

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 2, 2016

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Robert E. Graves, Public Utilities Supervisor, Division of Engineering *rh*

RE: Docket No. 150264-WS - Notice of abandonment of water and wastewater systems in Charlotte County by Sun River Utilities, Inc.

Please file the attached documents in the above referenced docket file. Please title "Closing documents for Sun River / North Charlotte."

COMMISSION
CLERK

2016 MAR -2 PM 2:02

RECEIVED-FPSC

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Bill of Sale and Assignment") is made as of February 4, 2016 by and between SUN RIVER UTILITIES, INC., a Florida corporation ("Seller"), and NORTH CHARLOTTE WATERWORKS, INC., a Florida corporation ("Buyer").

WHEREAS, pursuant to the Asset Purchase Agreement dated as of January 22, 2016, as amended from time to time (the "Asset Purchase Agreement"), Seller has agreed to grant, convey, sell, assign and transfer to Buyer the Assets, free and clear of all liens, claims and encumbrances, and Buyer has agreed to assume the obligations with respect to the agreements set forth on Exhibit A attached hereto ("Assumed Liabilities"); and

WHEREAS, pursuant to due authorization, Seller is executing and delivering this Bill of Sale and Assignment for the purpose of granting, conveying, selling, assigning and transferring to and vesting in Buyer the Assets; and

WHEREAS, pursuant to due authorization, Buyer is executing and delivering this Bill of Sale and Assignment for the purpose of assuming all Assumed Liabilities with respect to the System; and

WHEREAS, this Bill of Sale and Assignment is being executed pursuant to Sections 2.1(a)(i) of the Asset Purchase Agreement;

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants herein and in the Asset Purchase Agreement, hereby agree as follows:

1. Capitalized Terms. Each capitalized term used but not defined in this Bill of Sale and Assignment shall have the meaning ascribed to it in the Asset Purchase Agreement.
2. Assignment. Seller hereby grants, conveys, sells, assigns and transfers to Buyer, its successors and assigns, all of Seller's right, title and interest, legal and equitable, in and to the Assets.
3. Acceptance of Assets and Assumption of Liabilities. Buyer hereby accepts the assignment and transfer by Seller of the Assets, and assumes and agrees to observe, perform, pay, and otherwise discharge when due the Assumed Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or be deemed to have assumed and shall not be responsible or liable for any excluded liabilities or any other obligation or liability of Seller.
4. Limitations. Nothing in this Bill of Sale and Assignment, expressed or implied, is intended or shall be construed to confer upon or give to any person other than Seller or Buyer, their respective successors and assigns, any remedy or claim under or by reason of this Bill of Sale and Assignment or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements contained in this Bill of Sale and Assignment shall be for the sole and exclusive benefit of each of Seller and Buyer, their respective successors and assigns.

Neither the making nor the acceptance of this Bill of Sale and Assignment shall modify, limit, expand or otherwise affect the representations, warranties, covenants, indemnities and agreements contained in the Asset Purchase Agreement, and such representations, warranties, covenants, indemnities and agreements shall remain in full force and effect in accordance with the terms of the Asset Purchase

Agreement. Nothing in this Bill of Sale and Assignment shall be deemed to supersede, alter or modify any of the provisions of the Asset Purchase Agreement, all of which survive the execution and delivery of this Bill of Sale and Assignment as provided and subject only to the limitations set forth in the Asset Purchase Agreement. The parties agree that if any conflict exists between the terms of this Bill of Sale and Assignment and the terms of the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall govern and control.

5. Binding Effect. This Bill of Sale and Assignment is being executed by Seller and Buyer and shall be binding upon each of Seller and Buyer, and their respective successors and assigns, for the uses and purposes above set forth and referred to, and shall be effective as of the date hereof.

6. Further Assurances. Each of the parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of the other party hereto, such further instruments of transfer and assignment and to take such other action as such other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Bill of Sale and Assignment.

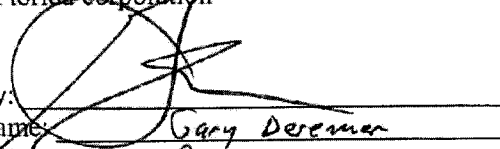
7. Governing Law. This Bill of Sale and Assignment shall be construed and interpreted in accordance with the laws of the State of Florida.

