



Water and Wastewater Utility Operations, Maintenance, Engineering, Management, Construction

130173-WU

June 24, 2013

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED - FPSC
13 JUN 24 PM 3:18
COMMISSION
CLERK

RE: Application for Transfer of Aqua Utilities Florida, Inc. Systems to Brevard Waterworks, Inc., HC Waterworks, Inc., Jumper Creek Utility Company, Lake Osborne Waterworks, Inc., Sunny Hills Utility Company, and The Woods Utility Company

Ms. Cole:

On behalf of the above mentioned Companies, enclosed are the Applications for Transfer of these utilities from Aqua Utilities Florida, Inc. in Brevard, Highlands, Palm Beach, Sumter, and Washington Counties.

In addition, the applicable FPSC Application fees are also contained along with this letter and copies of all maps (CAD drawings).

Thank you for your assistance.

Gary Deremer, President
5320 Captains Court
New Port Richey, FL 34652

C: File

Atch: Associated FPSC Application Fees for each Application

Two (2) identical flash drives that have additional CAD drawings of the system maps for all water and wastewater systems applicable to these Applications

COM _____
AFD 1
APA _____
ECO 1
ENG 1 + Maps
GCL 1
IDM _____
TEL _____
CLK 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re Lake Osborne Waterworks, Inc., Application)
For Approval of Transfer of Aqua Utilities Florida, Inc.) Docket No. 130173-WU
Water Systems in Palm Beach County, FL) Filed:24 June, 2013

**LAKE OSBORNE WATERWORKS, INC.
APPLICATION FOR APPROVAL OF TRANSFER
OF AQUA UTILITIES FLORIDA, INC.'S WATER SYSTEMS
IN PALM BEACH COUNTY, FLORIDA**

Lake Osborne Waterworks, Inc. ("Lake Osborne Waterworks, Inc." or "Buyer"), by and through its undersigned counsel, and pursuant to Sections 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code, hereby files this Application for approval of the transfer of the Water System of Aqua Utilities Florida, Inc. ("AUF" or "Seller") Certificate No. 053-W. In support of this Application, Lake Osborne Waterworks, Inc. states as follows:

APPLICANT INFORMATION

1. The name and address of the Buyer for purposes of this Application, and as it appears on Lake Osborne Waterworks, Inc.'s Commission-issued water & wastewater certificates are:

Gary A. Deremer, President
Lake Osborne Waterworks, Inc.
5320 Captains Court
New Port Richey, Florida, 34652

2. The name and address of Lake Osborne Waterworks, Inc.'s authorized representatives are:

Representative's Name and Title: Gary A. Deremer, President
HC Waterworks, Inc.
5320 Captains Court
New Port Richey, Florida, 34652

Victoria Penick
6043 Fall River Drive
New Port Richey, FL 34655
727-848-8292

3. The Seller's representatives for purposes of this Application are:

Terry J. Rakocy, Chief Operating Officer
Aqua Utilities Florida, Inc.
1000 S. Schuyler Avenue
Kankakee, IL 60901
(815) 614-2013

4. The shareholders via Harbor Waterworks, Inc. have been issued the following FPSC Certificates:

Certificate No. 053-W

5. Attached hereto is Lake Osborne Waterworks, Inc.'s Application for Approval of Purchase of the Seller's system in Palm Beach County, Florida (the "Application"). The attached Application includes all of the information required by Rule 25-30.037, Florida Administrative Code.

A. APPLICATION FOR APPROVAL OF TRANSFER OF AQUA UTILITIES FLORIDA, INC.

I. FINANCIAL AND TECHNICAL INFORMATION

6. Lake Osborne Waterworks, Inc. is a Florida corporation authorized to do business in Florida as of March 1, 2013. The names and addresses of Lake Osborne Waterworks, Inc.'s corporate officers and directors are listed in **Exhibit "A"** to the Application.

7. **Exhibit "B"** to the Application is a statement indicating how this purchase is in the public interest, including a summary of Lake Osborne Waterworks, Inc.'s experience in water and wastewater utility operations, a showing of Lake Osborne Waterworks, Inc.'s financial ability to provide service and a statement that Lake Osborne Waterworks, Inc. will fulfill the commitments, obligations and representations of AUF with regard to utility matters.

8. Lake Osborne Waterworks, Inc. is a privately held corporation and does not own any other water or wastewater utilities. **Exhibit “C”** to the Application is not applicable to Lake Osborne Waterworks, Inc.

9. The sale of the system took place on March 28, 2013 **Exhibit “D”** to the Application is a copy of the Asset Purchase Agreement, including attachments, by and between Seller and Lake Osborne Waterworks, Inc., executed on or about March 28, 2013. Section 367.07(1), Florida Statutes, provides that a utility may sell its land, facilities and certificates prior to Commission determination that the sale is in the public interest, if the sale is made contingent upon Commission approval. Accordingly, Section 7.9 of the Asset Purchase Agreement provides that this sale is contingent upon Commission approval.

10. **Exhibit “E”** to the Application is a statement regarding the disposition of any outstanding regulatory assessment fees for the Seller’s system.

11. **Exhibit “F”** to the Application is a statement describing Lake Osborne Waterworks, Inc.’s financing of the sale.

12. **Exhibit “G”** to the Application is a list of any or all entities upon which Lake Osborne Waterworks, Inc. is relying to provide funding for the sale, and an explanation of the manner and amount of such funding, including financial statements and copies of any financial agreements with Lake Osborne Waterworks, Inc.

13. **Exhibit “H”** to the Application is a detailed listing of the proposed net book value of the Water System as of the date of the proposed transfer, including the Commission

Order and the date of issuance establishing rate base. It is Lake Osborne Waterworks, Inc. understands that Rate Base was established under Order No. PSC-12-0102-FOF-WS.

14. **Exhibit "I"** to the Application is a statement confirming that Lake Osborne Waterworks, Inc. is not requesting an acquisition adjustment.

15. The books and records of Seller are available for inspection by the Commission. The name, address, and telephone number of the person who has possession of the books and records of Seller are as follows:

Mr. Stan Szczygiel
Aqua America, Inc.
62 West Lancaster Ave
Bryn Mawr, PA 19010

16. **Exhibit "J"** to the Application is a statement from Lake Osborne Waterworks, Inc. regarding the federal income tax returns of AUF.

17. **Exhibit "K"** to the Application is a statement from Lake Osborne Waterworks, Inc. regarding the condition of the Water System being acquired and the status of its compliance with applicable standards set by the Florida Department of Environmental Protection.

II. NOTICE OF ACTUAL APPLICATION

18. In accordance with Rule 25-30.030(2), Florida Administrative Code, Lake Osborne Waterworks, Inc. has obtained from the Commission a list of the names and addresses of the municipalities, the counties, the regional planning counsel, the Office of Public Counsel, the Commission's Director of Commission Clerk and Administrative Services, the appropriate regional office of the Department of Environmental Protection, the appropriate water

management districts, and privately-owned water and wastewater utilities that hold a certificate granted by the Commission, and that are located within the county in which the systems proposed to be transferred are located.

19. In accordance with Rule 25-30.030(5), Florida Administrative Code, Lake Osborne Waterworks, Inc. will provide notice of this Application containing the information required under Rule 25-30.030(4), Florida Administrative Code by regular mail to the governing body of each county and municipality contained in the list obtained from the Commission as referenced above, as well as the other entities contained in the list obtained from the Commission, within 7 days of filing this Application.

20. Pursuant to Rule 25-30.030(8), Florida Administrative Code, within 15 days of filing this Application, Lake Osborne Waterworks, Inc. will submit **Late-Filed Exhibit "L"** to the Application, which will include an affidavit confirming that the Notice of Application was provided as described in Paragraphs 19-20, along with a copy of the Notice and a copy of the list of entities obtained from the Commission.

