and certified to Buyer or Buyer's closing agent, together with copies of
209 all documents recited in the prior policy and in the update. If a prior policy is not available to Seller then (1) above will be
210 the title evidence. Title evidence will be delivered no later than 10 days before Closing Date.

211 (b) **Title Examination:** Buyer will examine the title evidence and deliver written notice to Seller, within 5 days from receipt of
212 title evidence but no later than Closing Date, of any defects that make the title unmarketable. Seller will have 30 days from
213 receipt of Buyer's notice of defects ("Curative Period") to cure the defects at Seller's expense. If Seller cures the defects within
214 the Curative Period, Seller will deliver written notice to Buyer and the parties will close the transaction on Closing Date or
215 within 10 days from Buyer's receipt of Seller's notice if Closing Date has passed. If Seller is unable to cure the defects within
216 the Curative Period, Seller will deliver written notice to Buyer and Buyer will, within 10 days from receipt of Seller's notice,
217 either cancel this Contract or accept title with existing defects and close the transaction.

218 (c) **Survey:** Buyer may, prior to Closing Date and at Buyer's expense, have the Property surveyed and deliver written notice to
219 Seller, within 5 days from receipt of survey but no later than 5 days prior to closing, of any encroachments on the Property,
220 encroachments by the Property's improvements on other lands or deed restriction or zoning violations. Any such
221 encroachment or violation will be treated in the same manner as a title defect and Buyer's and Seller's obligations will be
222 determined in accordance with subparagraph (b) above.

223 (d) **Coastal Construction Control Line:** If any part of the Property lies seaward of the coastal construction control line as
224 defined in Section 161.053 of the Florida Statutes, Seller shall provide Buyer with an affidavit or survey as required by law
225 delineating the line's location on the Property, unless Buyer waives this requirement in writing. The Property being purchased
226 may be subject to coastal erosion and to federal, state, or local regulations that govern coastal property, including delineation
227 of the coastal construction control line, rigid coastal protection structures, beach nourishment, and the protection of marine
228 turtles. Additional information can be obtained from the Florida Department of Environmental Protection, including whether
229 there are significant erosion conditions associated with the shoreline of the Property being purchased.

230 Buyer waives the right to receive a CCCL affidavit or survey.

231 MISCELLANEOUS

232 **9. EFFECTIVE DATE; TIME; FORCE MAJEURE:**

233 (a) **Effective Date:** The "Effective Date" of this Contract is the date on which the last of the parties initials or signs and delivers
234 final offer or counteroffer. Time is of the essence for all provisions of this Contract.

235 (b) **Time:** All time periods expressed as days will be computed in business days (a "business day" is every calendar day
236 except Saturday, Sunday and national legal holidays). If any deadline falls on a Saturday, Sunday or national legal

237 Buyer () and Seller () acknowledge receipt of a copy of this page, which is Page 4 of 7 Pages.

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238 holiday, performance will be due the next business day. All time periods will end at 5:00 p.m. local time (meaning in the county
239 where the Property is located) of the appropriate day.
240 (c) **Force Majeure:** Buyer or Seller shall not be required to perform any obligation under this Contract or be liable to
241 each other for damages so long as the performance or non-performance of the obligation is delayed, caused or prevented
242 by an act of God or force majeure. An "act of God" or "force majeure" is defined as hurricanes, earthquakes, floods, fire,
243 unusual transportation delays, wars, insurrections and any other cause not reasonably within the control of the Buyer or
244 Seller and which by the exercise of due diligence the non-performing party is unable in whole or in part to prevent or
245 overcome. All time periods, including Closing Date, will be extended (not to exceed 30 days) for the period that the force
246 majeure or act of God is in place. In the event that such "act of God" or "force majeure" event continues beyond the 30
247 days in this sub-paragraph, either party may cancel the Contract by delivering written notice to the other and Buyer's
248 deposit shall be refunded.

249 **10. NOTICES:** All notices shall be in writing and will be delivered to the parties and Broker by mail, personal delivery or electronic
250 media. Buyer's failure to deliver timely written notice to Seller, when such notice is required by this Contract, regarding
251 any contingencies will render that contingency null and void and the Contract will be construed as if the contingency did
252 not exist. Any notice, document or item delivered to or received by an attorney or licensee (including a transaction
253 broker) representing a party will be as effective as if delivered to or by that party.

254 **11. COMPLETE AGREEMENT:** This Contract is the entire agreement between Buyer and Seller, except for brokerage
255 agreements, no prior or present agreements will bind Buyer, Seller or Broker unless incorporated into this Contract.
256 Modifications of this Contract will not be binding unless in writing, signed or initialed and delivered by the party to be bound. This
257 Contract, signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated
258 electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or typewritten
259 terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract is or becomes invalid
260 or unenforceable, all remaining provisions will continue to be fully effective. Buyer and Seller will use diligence and good faith in
261 performing all obligations under this Contract. This Contract will not be recorded in any public records.