8. Counterparts. This Bill of Sale and Assignment may be executed in two or more counterparts (delivery of which may occur via facsimile or electronic mail), each of which shall be binding as of the date first written above, and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale, Assignment and Assumption Agreement the day and year first above written.

BUYER:

NORTH CHARLOTTE WATERWORKS, INC.,
a Florida corporation

By: 
Name: Gary Deremer
Title: Pres.

SELLER:

SUN RIVER UTILITIES, INC.,
a Florida corporation

By: _____
Name: _____
Title: _____

Agreement. Nothing in this Bill of Sale and Assignment shall be deemed to supersede, alter or modify any of the provisions of the Asset Purchase Agreement, all of which survive the execution and delivery of this Bill of Sale and Assignment as provided and subject only to the limitations set forth in the Asset Purchase Agreement. The parties agree that if any conflict exists between the terms of this Bill of Sale and Assignment and the terms of the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall govern and control.

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IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale, Assignment and Assumption Agreement the day and year first above written.

BUYER:

NORTH CHARLOTTE WATERWORKS, INC.,
a Florida corporation

By: _____
Name: _____
Title: _____

SELLER:

SUN RIVER UTILITIES, INC.,
a Florida corporation


By:  _____
Name: Lara Hechtkopf
Title: Vice President

Exhibit A

Assumed Contracts

1. Agreement between Sun River Utilities, Inc. and Charlotte County, Florida dated May 28, 2009.
2. Agreement between Sun River Utilities, Inc. and Desoto County, Florida dated July 22, 2008.
3. Sun Rivers Utilities, Inc. Water Supply Contract by and between DeSoto County, a political division of the state of Florida, and Sun Rivers Utilities, Inc., a Florida corporation, dated August 25, 2008.

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

This Assignment and Assumption of Lease Agreement (the "Assignment"), made this 4th day of February, 2016 (the "Effective Date"), is by and between, SUN RIVER UTILITIES, INC., a Florida corporation ("Assignor") and NORTH CHARLOTTE WATERWORKS, INC., a Florida corporation, ("Assignee"). Terms not otherwise defined herein shall have the meanings set forth in the Lease, as defined hereafter.

RECITALS

WHEREAS, Zola MacLachlan and Janice Fader, successor Trustees of the Ernest E. MacLachlan Revocable Trust, and Zola M. MacLachlan, Trustee of the Zola M. MacLachlan Revocable Trust, as Lessor, and Rivers Edge Utilities, LLC, a Florida limited liability company, as Lessee, entered into that certain 99-Year Lease Agreement for Water and Wastewater Treatment Facilities dated August 28, 2003, which was recorded in the Official Records of Charlotte County, Florida at OR Book 2307, Page 331 (the "Original Lease");

WHEREAS, pursuant to that certain Assignment and Assumption of Lease dated December 15, 2004 and recorded in the Official Records of Charlotte County, Florida at OR Book 2605, Page 1199, Zola's Family Trust, L.P., a Pennsylvania limited partnership, successor to Zola M. MacLachlan and Marylu Fitzpatrick, Trustees of the Zola M. MacLachlan Revocable Trust, and Zola MacLachlan and Janice Fader, successor Trustees of the Ernest E. MacLachlan Revocable Trust, assigned its rights and obligations under the Original Lease to Waterfront Homes of Charlotte, LLC, a Florida limited liability company ("Landlord");

WHEREAS, pursuant to that certain Assignment and Assumption of Lease dated December 15, 2004 and recorded in the Official Records of Charlotte County, Florida at OR Book 2605, Page 1206, Rivers Edge Utilities, LLC, a Florida limited liability company, assigned its rights and obligations under the Original Lease to MSM Utilities, LLC, a Florida limited liability company ("MSM");

WHEREAS, the Original Lease was amended by that certain Amendment to 99-Year Lease Agreement for Water and Wastewater Treatment Facilities by and between Landlord and MSM dated January 1, 2007 ("Amendment #1");

WHEREAS, pursuant to that certain Purchase Agreement dated December 8, 2006, Assignor acquired all membership interests of MSM in a transaction that closed on January 5, 2007;