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

22. In accordance with Rule 25-30.030(7), Florida Administrative Code, Lake Osborne Waterworks, Inc. will publish the Notice once in a newspaper of general circulation in the territory proposed to be transferred within 7 days of filing this Application. Within 15 days of filing this Application, Lake Osborne Waterworks, Inc. will submit **Late-Filed Exhibit “N”** to the Application, which will include an affidavit reflecting that the Notice has been published once in a newspaper of general circulation in each territory proposed to be transferred, along with proof of each publication.

III. FILING FEE

23. The application fee required by Section 367.145, Florida Statutes, and Rule 25-30.020, Florida Administrative Code, has been submitted to the Commission Clerk of Administrative Services along with the filing of this Application.

IV. OTHER

24. **Exhibit “O”** to the Application provides evidence that Lake Osborne Waterworks, Inc. owns the land upon which the treatment facilities for both the water and wastewater systems are located.


25. **Exhibit “P”** to the Application contains sample tariff sheets for each system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions of the Water System.

26. **Exhibit “Q”** Lake Osborne Waterworks, Inc. does not have in its possession the Certificates for the water system. From Lake Osborne Waterworks, Inc.’s understanding the Certificates were provided in Order No. PSC-12-0102-FOF-WS.

WHEREFORE, Lake Osborne Waterworks, Inc. requests that this Commission:

- A. Grant Lake Osborne Waterworks, Inc.'s Application;
- B. Approve the transfer of the System owned by Aqua Utilities Florida, Inc. to Lake Osborne Waterworks, Inc. as described herein and in the attached application and,
- C. Grant such other relief as appropriate.

Respectfully submitted this 21st day of June, 2013.



Name: Gary A. Deremer
Title: President
Lake Osborne Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652

B. APPLICATION FOR AMENDMENT OF CERTIFICATES OF AUTHORIZATION

I. SYSTEM INFORMATION

27. Lake Osborne Waterworks, Inc. will provide potable water & wastewater service, to the territory. Lake Osborne Waterworks, Inc. will provide service to the territory by utilizing the current utility facilities.

28. **The type of customers to be served are single family homes.**

29. Attached hereto as **Exhibit "R"** is a copy of the executed and recorded special warranty deed as evidence that Lake Osborne Waterworks, Inc. owns the land where the water facilities are located.

II. FINANCIAL AND TECHNICAL INFORMATION

30. Lake Osborne Waterworks, Inc. has the technical and financial ability to render reasonably sufficient, adequate and efficient service to the territory.

31. Funding for the acquisition of the Seller's system was provided through Share holder cash.

32. The rates for the Seller's systems were established by the Commission. The purchase of the Seller's system will not have an immediate impact on Lake Osborne Waterworks, Inc.'s current rates.

III. TERRITORY DESCRIPTION AND MAPS

33. Attached hereto as **Exhibit “S”** is an accurate legal description of the water territory proposed to be added using township, range and section references as specified by Rule 25-30.030(2), Florida Administrative Code.

34. Attached hereto as **Exhibit “T”** is an official county tax assessment map showing township, range and section of the territory.

35. Attached hereto as **Exhibit “U”** are maps showing the existing lines and facilities of the territory.

IV. ANNUAL REPORTS AND CERTIFICATES

36. Attached hereto as **Exhibit “V”** is an affidavit of Lake Osborne Waterworks, affirming that the Company does not have any tariffs or annual reports on file with the Commission. Shareholders also own Harbor Hills Waterworks, Inc. which does have tariffs on file with the Commission but does not have any annual reports on file at the time of the Application submittal. In addition, Shareholders also have Purchased LP Utilities and Shangri-la Utilities. This Application of Transfer is pending with the **FPSC**.

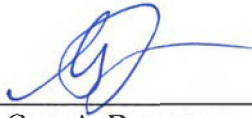
37. Attached hereto as **Exhibit “W”** is Lake Osborne Waterworks, Inc.’s acknowledgement that it does not have a recent order of the Commission establishing or changing the applicant’s rates and charges.

V. AFFIDAVIT

38. Attached hereto as **Exhibit “X”** is an affidavit of Lake Osborne Waterworks, Inc., affirming that the facts stated herein and in the attached exhibits are true and correct.

WHEREFORE, Lake Osborne Waterworks, Inc. requests that this Commission grant
Lake Osborne Waterworks, Inc.'s Application and such other relief as is appropriate.

Respectfully submitted this 21st day of June, 2013.



Name: Gary A. Derermer
Title: President
Lake Osborne Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652

EXHIBIT A
Rule 25-30.037 (2)(d)

If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors.

President and CEO – Gary A. Deremer, 4939 Cross Bayou Blvd., New Port Richey, FL 34652

Cecil Delcher – Vice President, 11702 Forest Hills Dr., Tampa, FL 33612

EXHIBIT B
Rule 25-30.037 (3)(j)

A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

The directors have been in the water and wastewater utility management, operations and maintenance related industry for many years and bring a level of Florida specific expertise that is not typical to private utility ownership within the State.

Gary Deremer – President: 28 years of Florida related water and wastewater industry experience; previous private utility ownership has included:

- Holiday Utility System – Holiday, FL
- Virginia City Utility System – New Port Richey, FL
- Dixie Groves Utility System – Holiday, FL
- Colonial Manor Utility System – Holiday, FL
- Pasco Utilities, Inc. – Zephyrhills, FL

Cecil Delcher – Vice President: 36 years of Florida related Operations, Construction, Capital Project Management; previous private utility ownership included:

- Pasco Utilities, Inc. – Zephyrhills, FL
- Colonial Manor Utility System – Holiday, FL
- D&D Wellfield Property

Mr. Deremer and Mr. Delcher also own Harbor Waterworks, Inc. which is regulated by the FPSC.

Mr. Deremer and Mr. Delcher also have recently purchased the assets of Shangra-la By The Lake in Lake County, FL and have a Transfer application pending.

Mr. Deremer and Mr. Delcher have secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Both Mr. Deremer and Mr. Delcher have controlled service delivery to more than 550+ facilities within the State of Florida during their careers, including billing/collection and customer service to more than 80,000 customers daily.

EXHIBIT C
Rule 25-30.037 (2)(f)

List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

N/A

EXHIBIT D
Rule 25-30.037 (2)(g)

A copy of the Asset Purchase Agreement, including attachments, by and between Lake Osborne Waterworks, Inc. and Aqua Utilities Florida, Inc. executed on March 19, 2013 is attached hereto.

(Attached)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of the 19th day of March, 2013, by and between Aqua Utilities Florida, Inc. (“Seller”), and Lake Osborne Waterworks, Inc., a Florida corporation with an address of 5320 Captains Court, New Port Richey, FL 34652 (“Buyer”), with reference to the following RECITALS:

RECITALS

A. Seller owns, maintains and operates water production and distribution systems (the “Water Systems”) that provide water services to the residents of the Lake Osborne Estates within Palm Beach County, Florida (the “Service Area”).

B. Buyer is a private utility that furnishes water services to the public in various portions of the State of Florida.

C. Seller desires to sell, and Buyer desires to purchase, the properties and rights of Seller owned and used in connection with its Water Systems in the Service Area, all upon the terms and conditions set forth herein.

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

1. SALE AND PURCHASE OF THE ASSETS OF SELLER’S WATER SYSTEMS

Subject to the terms and conditions hereinafter set forth, Buyer shall purchase from Seller, and Seller shall sell, assign, transfer, grant, convey and deliver to Buyer at Closing (hereinafter defined), all of the Water Systems’ assets, properties and rights of Seller (whether tangible or intangible, real, personal or mixed) which are held, used or useful in connection with the production, treatment, distribution or collection of water within the Service Area (collectively, the “Assets”), other than the Excluded Assets.