262 **12. ASSIGNABILITY; PERSONS BOUND:** Buyer may not assign this Contract without Seller's written consent. The terms
263 "Buyer," "Seller," and "Broker" may be singular or plural. This Contract is binding on the heirs, administrators, executors, personal
264 representatives and assigns (if permitted) of Buyer, Seller and Broker.

265 **DEFAULT AND DISPUTE RESOLUTION**

266 **13. DEFAULT:** (a) **Seller Default:** If for any reason other than failure of Seller to make Seller's title marketable after diligent
267 effort, Seller fails, refuses or neglects to perform this Contract, Buyer may choose to receive a return of Buyer's deposit without
268 waiving the right to seek damages or to seek specific performance as per Paragraph 14. Seller will also be liable to Broker for the
269 full amount of the brokerage fee. (b) **Buyer Default:** If Buyer fails to perform this Contract within the time specified, including
270 timely payment of all deposits, Seller may choose to retain and collect all deposits paid and agreed to be paid as liquidated
271 damages or to seek specific performance as per Paragraph 14; and Broker will, upon demand, receive 50% of all deposits paid
272 and agreed to be paid (to be split equally among Brokers) up to the full amount of the brokerage fee.

273 **14. DISPUTE RESOLUTION:** This Contract will be construed under Florida law. All controversies, claims, and other matters in
274 question arising out of or relating to this transaction or this Contract or its breach will be settled as follows:

275 (a) **Disputes concerning entitlement to deposits made and agreed to be made:** Buyer and Seller will have 30 days from
276 the date conflicting demands are made to attempt to resolve the dispute through mediation. If that fails, Escrow Agent will
277 submit the dispute. If so required by Florida law, to Escrow Agent's choice of arbitration, a Florida court or the Florida Real
278 Estate Commission ("FREC"). Buyer and Seller will be bound by any resulting award, judgment or order. A broker's obligation
279 under Chapter 475, FS and the FREC rules to timely notify the FREC of an escrow dispute and timely resolve the escrow
280 dispute through mediation, arbitration, interpleader, or an escrow disbursement order, if the broker so chooses, applies only
281 to brokers and does not apply to title companies, attorneys or other escrow companies.

282 (b) **All other disputes:** Buyer and Seller will have 30 days from the date a dispute arises between them to attempt to resolve
283 the matter through mediation, failing which the parties will resolve the dispute through neutral binding arbitration in the
284 county where the Property is located. The arbitrator may not alter the Contract terms or award any remedy not provided for
285 in this Contract. The award will be based on the greater weight of the evidence and will state findings of fact and the
286 contractual authority on which it is based. If the parties agree to use discovery, it will be in accordance with the Florida Rules
287 of Civil Procedure and the arbitrator will resolve all discovery-related disputes. Any disputes with a real estate licensee named
288 in Paragraph 17 will be submitted to arbitration only if the licensee's broker consents in writing to become a party to the
289 proceeding. This clause will survive closing.

290 (c) **Mediation and Arbitration; Expenses:** "Mediation" is a process in which parties attempt to resolve a dispute by
291 submitting it to an impartial mediator who facilitates the resolution of the dispute but who is not empowered to impose a
292 settlement on the parties. Mediation will be in accordance with the rules of the American Arbitration Association ("AAA") or
293 other mediator agreed on by the parties. The parties will equally divide the mediation fee, if any. "Arbitration" is a process in
294 which the parties resolve a dispute by a hearing before a neutral person who decides the matter and whose decision is
295 binding on the parties. Arbitration will be in accordance with the rules of the AAA or other arbitrator agreed on by the parties.
296 Each party to any arbitration will pay its own fees, costs and expenses, including attorneys' fees, and will equally split the
297 arbitrators' fees and administrative fees of arbitration. In a civil action to enforce an arbitration award, the prevailing party to
298 the arbitration shall be entitled to recover from the nonprevailing party reasonable attorneys' fees, costs and expenses.

299 Buyer  and Seller  acknowledge receipt of a copy of this page, which is Page 5 of 7 Pages.

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ESCROW AGENT AND BROKER

15. ESCROW AGENT: Buyer and Seller authorize Escrow Agent to receive, deposit and hold funds and other items in escrow and, subject to clearance, disburse them upon proper authorization and in accordance with Florida law and the terms of this Contract, including disbursing brokerage fees. The parties agree that Escrow Agent will not be liable to any person for misdelivery of escrowed items to Buyer or Seller, unless the misdelivery is due to Escrow Agent's willful breach of this Contract or gross negligence. If Escrow Agent interpleads the subject matter of the escrow, Escrow Agent will pay the filing fees and costs from the deposit and will recover reasonable attorneys' fees and costs to be paid from the escrowed funds or equivalent and charged and awarded as court costs in favor of the prevailing party. All claims against Escrow Agent will be arbitrated, so long as Escrow Agent consents to arbitrate.