WHEREAS, the Original Lease, as amended by Amendment #1, was further amended by that certain Amendment Two to 99-Year Lease Agreement for Water and Wastewater Treatment Facilities by and between Landlord and Assignor dated January 1, 2015 ("Amendment #2"). The Original Lease as amended by Amendment #1 and Amendment #2 is referred to herein as the "Lease";

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to accept the assignment from Assignor of all of Assignor's right, title and interest in and to the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor hereby transfers, assigns and sets over unto Assignee all of Assignor's right, title and interest in and to the Lease. Assignee hereby accepts the foregoing assignment and agrees to assume and to perform and be bound by all of the terms, covenants

and conditions contained in the Lease with respect to matters that arise from and after the date of this Assignment.

2. Indemnification. Assignor hereby indemnifies and agrees to hold Assignee harmless from and against all fines, suits, claims, demands, liabilities and actions, including reasonable attorneys' fees and costs and expenses of defending against same, resulting or alleged to result from any breach, violation or non-performance by Assignor of any provision of the Lease, or from the use or occupancy of the Leased Premises or any act whatsoever of Assignor, its agents or employees, or for any damage to person or property resulting from an act or omission or negligence of Assignor, or its agents or employees prior to the Effective Date.

Assignee hereby indemnifies and agrees to hold Assignor harmless from and against all fines, suits, claims, demands, liabilities and actions, including reasonable attorneys' fees and costs and expenses of defending against same, resulting or alleged to result from any breach, violation or non-performance by Assignee of any provision of the Lease, or from the use or occupancy of the Leased Premises or any act whatsoever of Assignee, its agents or employees, or for any damage to person or property resulting from an act or omission or negligence of Assignee, or its agents or employees from and after the Effective Date.

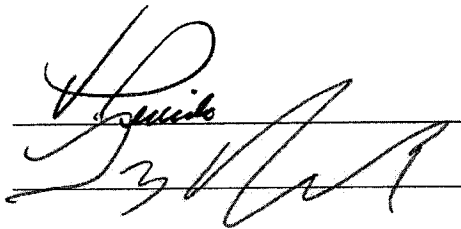
3. Application of Florida Law; Venue; Jurisdiction. This Assignment shall be governed by and construed under the laws of the State of Florida without regard to principles of conflicts of law. Each party hereby irrevocably consents and agrees that the venue for any claims or disputes between or among the parties hereto arising out of or related to this Assignment (whether based upon contract, tort or otherwise) shall be the county of Miami-Dade in the State of Florida. Each party waives its right to assert forum non conveniens, lack of personal jurisdiction or improper venue. The parties to this Assignment agree that they waive any objection, constitutional, statutory or otherwise, to a Florida court's taking jurisdiction of any dispute between them. By entering into this Assignment, the parties, and each of them, understand that they might be called upon to answer a claim asserted in a Florida court.

4. Miscellaneous. This Assignment may not be altered, waived, amended or extended except by an instrument in writing signed by the parties hereto. The parties covenant that each will execute or procure any additional documents necessary to establish the rights of the other hereunder. This Assignment may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. This Assignment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

[Signature Page to Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed the day and year first above written.

Witnesses:



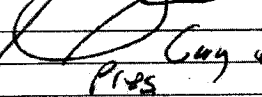
ASSIGNOR:

SUN RIVER UTILITIES, INC., a Florida corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

NORTH CHARLOTTE WATERWORKS, INC., a Florida corporation

By:  _____
Name: *Gay Dawson* _____
Title: *Pres* _____

[Signature Page to Assignment and Assumption of Lease Agreement.]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed the day and year first above written.

Witnesses:

Sharon M. Utterback
SHARON M. UTTERBACK
Leslie Rodriguez
LESLIE RODRIGUEZ

ASSIGNOR:

SUN RIVER UTILITIES, INC., a Florida corporation

By: [Signature]
Name: Lara Hechtkopf
Title: Vice President

ASSIGNEE:

NORTH CHARLOTTE WATERWORKS, INC., a Florida corporation

By: _____
Name: _____
Title: _____

[Signature Page to Assignment and Assumption of Lease Agreement.]