Except as otherwise provided herein or any schedules hereto, the Assets are being sold in “As Is” condition and Seller makes no representations, covenants or warranties with respect to the condition of the Assets, except that the Assets are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever.

1.1 Assets Further Defined

The Assets shall, without limitation to the definition stated above, include the specific assets, properties and rights of Seller set forth on Schedule 1.1, and the following:

- (a) all of the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrants, , improvements,

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fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller relating to the Assets, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;

- (b) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets and listed on Schedule 1.1(b) hereto; and
- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in the Service Area; provided, however, that confidential business records of Seller are specifically excluded as provided in Section 1.2.

1.2 Excluded Assets

Notwithstanding the foregoing, the Assets shall not include any of the following (collectively, the "Excluded Assets"):

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) all piping and fixtures internal to each individual customer's structure served by the Assets;
- (c) all cash, cash equivalents and short-term investments of Seller, including all bank accounts, demand accounts, certificates of deposit, time deposits, marketable securities, negotiable instruments and the proceeds of accounts receivable paid prior to the Closing Date, other than deposits and funds included in the Assets;
- (d) all accounts receivable of Seller accrued and payable prior to the Effective Time, including all intercompany accounts receivable of Seller and notes for those accounts receivable;
- (e) all customer deposits from Seller's customers in the Service Area, if any, which customer deposits shall be applied against all customer accounts prior to or at Closing;
- (f) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets which are listed on Schedule 1.2(f);
- (g) all shares of capital stock of Seller and equity interests in any affiliate of Seller which are owned by Seller;
- (h) all insurance policies of Seller and rights thereunder;

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- (i) all causes of action, judgments, claims, reimbursements and demands of whatever nature (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) in favor of Seller to the extent related to any Excluded Asset or Excluded Liability;
- (j) all corporate minute books, stock records and corporate seals of Seller, and personnel records and other records that Seller is required by law to retain in its possession;
- (k) all rights and obligations in connection with and assets of any employee benefit plans of Seller and/or any of its affiliates;
- (l) all rights, properties and assets of Seller located outside of the Service Area, including those set forth on Schedule 1.2(l);
- (m) any business name, brand name, trade name, trademark, service mark or domain name that includes the words "Aqua Utilities Florida," any portion thereof containing the word "Aqua" and any and all other derivatives thereof containing the word "Aqua", and all goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against past, present, and future interests therein under the laws of all jurisdictions; and
- (n) all claims for and rights to receive refunds, rebates, other governmental charges of whatever nature, or similar payments of taxes to the extent such taxes were paid by or on behalf of Seller or any affiliate of Seller; and
- (o) all rights of Seller under this Agreement and any transaction documents related hereto.

1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will be One Hundred Nineteen Thousand Two Hundred Thirty One and 55/100 Dollars (\$119,231.55) payable by Buyer to Seller at Closing by wire transfer of immediately available funds, to the account designated by Seller at least two (2) business days prior to the Closing Date.

1.4 Contractual Obligations

Except for those contracts, agreements, commitments, leases, certificates, orders, notices, permits or other instruments set forth on Schedule 1.1(d) hereto, Buyer shall not assume any obligations of Seller under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied.

1.5 Assumption of Liabilities; Excluded Liabilities

- (a) Upon the terms and subject to the satisfaction or, if permissible, waiver, of the conditions of this Agreement, at the Closing on the Closing Date and as of the Effective Time, Buyer shall assume and discharge, when and as due, only the

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following Liabilities of Seller, whether known or unknown, in each case, to the extent related to the Water Systems (collectively, the "Assumed Liabilities"):

- (i) all Liabilities arising out of, resulting from or relating to the contracts being assumed by Buyer and listed on Schedule 1.1(b), but only to the extent such Liabilities (A) are to be performed after the Effective Time, (B) do not arise as a consequence of any breach or default prior to the Effective Time, and (C) are accompanied by a correlated duty of performance or payment on the part of the other party(ies) thereto; and
 - (ii) all Liabilities arising out of, resulting from or relating to the matters set forth on Schedule 1.5(a)(ii).
- (b) Notwithstanding anything in this Agreement to the contrary, except for the Assumed Liabilities, any and all Liabilities of Seller (or any of any affiliates of Seller) (other than the Assumed Liabilities, the "Excluded Liabilities"), whether or not incurred in connection with the operation of the Water Systems, and including any and all Liabilities under any employee benefit plan, practice or arrangement or pension, retirement or savings plan, shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller.

2. CLOSING

Subject to the provisions of **Sections 4 and 5**, the closing of the transactions contemplated hereunder (the "Closing") shall take place at the offices of Buyer located at 5320 Captains Court, New Port Richey, FL, commencing at 10:00 a.m. local time, on or before March 28, 2013, or at such other place or at such other time or by such other means as is agreed to by Buyer and Seller. The date of the Closing is referred to herein as the "Closing Date". The effective time of the legal transfer hereunder shall be 12:01 a.m., local time, on March 29, 2013 (the "Effective Time").

2.1 Items to be delivered at Closing

At the Closing and subject to the terms and conditions herein contained:

- (a) Seller shall deliver to Buyer the Assets, including, without limitation, the following:
 - (i) instruments and documents of conveyance and transfer, all in form reasonably satisfactory to Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, Buyer good and marketable title to the Assets and all rights to operate the Water Systems as such are now being operated, including, but not limited to, the following documents: a Deed for each parcel to be conveyed and a Bill of Sale and Assignments.
 - (ii) a complete and accurate list of the names and addresses of all customers of Seller in the Service Area, both in paper form and in electronic form on a diskette that can be downloaded to a computer, along with a billing history for each customer;

- (iii) keys to any and all buildings and gates relating to the Assets and located in the Service Area;

and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Assets.

- (b) Seller shall deliver to Buyer the agreements, opinions, certificates and other documents and instruments referred to in **Section 5** hereof.
- (c) Buyer and Seller agree that final meter readings for Seller's customers in the Service Area shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by Seller for the purpose of issuing final bills, and shall constitute the opening readings for Buyer. Buyer shall use these readings to begin the billing cycle for its new customers following Closing, and shall not be responsible for the collection of any amounts due Seller for bills issued by Seller as a result Seller's final meter reading.

In the event that Buyer determines that payments that it has received are payments for the period of time that Seller owned the Assets, Buyer will forward these payments to Seller within a reasonable period of time. In making such determinations, among other ways to determine whether the payment received is for payments due prior to Closing, Buyer will consult with Seller on the amount of the amounts due to Seller prior to Closing and will compare these amounts due with the amount received.

2.2 Transfer of Utilities

Seller and Buyer will cooperate to transfer utility service, including telephone, electric, chlorine, and gas service providing such service to any of the Assets as of the Closing Date.

2.3 Further Assurances

Seller, from time to time after the Closing, at Buyer's request, and without compensation, will execute, acknowledge and deliver to Buyer such other instruments of sale, conveyance, assignment and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably require in order to vest in Buyer, and/or to place Buyer fully in possession of, all of the Assets.

3. CONDUCT OF PARTIES PENDING CLOSING

3.1 Seller agrees that, with respect to the Assets, pending the Closing and except as otherwise agreed to in writing by Buyer:

- (a) The business of Seller shall be conducted solely in the ordinary course consistent with past practice and shall maintain and service the tangible Assets in good working order.