16. PROFESSIONAL ADVICE; BROKER LIABILITY: Broker advises Buyer and Seller to verify all facts and representations that are important to them and to consult an appropriate professional for legal advice (for example, interpreting contracts, determining the effect of laws on the Property and transaction, status of title, foreign investor reporting requirements, the effect of property lying partially or totally seaward of the Coastal Construction Control Line, etc.) and for tax, property condition, environmental and other specialized advice. Buyer acknowledges that Broker does not reside in the Property and that all representations (oral, written or otherwise) by Broker are based on Seller representations or public records. Buyer agrees to rely solely on Seller, professional inspectors and governmental agencies for verification of the Property condition and facts that materially affect Property value. Buyer and Seller respectively will pay all costs and expenses, including reasonable attorneys' fees at all levels, incurred by Broker and Broker's officers, directors, agents and employees in connection with or arising from Buyer's or Seller's misstatement or failure to perform contractual obligations. Buyer and Seller hold harmless and release Broker and Broker's officers, directors, agents and employees from all liability for loss or damage based on (1) Buyer's or Seller's misstatement or failure to perform contractual obligations; (2) Broker's performance, at Buyer's and/or Seller's request, of any task beyond the scope of services regulated by Chapter 475, F.S., as amended, including Broker's referral, recommendation or retention of any vendor; (3) products or services provided by any vendor; and (4) expenses incurred by any vendor. Buyer and Seller each assume full responsibility for selecting and compensating their respective vendors. This paragraph will not relieve Broker of statutory obligations. For purposes of this paragraph, Broker will be treated as a party to this Contract. This paragraph will survive closing.

17. BROKERS: The licensee(s) and brokerage(s) named below are collectively referred to as "Broker." Instruction to Closing Agent: Seller and Buyer direct closing agent to disburse at closing the full amount of the brokerage fees as specified in separate brokerage agreements with the parties and cooperative agreements between the brokers, except to the extent Broker has retained such fees from the escrowed funds. In the absence of such brokerage agreements, closing agent will disburse brokerage fees as indicated below. This paragraph will not be used to modify any MLS or other offer of compensation made by Seller or listing broker to cooperating brokers.

332*	<u>Gene Brown</u>		
333*	Selling Sales Associate/License No. _____	Selling Firm/Brokerage Fee: (S or % of Purchase Price)	<u>3%</u>
334*		NAI TALCOR	
335*	Listing Sales Associate/License No. _____	Listing Firm/Brokerage Fee: (S or % of Purchase Price)	<u>3%</u>

ADDITIONAL TERMS

18. ADDITIONAL TERMS:
1. Line 191 & 192 is hereby amended as follows: Seller shall convey title to Buyer in the form of Special Warranty Deed.
 2. Property is selling on an AS-IS Basis.
 3. Seller makes no warranty as to the condition of the property or any structures contained thereupon.
 4. Buyer may not assign contract without Seller's written consent.

Buyer (signature) and Seller (signature) acknowledge receipt of a copy of this page, which is Page 6 of 7 Pages.
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175* _____

176 This is intended to be a legally binding contract. If not fully understood, seek the advice of an attorney prior to signing.

177 OFFER AND ACCEPTANCE

178* (Check if applicable) Buyer received a written real property disclosure statement from Seller before making this Offer.)
179 Buyer offers to purchase the Property on the above terms and conditions. Unless this Contract is signed by Seller and a
180* copy delivered to Buyer no later than 6:00 a.m. p.m. on August 16, 2012, this offer will be
181* revoked and Buyer's deposit refunded subject to clearance of funds.

182 COUNTER OFFER/ REJECTION

183* Seller counters Buyer's offer (to accept the counter offer, Buyer must sign or initial the counter offered terms and deliver a
184* copy of the acceptance to Seller. Unless otherwise stated, the time for acceptance of any counteroffers shall be 2 days from
185* the date the counter is delivered. Seller rejects Buyer's offer.

186* Date: Aug. 8, 2012 Buyer: [Signature]
187* Print name: Walter Thompson & Services, Inc.

388* Date: _____ Buyer: _____
389* Phone: _____ Print name: _____
390* Fax: _____ Address: _____
391* E-mail: _____

392* Date: 08.17.12 Seller: [Signature]
393* Print name: _____

394* Date: _____ Seller: _____
395* Phone: _____ Print name: _____
396* Fax: _____ Address: _____
397* E-mail: _____







398* Effective Date: _____ (The date on which the last party signed or initialed and delivered the final offer or counteroffer.)

399* Buyer Am () and Seller () () acknowledge receipt of a copy of this page, which is Page 7 of 7 Pages.
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7099

WATER MANAGEMENT SERVICES, INC.
250 JOHN KNOX ROAD #4
TALLAHASSEE, FLORIDA 32303



By  or  or  or  or  or 

Check Number: 7099

DATE	AMOUNT
Aug 8, 2012	5000.00

PAY Five Thousand and 00/100 Dollars
TO THE ORDER OF: DODD TITLE, ESCROW AGENT

Memo: BINDER


AUTHORIZED SIGNATURE

Security features. Details on back.