BUYER'S CLOSING CERTIFICATE

Pursuant to Section 4.1 of that certain Asset Purchase Agreement dated as of January 22, 2016, as amended from time to time (the "Asset Purchase Agreement"), by and between SUN RIVER UTILITIES, INC., a Florida corporation ("Seller"), and NORTH CHARLOTTE WATERWORKS, INC., a Florida corporation ("Buyer"), Buyer hereby certify the following as of the Closing Date:

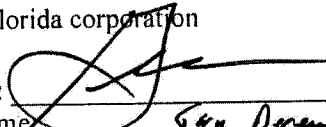
(a) The representations and warranties of Seller contained in the Asset Purchase Agreement, the exhibits and schedules attached thereto, and any certificates delivered pursuant to the Asset Purchase Agreement are true and correct in all respects as though such representation and warranty had been made on and as of the date of this certificate.

(b) The Buyer has performed, satisfied or complied in all material respects with all agreements, conditions and obligations contained in the Asset Purchase Agreement that are required to be performed or complied with by it at or prior to the date of this certificate.

All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Asset Purchase Agreement.

The undersigned has executed and delivered this certificate this 4th day of February, 2016.

NORTH CHARLOTTE WATERWORKS, INC.,
a Florida corporation

By: 
Name: Guy Dorem
Its: Pres

CLOSING STATEMENT

SELLER: SUN RIVER UTILITIES, INC., a Florida corporation
BUYER: NORTH CHARLOTTE WATERWORKS, INC., a Florida corporation
TRANSACTION: Sale of business assets pursuant to that certain Asset Purchase Agreement dated January 22, 2016, by and between Seller and Buyer
CLOSING DATE: February 4, 2016

PURCHASE PRICE:		
Cash from Buyer	\$20,000.00	
Accounts Receivable	\$4,044.70	
TOTAL CASH PURCHASE PRICE		<u>\$24,044.70</u>
CREDIT TO BUYER FOR DEPOSIT	(\$5,000.00)	<u>(\$5,000.00)</u>
TOTAL CASH RECEIVED BY SELLER AT CLOSING:		<u><u>\$19,044.70</u></u>

The foregoing Closing Statement is approved and Seller acknowledges receipt of \$19,044.70 due at closing. This Closing Statement may be signed in counterparts, which counterparts taken together shall constitute one original. Fully executed electronic copies shall be considered effective for all purposes.

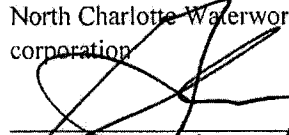
"SELLER"

Sun River Utilities, Inc., a Florida corporation

By: _____
Its: _____

"BUYER"

North Charlotte Waterworks, Inc., a Florida corporation

By:  _____
Its: Pres

The foregoing Closing Statement is approved and Seller acknowledges receipt of \$19,044.70 due at closing. This Closing Statement may be signed in counterparts, which counterparts taken together shall constitute one original. Fully executed electronic copies shall be considered effective for all purposes.

"SELLER"

Sun River Utilities, Inc., a Florida corporation

Lara Hechtkopf
By: [Signature]
Its: Vice President

"BUYER"

North Charlotte Waterworks, Inc., a Florida corporation

By: _____
Its: _____

**WRITTEN ACTION
OF THE BOARD OF DIRECTORS
OF
NORTH CHARLOTTE WATERWORKS, INC.**

The undersigned, being all of the members of the Board of Directors of North Charlotte Waterworks, Inc., a Florida corporation (the "Company"), acting pursuant to the terms of the Florida Business Corporation Act and by agreement of the undersigned not otherwise proscribed by the Company's Articles of Incorporation or By-Laws, hereby take the following written actions in lieu of holding a meeting regarding same:

1. Ratification of Corporate Action. All proceedings of the Board and shareholders since the last meeting of the shareholder(s) and all resolutions passed, all agreements executed or otherwise entered into and all corporate action taken by members of the Board or by officers of the Company, whether by way of formal meeting or informal agreement and whether still in effect or terminated prior to the date hereof by reason of the expiration of time or otherwise, are hereby ratified and approved in all respects.