- (b) Seller will use its commercially reasonable efforts to maintain its relations and goodwill with its suppliers, customers and any others having business relations with it.
- (c) Seller shall comply with all laws, ordinances, rules, regulations and orders applicable to it and to the conduct of its business.
- (d) Seller will promptly advise Buyer in writing of all events between the date hereof and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) Seller will advise Buyer in writing promptly after Seller receives knowledge of the threat or commencement of any dispute, claim, action, suit, proceeding, arbitration or investigation against or involving the Assets or the sale and transfer thereof to Buyer, or of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of Seller.
- (f) Seller will conduct its business in such a manner that, at the Closing, the representations and warranties of Seller contained in this Agreement shall be true as though such representations and warranties were made on and as of such date. Furthermore, Seller will use its commercially reasonable efforts to cause all of the conditions to this Agreement to be satisfied on or prior to the Closing Date.
- (g) Seller will give to Buyer free and full access to and the right to inspect, during normal business hours, all of the premises, properties, assets, records, contracts and other documents relating to its business and operations in the Service Area, and shall permit them to consult with the officers, employees, accountants, counsel and agents of Seller.

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller under this Agreement are subject to the fulfillment or satisfaction, or waiver by Seller, prior to or at the Closing, of each of the following conditions precedent:

4.1 Closing Certificate; Performance by Buyer

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Seller shall have been furnished with a certificate or certificates of Buyer dated the Closing Date, signed by an officer of Buyer, certifying, in such detail as Seller may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties made by Buyer in this Agreement are true and correct as of the Closing Date, except such as have been rendered incorrect because of events which occurred after the date hereof, as disclosed in writing by Buyer to Seller within a reasonable time after the event occurred.

4.2 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or in the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

4.3 Consummation of the Other Systems Agreements

Each of the Other Systems Agreements shall have been executed by the respective parties thereto and shall not otherwise have been terminated prior to the Closing Date. The parties acknowledge and agree that the transactions contemplated by this Agreement shall be consummated simultaneously with the consummation of the transactions contemplated by each of the Other Systems Agreements.

4.4 Consummation of Seller's Transaction with the Florida Governmental Utility Authority

The transactions contemplated by that certain Utility System Asset Acquisition Agreement, dated December 28, 2012, by and among Seller, Crystal River Utilities, Inc. (an affiliate of Seller), and the Florida Governmental Utility Authority (the "FGUA Agreement") shall have been consummated by the parties thereto.

5. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer under this Agreement are conditioned upon the fulfillment or satisfaction, or waiver by Buyer, prior to or at the Closing, of each of the following conditions precedent:

5.1 Closing Certificate; Performance by Seller

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Buyer shall have been furnished with a certificate or certificates of Seller dated the Closing Date, signed by the appropriate officials of Seller, certifying, in such detail as Buyer may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties made by Seller in this Agreement are true and correct as of Closing.

5.2 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

5.3 Seller Authorizations

Seller shall have furnished Buyer with copies of all corporate authorizations of Seller, including a signed copy of the appropriate document(s) authorizing the transactions hereby contemplated.

5.4 Governmental Approvals

Buyer shall have received within three hundred and sixty five (365) days from the date of this Agreement, all governmental approvals and authorizations needed for the transfer of the Assets, including, but not limited to, the FPSC, FDEP, and the Water Management District, upon terms and conditions acceptable to Buyer, to enable Buyer to assume ownership and operation of the Water Systems' Assets and to provide water services to the public in the Service Area. Buyer and Seller will use reasonable efforts to finalize any necessary approvals within three hundred and sixty five (365) days from the date of this Agreement.

5.5 Regulatory Approval Contingency

The sale of the Assets contemplated by this Agreement is subject to and contingent upon the receipt of a favorable Florida Public Service Commission ("FPSC") staff recommendation and FPSC approval upon terms and conditions reasonably acceptable to Buyer as to such recommendation and approval. As provided in Section 367.071, Florida Statutes, the parties desire to close the transaction in advance of the FPSC Staff's recommendation and the FPSC's approval. In the event that the FPSC staff and/or the FPSC determines that the sale and transfer of the Assets are not in the public interest and that Buyer will not fulfill the commitments, obligations, and representations of the utility, and, therefore, the FPSC denies such transfer, or in the event that the FPSC staff recommends and/or the FPSC approves the sale and transfer of the Assets upon terms and conditions not reasonably acceptable to Buyer then the Assets shall remain with Seller and any and all agreements or understandings will be null and void between Seller and Buyer.

5.6 Material Damage

The Assets shall not be, or be threatened to be, materially adversely affected by fire, explosion, earthquake, disaster, accident, cessation or interruption of utility or other services, flood, drought, lack of water supply, contamination of water supply, embargo, riot, civil disturbance, uprising, activity of armed forces or act of God or public enemy, or any other event or occurrence.

5.7 Consummation of the Other Systems Agreements

Each of the Other Systems Agreements shall have been executed by the respective parties thereto and shall not otherwise have been terminated prior to the Closing Date. The parties acknowledge and agree that the transactions contemplated by this Agreement shall be consummated simultaneously with the consummation of the transactions contemplated by each of the Other Systems Agreements.

5.8 Consummation of Seller's Transaction with the Florida Governmental Utility Authority

The transactions contemplated by the FGUA Agreement shall have been consummated by the parties thereto.

6. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 Seller hereby represents and warrants to Buyer as follows:

- (a) Organization. Seller is a duly organized, validly existing corporation in good standing under the laws of the State of Florida.
- (b) System Ownership. Seller holds the exclusive right, title, interest and power to sell the Assets.
- (c) Current Operations. Seller has all requisite power and authority and all material agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory authorizations and other instruments required to conduct the businesses of the Water Systems as they have been and are now being conducted and to own and operate the Water Systems.
- (d) Legal Authority. Seller has the full power and lawful authority to transfer to Buyer the rights, title and interest in and to the Water Systems.
- (e) Due Authorization; Valid and Binding. Seller has the full power and lawful authority to execute and deliver this Agreement and all related agreements and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary proceedings. This Agreement and all related agreements constitute the valid and binding obligations of Seller.
- (f) No Approvals or Violations. This Agreement does not require any further approvals of any other party, does not violate any law, ordinance or regulation, does not conflict with any order or decree, and does not conflict with or result in a breach of any contract, lease or permit to which Seller is a party.
- (g) Party to Decree. Seller is not a party to, or subject to the provision of, any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality relating to the Water Systems or the Assets.
- (h) List of Assets. Schedule 1.1 contains a true and complete list of the Assets.
- (i) Customer Records. The data contained in the customer records provided to Buyer is true and accurate in all material respects.

6.2 Except as set forth on Schedule 6.2, Seller hereby represents and warrants to Buyer as follows:

- (a) Undisclosed Liabilities. There are no Liabilities of Seller.

(EXECUTION VERSION)

- (b) No Other Parties. No person other than Seller owns or has any interest in any equipment or other tangible assets or properties currently utilized or necessary to the operations or business of the Assets.
- (c) Rights to Facilities. Seller has good and valid rights to occupy and to obtain access to the areas where the distribution lines and other facilities of the Assets are located.
- (d) Compliance with Law. Seller is not in any material violation of any law, ordinance or governmental rule or regulation to which it or its business, operations or the Assets is subject and has not failed to obtain, or to adhere to the requirements of, any certificate, license, permit or other governmental authorization necessary to the ownership of the Assets or to the conduct of its business.

6.3 Except as set forth in Schedule 6.3, Seller hereby represents and warrants to and with Buyer as follows with respect to compliance with Environmental Laws (as hereinafter defined):

- (a) Compliance with Law. To the best of Seller's actual knowledge, Seller has been and is in compliance with all applicable Environmental Laws.
- (b) Adequacy of Permits. To the best of Seller's actual knowledge, after diligent inquiry and investigation, Seller has obtained and continues to possess all permits, licenses, approvals or other authorizations which are required under applicable Environmental Laws, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record keeping requirements under applicable Environmental Laws.