2. Affirmation of Officers: The undersigned members of the Board of Directors hereby recognize and affirm that the following individuals have been duly elected to the corporate offices set forth opposite his name, to serve until his successor(s) are duly elected, qualified and seated:

<u>Name</u>	<u>Title</u>
Gary Deremer	President
Cecil Delcher	Vice President

3. Approval of Asset Purchase Agreement. The Board of Directors has determined it to be in the best interests of the Company and the Board of Directors hereby approve that the Company enter into, execute, deliver and perform all obligations required by that certain Asset Purchase Agreement, as amended, by and between the Company and Sun River Utilities, Inc., a Florida corporation, dated January 22, 2016 (the "Asset Purchase Agreement"), in substantially the form of Exhibit A attached hereto.

4. Procedural Matters. The Board of Directors hereby authorizes the Company's President to execute and deliver, on behalf of the Company, any and all agreements, instruments or documents, and to do any and all other acts and things, on behalf of the Company, which he may deem necessary or advisable to carry out the intent and purpose of the foregoing written action.


[Signature page to follow.]

Effective as of February 4, 2016.

DIRECTORS:



Gary Deremer



Cecil R. Dalcher, Director

*[Signature Page to Written Action of Board of Directors of
North Charlotte Waterworks, Inc.]*

EXHIBIT A

to the

**WRITTEN ACTION
OF THE
THE BOARD OF DIRECTORS
OF
NORTH CHARLOTTE WATERWORKS, INC.**

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “**Agreement**”), dated as of the 22nd day of January 2016, by and between **Sun River Utilities, Inc.** with an address of 5195 NW 77th Avenue, Miami, Florida 33166 (“**Seller**”), and **North Charlotte Waterworks, Inc.**, a Florida corporation with an address of 4939 Cross Bayou Blvd., New Port Richey, FL 34652 (“**Buyer**”), with reference to the following RECITALS:

RECITALS

A. Seller owns, maintains and operates: a) a water production and distribution system and; b) a wastewater collection and treatment system called Sun River Utilities located at 1601 Hunter Creek Dr., Punta Gorda, FL 33982 (collectively the “**System**”) that provide water and wastewater service to residents within Charlotte County, Florida (the “**Service Area**”).

B. Buyer is a public utility that furnishes water and wastewater service 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 System, 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 SELLER’S WATER AND WASTEWATER SYSTEM ASSETS

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 System 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 and wastewater within the Service Area (the “**Assets**”).

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. This paragraph shall be construed in a manner that does not limit any other representations or warranties provided by Seller within this Agreement.

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 buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrants, wastewater collection mains, pump stations, structures, irrigation service lines, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which

Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;

- (b) all rights and obligations 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, to the extent assignable to Buyer;
- (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 Charlotte and Desoto Counties.

1.2 Excluded Assets

Notwithstanding the foregoing, the Assets shall not include any of the following:

- (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) Any customer wastewater service lines that run from the curb clean-out area to the residences;
- (c) all piping and fixtures internal to each individual customer's structure;
- (d) Seller's cash and accounts receivables as of the date of Closing; and
- (e) Seller's Accounts Receivable

1.3 Consideration

- (a) The total purchase price ("Purchase Price") for the Assets will include: a) a total price of **Twenty Thousand Dollars (\$20,000.00)** for the portion of the assets attributable to the water and wastewater assets and b) the discounted value of Seller's accounts receivables, as of the Closing date, as described in **Section 2.1(c)** below. Seller has been paid a sum of **Five Thousand Dollars (\$5,000.00)** as an initial, non-refundable deposit and, upon Closing, the Seller shall pay the remainder of the Purchase Price of **Fifteen Thousand Dollars (\$15,000.00)**. Between execution of this Agreement and the Closing, Buyer will perform a final Due Diligence (as defined in **Section 3.1(g)**) of all facilities and assets. The Due Diligence is to ensure all assets are in materially the same working condition and that all permits are valid and current as of the date of this Agreement. If, after conducting the final Due Diligence, Buyer determines that the assets are not materially in the same working condition or that any permit is no longer valid or current, Seller shall have 60 days (or such longer period, if reasonably necessary, and as agreed upon by the parties) to either correct the condition or reach an agreement with Buyer for a reduction to the purchase price. If Seller refuses to correct the condition or is unable to reach agreement with Buyer concerning a reduction to the Purchase Price, Buyer may elect to terminate this Agreement without penalty or to proceed to Closing.
- (b) If the Closing does not go through on or before February 9, 2016, then (i) Buyer agrees to pay

to Seller all actual, reasonable and documented "Utility" operating expenses incurred by Seller as a result of the delay in the Closing, which shall be added on to the Purchase Price at Closing, and the parties will close on the Assets as soon as practicable or (ii) either party may terminate this Agreement to close on the Assets of Sun River Utilities, LLC, if Buyer does not agree to pay such expenses accrued after February 9, 2016.