7. REPRESENTATIONS AND WARRANTIES OF BUYER

7.1 Buyer hereby represents and warrants to Seller as follows:

- (a) Organization. Buyer is a corporation duly organized and validly existing and in good standing under the laws of the State of Florida.
- (b) Due Authorization; Valid and Binding. Buyer has the full power and lawful authority to execute and deliver this Agreement and all related agreements and to consummate and perform the transactions contemplated hereby, and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary proceedings. This Agreement and all related documents and agreements constitute the valid and binding obligations of Buyer.
- (c) Financial Wherewithal. Buyer has the financial wherewithal to complete the purchase of the Assets as contemplated hereunder and upon completion of Closing, to operate and manage the Assets at, or exceeding, the level of service provided by Seller prior to Closing.

8. INDEMNIFICATION

8.1 Indemnification of Seller

For a period of one (1) year from and after the Closing, Buyer will reimburse, indemnify and hold Seller and its officials and employees harmless from and against any and all Liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including reasonable attorney's fees and costs resulting from, relating to, or arising out of:

- (a) the provision of water service by Buyer for the period following the Effective Time;
- (b) issues of regulatory compliance and claims by third parties for events that occur following the date of Closing that are not attributable to events that occurred prior to the Effective Time;
- (c) the failure of Buyer to perform any of its covenants following the Effective Time; and
- (d) the enforcement of this **Section 8**.

8.2 Indemnification of Buyer

For a period of one (1) year from and after the Closing, Seller will reimburse, indemnify and hold Buyer and its officials and employees harmless from and against any and all Liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including reasonable attorney's fees and costs resulting from, relating to, or arising out of:

- (a) any Liabilities or obligations of Seller of any nature whatsoever except for the Assumed Liabilities which Buyer specifically assumes pursuant to this Agreement;
- (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement, or from any misrepresentation in, or omission from, any Schedule furnished to Buyer pursuant to this Agreement or in connection with the negotiation, execution or performance of this Agreement;
- (c) the provision of water service by Seller in the Service Area for the period prior to the Effective Time;
- (d) issues of regulatory compliance and claims by third parties for events that are attributable to events that occurred prior to the Effective Time; and
- (e) the enforcement of this **Section 8**.

8.3 General

Each party shall provide the other party with reasonable notice of any claims arising under this **Section 8**. The indemnification rights of the parties under this **Section 8** are independent of and in addition to such rights and remedies as the parties may have at law or in equity or otherwise for any misrepresentation, breach of warranty, or failure to fulfill any agreement or covenant hereunder.

9. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

All representations, warranties and agreements made by the parties in this Agreement or in any written agreement, document, or certificate furnished hereunder or in connection with the negotiation, execution and performance of this Agreement shall survive the Closing for a period of one (1) year following the Closing Date. Seller shall not be liable to Buyer or any of the Other Systems Buyers for any Liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses resulting from, relating to or arising out of any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement or any of the Other Systems Agreement, unless and until Buyer and the Other Systems Buyers, as applicable, shall have sustained cumulative losses as a result of one or more claims of Thirty-Five Thousand Dollars (\$35,000.00) in the aggregate (the "Deductible"), in which event Seller shall be responsible to Buyer and the Other Systems Buyers, as applicable, only for losses exceeding the Deductible. Once the aggregate of losses exceeds the Deductible, the maximum liability for which Seller shall reimburse Buyer or any of the Other Systems Buyers shall not exceed the amount of Three Hundred Thousand (\$300,000) in the aggregate.

10. **TERMINATION**

10.1 **Termination and Abandonment.**

This Agreement may be terminated and the transactions contemplated abandoned at any time prior to the Closing:

- (a) by mutual written consent of Buyer and Seller;
- (b) by either Buyer or Seller, upon written notice to the other, if the Closing shall not have occurred on or prior to June 1, 2013; provided, however, that the right to terminate this Agreement under this Section 10.1(b) shall not be available to any party whose breach under this Agreement has caused or resulted in the failure of the Closing to occur on or before such date; provided, further, that if any governmental authority or applicable law requires the Parties to postpone the Closing Date in order to obtain a Final Order with respect to a consent or approval (which is required prior to the consummation of the Closing) from such governmental authority, such date shall automatically be extended to such date as required to obtain such Final Order by such governmental authority (which shall be in no event later than March 29, 2014 unless the parties otherwise agree);
- (c) by either Buyer or Seller in the event that the approvals described in Sections 5.5 shall not have been obtained and be effective within three hundred and sixty five (365) days of the date hereof;
- (d) by Seller, if Seller is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Buyer and Buyer has not cured such breach within twenty (20) business

days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured);

- (e) by Buyer, if Buyer is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Seller and Seller has not cured such breach within twenty (20) business days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured); or
- (f) by either Buyer or Seller, upon written notice to the other, if any court of competent jurisdiction or other competent governmental authority shall have issued a statute, rule, regulation, final order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby, and such statute, rule, regulation, final order, decree or injunction or other action shall have become final and non-appealable.

10.2 Effect of Termination

The right of each party to terminate this Agreement under Section 10.1 is in addition to any other rights such party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 10.1, all further obligations of the parties under this Agreement will terminate, except that the obligations set forth in this Section 10.2 (Effect of Termination) or Article 11 (Miscellaneous) will survive; provided, however, that if this Agreement is terminated by a party because of a breach of this Agreement by the other party or because one (1) or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

11. MISCELLANEOUS

11.1 Contents of Agreement; Parties in Interest; etc.

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by written instrument duly executed by each of the parties hereto.

11.2 Binding Effect

All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the legal representatives, successors and assigns of Seller or Buyer.

11.3 Notices

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered

personally or sent by electronic email or by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Buyer:

Lake Osborne Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652
Attention: Gary Deremer, President
Email: gderemer@uswatercorp.net

If to Seller:

Aqua Utilities Florida, Inc.
762 West Lancaster Avenue
Bryn Mawr, Pennsylvania 19010
Attention: Christopher P. Luning, Esquire
Email: Cpluning@aquaamerica.com

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

11.4 Florida Law to Govern

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Florida, without giving effect to any conflicts of laws provisions.

11.5 No Benefit to Others

The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, and their legal representatives, successors and assigns, and they shall not be construed as conferring any rights on any other persons.

11.6 Headings, Gender, etc.

All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

11.7 Schedules

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

11.8 Severability

Any provision of this Agreement that is invalid or unenforceable in any jurisdiction or under any circumstance shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction or under any circumstance shall not invalidate or render unenforceable such provision in any other jurisdiction or under any other circumstance, unless, in either event, the involved or unenforceable provision causes this Agreement to fail of its essential purpose.

11.9 Counterparts

This Agreement may be executed in any number of counterparts and any signatory hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all signatories. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

11.10 Continuance of Cooperation

Seller agrees to work with Buyer without compensation in the pursuit of resolving any Water System issues as they are presented through the FPSC Transfer process, any FDEP issues that may arise, and easement attainment issues as they are presented. This Cooperation shall survive the Closing for a period of one (1) year from the date of Closing.

11.11 Publicity; Announcements

No press release or other public statement concerning the negotiation, execution and delivery of this Agreement or the transactions contemplated hereby shall be issued or made without the prior approval of the Parties hereto, except as required by applicable Law or to the extent necessary to obtain requisite regulatory approval.

11.12 Definitions

- (a) "Affiliate" means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities, by contract, or otherwise.
- (b) "Brevard Agreement" means that certain Asset Purchase Agreement, of even date herewith, by and between Seller and Brevard Waterworks, Inc., pursuant to which Seller agreed to sell to Brevard Waterworks, Inc., and Brevard Waterworks, Inc. agreed to purchase from Seller, the Oakwood Manor and Kingswood Manor water systems located in Brevard County, Florida.

(EXECUTION VERSION)

- (c) “Environmental Law” includes all federal, state and local environmental laws and regulations, including, without limitation: (1) the United States Clean Water Act (also known as the United States Federal Water Pollution Control Act), 33 U.S.C. §§ 1251 et seq.; (2) the United States Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; (3) the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.; (4) the United States Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; (5) the United States Safe Drinking Water Act, 42 U.S.C. § 300j-8; (6) Chapter 403 Florida Statutes; and (7) regulations related thereto. Any reference to legislative act or regulation shall be deemed to include all amendments thereto and all regulations, orders, decrees, judgments or notices issued thereunder.
- (d) “Highlands Agreement” means that certain Asset Purchase Agreement, of even date herewith, by and between Seller and HC Waterworks, Inc., pursuant to which Seller agreed to sell to HC Waterworks, Inc., and HC Waterworks, Inc. agreed to purchase from Seller, the Sebring Lakes, the Lake Josephine Heights, and the Leisure Lakes water and wastewater systems located in Highlands County, Florida.
- (e) “Jumper Creek Agreement” means that certain Asset Purchase Agreement, of even date herewith, by and between Seller and Jumper Creek Utility Company, pursuant to which Seller agreed to sell to Jumper Creek Utility Company, and Jumper Creek Utility Company agreed to purchase from Seller, the Jumper Creek Manor water and wastewater systems located in Sumter County, Florida.
- (f) “Liability” or “Liabilities” means any liability, indebtedness or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of a person.
- (g) “Other Systems” means, collectively, Seller’s water systems and/or wastewater systems, as applicable, in each of (i) Brevard County, (ii) Highlands County, (iii) Sumter County, and (iv) Washington County, Florida.
- (h) “Other Systems Agreements” means, collectively, (i) the Brevard Agreement, (ii) the Highlands Agreement, (iii) the Jumper Creek Agreement, (iv) the Washington Agreement, and (v) the Woods Agreement.
- (i) “Other Systems Buyers” means, collectively, (i) Brevard Waterworks, Inc., (ii) HC Waterworks, Inc., (iii) Jumper Creek Utility Company, (iv) Sunny Hills Utility Company, and (v) The Woods Utility Company.
- (j) “Washington Agreement” means that certain Asset Purchase Agreement, of even date herewith, by and between Seller and Sunny Hills Utility Company, pursuant to which Seller agreed to sell to Sunny Hills Utility Company, and Sunny Hills Utility Company agreed to purchase from Seller, the Sunny Hill water and wastewater systems located in Washington County, Florida.

(EXECUTION VERSION)

- (k) “Woods Agreement” means that certain Asset Purchase Agreement, of even date herewith, by and between Seller and The Woods Utility Company, pursuant to which Seller agreed to sell to The Woods Utility Company, and The Woods Utility Company agreed to purchase from Seller, The Woods subdivision water and wastewater systems located in Sumter County, Florida.

[remainder of page left intentionally blank; signature page follows]

(EXECUTION VERSION)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of date written above.

SELLER:

Aqua Utilities Florida, Inc.

By: _____

Name: Christopher H. Franklin

Title: Executive Vice President

BUYER:

Lake Osborne Waterworks, Inc.

By: _____

Name: Gary Deremer

Title: President

(EXECUTION VERSION)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of date written above.

SELLER:

Aqua Utilities Florida, Inc.

By: 

Name: Christopher H. Franklin

Title: Executive Vice President

BUYER:

Lake Osborne Waterworks, Inc.

By: 

Name: Gary Deremer

Title: President

EXHIBIT E
Rule 25-30.037 (2)(r)

A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

Owner will provide all regulator assessment fees, fines or refunds owned up to the date of the purchase of the Systems.

EXHIBIT F
Rule 25-30.037 (2)(i)

A statement describing the financing of the purchase.

The system was purchased with Shareholder cash.

EXHIBIT G
Rule 25-30.037 (2)(k)

A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent of ownership interest in the utility.

The system was purchased with Shareholder cash.

EXHIBIT H
Rule 25-30.037 (2)(l)

The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Identify all adjustment made to update this rate base (or net book value) to the date of the proposed transfer.

The net book value to be determined by the FPSC.

EXHIBIT I
Rule 25-30.037 (2)(m)

A statement setting forth the reasons for an acquisition adjustment, if one is requested.

To be determined in communications with FPSC Staff

EXHIBIT J
Rule 25-30.037 (2)(o)

A statement from the buyer that it has obtained or will obtain copies of all the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

Owner will provide any and all Federal income tax returns. Owner has all applicable tax returns.

EXHIBIT K
Rule 25-30.037 (2)(p)

A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection.

After reasonable investigation, it has been determined that the systems acquired from Aqua Utilities Florida, Inc. were and is in satisfactory condition and are in compliance with all applicable standards set by the Florida Department of Environmental Protection (“FDEP”) and do not have any outstanding Notices of Violation or Consent Orders with the FDEP.

EXHIBIT L
Rule 25-30.030

An affidavit that the notice of actual application was given in accordance with Section 367-045(1), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail.

EXHIBIT M
Rule 25-30.030

An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred.

EXHIBIT N
Rule 25-30.030

Immediately upon completion of the publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30-030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit.

EXHIBIT O
Rule 25-30.037 (2)(q)

Evidence that the utility owns the land where the utility treatment facility are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

EXHIBIT P
Rule 25-30.037 (2)(s)

Sample tariff sheets for each system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions for each water and wastewater system.

EXHIBIT Q
Rule 25-30.037 (2)(t)

The current water certificate issued for the Water & Wastewater System, was not available at the time of Application Filing.

EXHIBIT R
Rule 25-30.036 (3)(d)

Evidence that the utility owns the land upon which the utility treatment facilities that will serve the proposed territory are located or a copy of an agreement, such as a 99-year lease, which provides for the continued use of the land.

N/A – this is a connected system with the City of Lake Worth, Florida

EXHIBIT S
Rule 25-30.036 (3)(e)

A description of the territory proposed to be served using township, range and section references as specified in Rule 25-30.030 (2).

Water Territory Served

LAKE OSBORNE ESTATES

PALM BEACH COUNTY

Order No. PSC-09-0251-FOF-WU
Amendment and composite description which includes
Order No. 5298

Township 44 South, Range 43 East

Sections 32 and 33

Commence at the Southwest corner of Section 33 and run S88°09'39"E a distance of 242.1 feet to the Point of Beginning; thence run N88°25'00"W a distance of 1,148.3 feet; thence run N79°36'46"W a distance of 153.2 feet; thence run N47°39'31"E a distance of 36.5 feet; thence run 5,675.7 feet along the Eastern Shoreline of Lake Osborne to a point located N02°20'03"W a distance of 4,523.2 feet from the Point of Beginning; thence run S01°33'56"W a distance of 1,549.7 feet; thence run S87°58'47"E a distance of 1,238.1 feet; thence run S00°38'49"W a distance of 1,665.7 feet; thence run N88°05'06"W a distance of 1,180.2 feet; thence run due South a distance of 531.3 feet; thence run S88°18'14"E a distance of 450.9 feet; thence run S02°33'43"W a distance of 149.7 feet; thence run N88°23'17"W a distance of 425.5 feet; thence run S00°06'42"W a distance of 92.9 feet; thence run S88°29'13"E a distance of 170.1 feet; thence run S00°06'41"W a distance of 520.2 feet to the Point of Beginning.

EXHIBIT V
Rule 25-30.036 (3) (r)

An affidavit that the utility has tariffs and annual reports on file with the Commission.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Lake Osborne Waterworks, Inc.'s Application)
for Approval of Transfer of Aqua Utilities Florida) Docket No. _____
Inc. Water System)
in Palm Beach County, Florida.) Filed: June 24, 2013
_____)

AFFIDAVIT

Exhibit V to Application

STATE OF FLORIDA:

COUNTY OF PASCO:

BEFORE ME, the undersigned authority, personally appeared Gary A. Deremer, who after being duly sworn, deposes and says:

1. That I, Gary A. Deremer, am the President and Chief Operating Officer of Lake Osborne Waterworks, Inc.

2. That I hereby affirm that Lake Osborne Waterworks, Inc. does not have tariffs on file nor annual reports. I Mr. Deremer do have tariffs on file with another system whereby I am the Majority Shareholder – Harbor Waterworks, Inc. Harbor Waterworks, Inc. does have an annual report on file for 2012.