- (c) Notwithstanding anything to the contrary, the \$5,000 deposit is only refundable in the event that the Seller fails to work in good faith with the Buyer to effectuate Buyer's purchase of the Assets of Sun River Utilities, LLC, in which case the Seller will refund the deposit to the Buyer within ten (10) business days from the date both parties agree that the Asset Purchase will not continue. Seller's actions under **Section 1.3(b)** above shall not constitute a failure by Seller to work in good faith with Buyer.

1.4 Contractual Obligations

Buyer shall not assume any obligations of Seller, under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, and express or implied unless expressly assumed hereunder, as set forth in Exhibit A, or in any of the Closing Documents.

1.5 Non-Assumption of Liabilities

All liabilities and obligations, which arose pre-Closing, of Seller shall remain the sole responsibility of Seller, including any and all liabilities or obligations under any employee benefit plan, practice or arrangement or pension, retirement or savings plan. Buyer shall not assume and shall not be liable for any liabilities or obligations of Seller of any nature whatsoever whether express or implied, fixed or contingent, whatsoever, which arose pre-Closing and which are not expressly assumed in Exhibit A or pursuant to an Assignment and Assumption document at Closing.

2. CLOSING

Subject to the provisions of **Sections 4 and 5**, Closing hereunder (the "Closing") shall take place at the offices of Buyer located at 4939 Cross Bayou Blvd., New Port Richey, FL, unless executed separately pursuant to **Section 10.10**, commencing at 10:00 a.m. local time, on or before February 9, 2016. 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. on the day following the Closing Date.

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 System as such is now being operated, including, but not limited to the following documents: a Bill of Sale and Assignments; an Assignment and Grant of Easement for any easement Buyer requires to utilize, maintain, repair and replace any facilities located outside of any parcels to be conveyed and/or publicly dedicated roadways; and an appropriate Sanitary

Control Easement, when required, as they exist.

(ii) a complete and accurate list of the names and addresses of all customers of Seller, 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;

(ii) keys to any and all buildings and gates;

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 shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by the 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. Buyer agrees to purchase all of Buyer's accounts receivables for Active customer accounts, as of the date of Closing, as follows: (i) for all accounts receivable that are thirty (30) days or less overdue, Buyer shall pay Seller 85% of the amount of all such accounts receivable, and (ii) for all accounts receivable that are more than thirty (30) days overdue, Buyer shall pay Seller 75% of the amount of all such accounts receivable. "Active" shall mean a customer account for which utility service has not been disconnected.

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 such that they will be in substantially the same working order at Closing as during Buyer's Due Diligence conducted pre-Closing.

(b) Seller will use its best 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 promptly 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 best 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, and shall permit them to consult with the officers, employees, accountants, counsel and agents of Seller ("Due Diligence").

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 Closing, 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.

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 Satisfaction with Operational and Real Estate Title Issues

(a) There will be no transfer of Real Estate. The System's facilities are on leased land and Buyer will receive an assignment of lease or easement for all System facilities to include plant, lift stations, access, and for collection and distribution lines. The leased land will be the responsibility of the Buyer and holds harmless the Seller. Seller will assist the Buyer with good faith efforts toward securing all appropriate leases.

(b) Buyer shall receive all agreed upon necessary easements from Seller, which Seller currently has, to operate, gain access to, and provide necessary services to the System's facilities.

5.2 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 are true and correct as of Closing.

5.3 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.