3. Further, Affiant sayeth not.



GARY A. DEREMER

STATE OF FLORIDA:

COUNTY OF PASCO:

Subscribed and sworn to before me this 21 day of June, 2013, by Gary A. Deremer, who is personally known to me.





NOTARY PUBLIC

My Commission Expires: Sept. 13, 2015

EXHIBIT W
Rule 25-30.036 (3)(q)

The number of the most recent order of the Commission establishing or changing the applicant's rates and charges.

Lake Osborne Waterworks, Inc. acknowledgement that it does not have a recent order of the Commission establishing or change the Applicant's rates and charges.

EXHIBIT X

Attached hereto is an affidavit of Lake Osborne Waterworks, Inc., affirming that the facts stated herein and in the attached exhibits are true and correct.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Lake Osborne Waterworks, Inc.'s Application)
for Approval of Transfer of Aqua Utilities Florida) Docket No. _____
Inc. Water System)
in Palm Beach, Florida) Filed: 24, June 2013
_____)

AFFIDAVIT

Exhibit X to Application

STATE OF FLORIDA:

COUNTY OF PASCO:

BEFORE ME, the undersigned authority, personally appeared Gary A. Deremer, who
after being duly sworn, deposes and says:

1. That I, Gary A. Deremer, am the President of Lake Osborne Waterworks, Inc.

2. That I hereby affirm that the facts stated in Brevard Waterworks, Inc.'s
Application for Approval of Transfer, Application for Transfer of Aqua Utilities Florida, Inc.
Water System and Amendment of Certificate in Palm Beach County, Florida, and the attached
exhibits thereto are true and correct.

3. Further, Affiant sayeth not.



GARY A. DEREMER

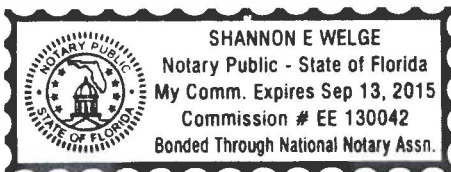
STATE OF FLORIDA:

COUNTY OF PASCO:

Subscribed and sworn to before me this 21 day of June 2013, by Gary A. Deremer,
who is personally known to me.



NOTARY PUBLIC
My Commission Expires: Sept. 13, 2015



WATER TARIFF

LAKE OSBORNE WATERWORKS, INC.
NAME OF COMPANY

5320 Captains Court
New Port Richey, Florida 34652
(ADDRESS OF COMPANY)

727 848 8292 Business / 888 228 2124 Emergency
(BUSINESS AND EMERGENCY TELEPHONE NUMBERS)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

COM _____
AFD _____
APA _____
ECO _____
ENG 2 _____
GCL _____
IDM _____
TEL _____
CLK _____

GARY A DEREMER
ISSUING OFFICER
PRESIDENT
TITLE

WATER TARIFF

LAKE OSBORNE WATERWORKS, INC.

NAME OF COMPANY

LAKE OSBORNE Waterworks, Inc.
Attn: Gary Deremer
5320 Captains Court
New Port Richey, FL 34652

Telephone: (727) 848 8292

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

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GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 053-W

COUNTY – Palm Beach

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

<u>County</u>	<u>System Name</u>	<u>Cert.</u>	<u>Order Number</u>	<u>Date</u>	<u>Docket No.</u>	<u>Filing Type</u>
Palm Beach	Lake Osborne	053-W	PSC-09-0251-FOF-WU	04/27/09	080535-WU	Additional Territory
Palm Beach	Lake Osborne	053-W	PSC-06-0973-FOF-WS	11/22/06	060643-WS	Name Change
Palm Beach	Lake Osborne	053-W	PSC-04-0715-FOF-WS	07/21/04	040359-WS	Name Change
Palm Beach	Lake Osborne	053-W	PSC-99-0483-FOF-WS	03/08/99	981508-WS	Majority Control
Palm Beach	Lake Osborne	053-W	PSC-97-1149-FOF-WU	09/30/97	961535-WU	Transfer
Palm Beach	Lake Osborne	053-W	5538	10/03/72	T-72494-W	Transfer
Palm Beach	Lake Osborne	053-W	5434	05/30/72	72301-W	Transfer
Palm Beach	Lake Osborne	053-W	5298	01/12/72	C-71484-W	Original Certificate

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

DESCRIPTION OF TERRITORY SERVED

LAKE OSBORNE ESTATES

PALM BEACH COUNTY

**Order No. PSC-09-0251-FOF-WU
Amendment and composite description which includes
Order No. 5298**

Township 44 South, Range 43 East

Sections 32 and 33

Commence at the Southwest corner of Section 33 and run S88°09'39"E a distance of 242.1 feet to the Point of Beginning; thence run N88°25'00"W a distance of 1,148.3 feet; thence run N79°36'46"W a distance of 153.2 feet; thence run N47°39'31"E a distance of 36.5 feet; thence run 5,675.7 feet along the Eastern Shoreline of Lake Osborne to a point located N02°20'03"W a distance of 4,523.2 feet from the Point of Beginning; thence run S01°33'56"W a distance of 1,549.7 feet; thence run S87°58'47"E a distance of 1,238.1 feet; thence run S00°38'49"W a distance of 1,665.7 feet; thence run N88°05'06"W a distance of 1,180.2 feet; thence run due South a distance of 531.3 feet; thence run S88°18'14"E a distance of 450.9 feet; thence run S02°33'43"W a distance of 149.7 feet; thence run N88°23'17"W a distance of 425.5 feet; thence run S00°06'42"W a distance of 92.9 feet; thence run S88°29'13"E a distance of 170.1 feet; thence run S00°06'41"W a distance of 520.2 feet to the Point of Beginning.

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.
WATER TARIFF

COMMUNITIES SERVED

<u>Community Name</u>	<u>System Name</u>	<u>County</u>	<u>Territory Description</u>
Lake Osborne Estates	Lake Osborne Estates	Palm Beach	Sheet No. 3.1

GARY A. DEREMER
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TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is LAKE OSBORNE WATERWORKS.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, AService@ shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 5.0)

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

INDEX OF RULES AND REGULATIONS

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(Continued to Sheet No. 6.1)

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.
WATER TARIFF

(Continued from Sheet No. 6.0)

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GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

RULES AND REGULATIONS

1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.

The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service" prepared by the Florida Public Service Commission.

4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.

5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.

6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.

8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 7.0)

- 9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

- 10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, re-metering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from re-metering.)

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

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GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

RATE SCHEDULE: WATER RATES

RESIDENTIAL SERVICE (RS)

AVAILABILITY: Available throughout the area served by the Company.

APPLICABILITY: For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS: Subject to all of the Company's Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD: Monthly.

RATE:

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" X 3/4"	\$18.92
3/4"	\$28.38
1"	\$47.31
1-1/2"	\$94.61
2"	\$151.38
3"	\$302.77
4"	\$473.07
6"	\$946.15
8"	\$1,513.83
10"	\$2,176.13

<u>GALLONAGE CHARGE:</u>	Per 1,000 gallons	
	Block 1, (0 – 6,000)	\$ 6.46
	Block 2, (6,001 – 12,000)	\$ 9.71
	Block 3, (Over 12,000)	\$ 12.93

MINIMUM CHARGE: Base Facility Charge.

TERMS OF PAYMENT: Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

RATE SCHEDULE: WATER RATES

GENERAL SERVICE (GS) and MULTI FAMILY (MS)

AVAILABILITY: Available throughout the area served by the Company.

APPLICABILITY: For water service to all Customers for which no other schedule applies.

LIMITATIONS: Subject to all of the Company's Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD: Monthly.

RATE:

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" X 3/4"	\$18.92
3/4"	\$28.38
1"	\$47.31
1-1/2"	\$94.61
2"	\$151.38
3"	\$302.77
4"	\$473.07
6"	\$946.15
8"	\$1,513.83
10"	\$2,176.13

GALLONAGE CHARGE: Per 1,000 gallons \$ 7.25

MINIMUM CHARGE: Base Facility Charge.

TERMS OF PAYMENT: Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE -
TYPE OF FILING - Transfer

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

RATE SCHEDULE: WATER RATES

PRIVATE FIRE PROTECTION SERVICE (PF)

AVAILABILITY: Available throughout the area served by the Company.

APPLICABILITY: For Private Fire Protection service to Customers.

LIMITATIONS: Subject to all of the Company's Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD: Monthly.

RATE:

<u>Meter Size</u>	<u>Base Facility Charge</u>
2"	\$12.62
3"	\$25.23
4"	\$39.43
6"	\$78.85
8"	\$126.16
10"	\$181.34

GALLONAGE CHARGE: Not applicable.

MINIMUM CHARGE: Base Facility Charge.

TERMS OF PAYMENT: Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

TYPE OF FILING: Transfer

EFFECTIVE DATE:

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

RATE SCHEDULE: WATER RATES

IRRIGATION SERVICE (IR)

AVAILABILITY: Available throughout the area served by the Company.

APPLICABILITY: For individually metered irrigation water service for all purposes in private residences and multi-family units.

LIMITATIONS: Subject to all of the Company's Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD: Monthly.

RATE:

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" X 3/4"	\$18.92
3/4"	\$28.38
1"	\$47.31
1-1/2"	\$94.61
2"	\$151.38
3"	\$302.77
4"	\$473.07
6"	\$946.15
8"	\$1,513.83
10"	\$2,176.13

GALLONAGE CHARGE: Per 1,000 gallons

Block 1, (0 – 6,000)	\$ 6.46
Block 2, (6,001 – 12,000)	\$ 9.71
Block 3, (Over 12,000)	\$ 12.93

MINIMUM CHARGE: Base Facility Charge.

TERMS OF PAYMENT: Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.

TYPE OF FILING: Transfer

EFFECTIVE DATE:

ORIGINAL SHEET NO. 14.0

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code. If:

- (A) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested or,
- (B) The applicant pays a cash deposit or,
- (C) The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	\$ 45.00	\$0.0

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided. The company shall provide the customer with reasonable written notice of not less than 30 days where such request or notice is separate and apart from any bill for service. The total amount of the required deposit shall not exceed an amount equal to the average actual charge for water service for two monthly billing period of the 12-month period immediately prior to the date of notice. IN the event he customer has had serve less than 12-months, the company shall base it's new or additional deposit upon the average actual monthly billing available.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The rate of interest is 8% per annum. The payment of interest shall be made once each year as a credit on final bills. NO customer depositor will receive interest on his or her deposit until a customer relationship and the deposit have been in existence for at least six (6) months. At such time, the customer depositor shall be entitled to receive interest from the day of the commencement of the customer relationship and placement of the deposit. The Company will pay or credit accrued interest to the customer's account during the month of JULY each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has not, in the preceding 12 months:

(Continued to Sheet No. 20.1)

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

(A) made more than one late payment of the bill (after the expiration of 20 days from the date of mailing or delivery by the Company),

(B) paid with a check refused by a bank,

(C) been disconnected for non-payment, or

(D) at any time tampered with the meter or used service in a fraudulent or unauthorized manner.

Notwithstanding the above, the Company may hold the deposit of a non-residential customer after a continuous service of 23 months and shall pay interest on the non-residential customer's deposit at the rate of 9% per annum upon the retainment of such deposit.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATEWORKS, INC.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

CHARGES:

<u>Type of Service</u>	<u>Fee</u>	<u>After Hours</u>
Initial Connection	\$22.00	\$33.00
Normal Reconnection	\$22.00	\$33.00
Violation Reconnection	\$35.00	\$55.00
Premises Visit	\$22.00	\$33.00
	Late Charge	\$ 5.00

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.
 WATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

CHARGES:

Main Extension Charges:

Per ERC \$446.00

Meter Installation Charges:

5/8" x 3/4" \$210.00
 All other meter sizes Actual Cost

Meter With Built-In Backflow Preventer:

All Meter Sizes Actual Cost

Plant Capacity Charges:

Per ERC \$700.00

Service Installation Charges:

Per Connection - 5/8" x 3/4" \$1,000.00
 Per Connection - All other meter sizes Actual Cost

Stand Alone Backflow Prevention Device:

All Types Actual Cost

Administration and Engineering Fee:

Development Size

2 – 50 customers \$366
 51 – 250 customers \$457
 Over 250 customers \$501

EFFECTIVE DATE –

TYPE OF FILING - Transfer

GARY A. DEREMER
 ISSUING OFFICER
 TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

INDEX OF STANDARD FORMS

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CUSTOMER'S GUARANTEE DEPOSIT RECEIPT.....	19.0

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

ORIGINAL SHEET NO. 19.0

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

ORIGINAL SHEET NO. 20.0

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

APPLICATION FOR WATER SERVICE

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: WATERWORKS, INC.

WATER TARIFF

Sample Application Form

Name _____

Telephone Number _____

Billing Address _____

City

State

Zip

Service Address _____

City

State

Zip

Date service should begin _____

Service requested: Water ____ Wastewater ____ Both ____

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.
2. The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure AYour Water and Wastewater Service@ produced by the Florida Public Service Commission.
4. Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ____ days prior to the date the Customer desires to terminate service.

Signature

Date

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

APPLICATION FOR METER INSTALLATION

N/A

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

ORIGINAL SHEET NO. 22.0

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

COPY OF CUSTOMER'S BILL

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Availability		
Construction of Oversized Facilities		
Customer Connection (Tap-in)		
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Cost Records and "As-Built" Plans		
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Developer Agreements		
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Schedule of Fees and Charges	Go to Sheet No. 17.0	
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Table of Daily Flows		
Transfer of Contributed Property - Bills of Sale		

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Service Availability Policy.....	24.0

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT

NAME OF COMPANY: LAKE OSBORNE WATERWORKS, INC.

WATER TARIFF

SERVICE AVAILABILITY POLICY

Utility was originally developed to serve the LAKE OSBORNE subdivision. Service to adjacent areas will be provide if the applicant for service complies with the rules and regulations of the Florida Public Service Commission and pays all costs associated with such extension of service.

Definitions of Service

Application for Water Service: Applies to service requests where service has never been provided and will require a new meter installation. Also applies to service to existing customers for which the customer requests a separate meter for irrigation.

Meter Installation Fee: Applies to new service connections and existing customers for which the customer requests a separate meter for irrigation.

Capacity Charge: Applies per residential unit or ERC, plus the AFPI charges, based on the month payment is made.

Tap Fee: Applies on a per tap into the water main basis. No more than two meters can be associated to each tap for residential customers. The Utility will have the final decision on the number of meters associated with one tap based on the end use whether residential or general service.

The Allowance for Funds Prudently Invested (AFPI) is a charge to recover the carrying costs associated with the utility's investment in facilities built to serve future customers. The charge recovers the carrying costs incurred from the time the facility is placed in service until such time as the customer pays the SAC. The applicable AFPI is based on the month and year the payment is made is as follows:

GARY A. DEREMER
ISSUING OFFICER
TITLE: PRESIDENT