5.4 Seller Authorizations

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

5.5 Governmental Approvals

Buyer shall have received within ninety (90) days, all governmental approvals and authorizations needed for the transfer of the Assets, including, but not limited to, the FDEP, and the Water Management District, upon terms and conditions acceptable to Buyer, to enable Buyer to assume Governmental ownership and operation of the System Assets and to provide water and wastewater service to the public in the service territory presently being served by Seller. Buyer and Seller will use reasonable efforts to achieve any necessary approvals within ninety (90) days from the Closing Date.

5.6 Regulatory Approval Contingency. The sale of 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's approval. In the event that the FPSC determines that the sale and transfer of the Water System Assets and the Waste Water System Assets is 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, then the Water System Assets and the Waste Water System Assets remain with the Seller and any and all agreements or understandings will be null and void between the Seller and Buyer.

5.7 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.

5.8 Satisfaction of Buyer

All actions, proceedings, resolutions, instruments and documents required to carry out this Agreement or incidental hereto and all other related matters shall have been approved on the Closing Date by Buyer in the exercise of its reasonable judgment.

6. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 Seller hereby represents and warrants to Buyer as follows:

- (a) Organization. Seller is a corporation duly organized, validly existing and 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 of Sun River Utilities, Inc.
- (c) Current Operations. Seller has all requisite power and authority and all agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory authorizations and other instruments required to conduct the business of the System as it has been and is now being conducted and to own and operate the System.
- (d) Legal Authority. Seller has the full power and lawful authority to transfer to Buyer the rights, title and interest in and to the System.
- (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 obligation of Seller.
- (f) No Approvals or Violations. To Seller's actual knowledge, this Agreement does not require any further approvals of any other party (subject to **Section 5.6**), 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 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 System 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.

6.2 Seller hereby represents and warrants to Buyer as follows:

- (a) Undisclosed Liabilities. To Seller's actual knowledge, there are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Assets. For purposes of this Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility accrued, absolute, contingent or otherwise.
- (b) No Other Parties. To Seller's actual knowledge, 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 Seller's Assets.
- (c) Rights to Facilities. To Seller's actual knowledge, 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. To Seller's actual knowledge, Seller is not in any material violation of any law, ordinance or governmental rule or regulation to which it or its business, operations, assets or properties 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 its assets and properties or to the conduct of its business.

6.3 Seller hereby represents and warrants to and with Buyer as follows with respect to compliance with environmental laws:

- (a) Compliance with Law. To the best of Seller's actual knowledge, Seller has been and is in compliance with all Environmental Laws (as hereinafter defined).
- (b) Adequacy of Permits. To the best of Seller's actual knowledge, Seller has obtained and continues to possess all permits, licenses, approvals or other authorizations which are required under the 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 the 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 this Agreement and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement by all necessary proceedings. This Agreement constitutes 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 the Seller prior to Closing.

8. INDEMNIFICATION

8.1 Indemnification of Seller

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 attorney's fees and costs resulting from, relating to, or arising out of:

- (a) the provision of water and wastewater service by Buyer for the period following Closing;
- (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 Closing;
- (c) the failure of Buyer to perform any of its covenants following Closing; 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 affiliates, and their officers, directors and employees, harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including 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 those liabilities and obligations of Seller which Buyer specifically assumes pursuant to this Agreement, including any Assignment and Assumption documents executed by both parties;
- (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 or information furnished to Buyer pursuant to this Agreement or in connection with the negotiation, execution or performance of this Agreement, except to the extent that Buyer had or should have had knowledge of a misrepresentation, omission or breach of warranty, based on or as a result of its own Due Diligence and inspection of the System and its books and records prior to the Closing;
- (c) the provision of water and wastewater service by Seller for the period prior to the date of Closing;

- (d) claims by third parties for events that are attributable to events that occurred prior to Closing;
- (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. Notwithstanding any investigation or audit conducted before or after the Closing Date or the decision of any party to complete the Closing, each party shall be entitled to rely upon the representations, warranties and agreements set forth herein and therein.

10. **MISCELLANEOUS**

10.1 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.

10.2 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.

10.3 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 telegram or by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Buyer:

Mr. Gary A. Deremer, President & CEO
North Charlotte, Inc.
4939 Cross Bayou Blvd., New Port Richey, FL 34652

If to Seller:

Sun River Utilities, Inc.
5195 NW 77th Avenue

Miami, Florida 33166
Attn: Lara Hechtkopf, Esq.

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, telegraphed or mailed.

10.5 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. Regardless of any present or future domicile or principal place of business of the parties hereto, each party hereby irrevocably consents and agrees that any claims or disputes between or among the parties hereto arising out of or related to this Agreement (whether based upon contract, tort or otherwise) shall be brought and maintained in any federal or state court of competent jurisdiction sitting in the county of Miami-Dade in the State of Florida or in the US District Court for the Southern District of Florida, which courts shall have exclusive jurisdiction over the adjudication of such matters. Each party waives its right to assert forum non conveniens, lack of personal jurisdiction or improper venue.

10.6 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 or entities.

10.7 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.

10.8 Exhibits and Schedules

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

10.09 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.

10.10 Counterparts

This Agreement may be executed in any number of counterparts and any signatory hereto may

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.

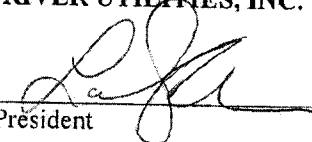
10.10 Counterparts

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.

Agreement on the date first written.

SELLER:

SUN RIVER UTILITIES, INC.

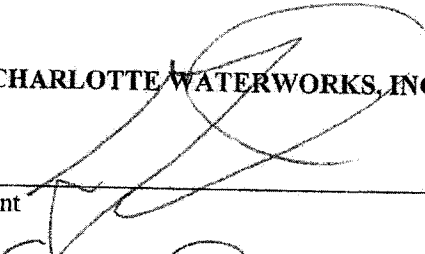
By: 
Vice President

Name: Lara S. Hechtkopf

Date: 1/22/16

BUYER:

NORTH CHARLOTTE WATERWORKS, INC.

By: 
President

Name: Gary Deremer

Date: 1/22/16

Schedule 1.1 – Listing of Assets

Water System Assets:

- Structure & Improvements
- Wells & Springs
- Supply Mains
- Pumping Equipment
- Water Treatment Equipment
- Distribution Reservoirs & Standpipes
- Transmission & Distribution Mains
- Services to Customers/Accounts
- Meters/Meter Installations
- Hydrants
- Other Plant & Miscellaneous Equipment
- Tools, Shop & Garage Equipment

Wastewater System Assets:

- Collection Sewers-Gravity
- Special Collecting Structure
- Services to Customers/Accounts
- Receiving Wells
- Treatment & Disposal Equipment
- Office Furniture & Equipment

Other Assets:

- Certificate Capitalization and Expansion
- Fire Hydrants
- Harbor Club Project
- Waste Water Treatment Plant Site

Exhibit A: Contractual Obligations

99-Year Lease Agreement for Water and Wastewater Facilities, recorded in OR BK 02307, PG 0331-0342, September 16, 2003, in Charlotte County, FL; as amended by the Assignment and Assumption of Lease, recorded in OR BK 02605, PG 1199-1205, December 22, 2004, in Charlotte County, FL; as amended by the Assignment and Assumption of Lease, recorded in OR BK 02605, PG 1206-1210, December 22, 2004, in Charlotte County, FL; as amended by the Amendment to 99-Year Lease Agreement for Water and Wastewater Facilities, effective January 1, 2007.

AMENDMENT TO ASSET PURCHASE AGREEMENT

Amendment to Asset Purchase Agreement (APA) dated January 22, 2016 between Sun River Utilities, Inc. (Seller) and North Charlotte Waterworks, Inc. (Buyer)

THIS AMENDMENT TO ASSET PURCHASE AGREEMENT (“Amendment”), dated as of the 28th day of January 2016, by and between **Sun River Utilities, Inc.** with an address of 5195 NW 77th Avenue, Miami, Florida 33166 (“Seller”), and **North Charlotte Waterworks, Inc.**, a Florida corporation with an address of 4939 Cross Bayou Blvd., New Port Richey, FL 34652 (“Buyer”), with reference to the following RECITALS:

WHEREAS, Sun River Utilities, Inc. (Seller) and North Charlotte Waterworks, Inc. (Buyer) mutually entered into an Asset Purchase Agreement (APA) on January 22, 2016;

WHEREAS, the APA provides for the purchase and transfer of the System Assets from the Buyer to the Seller;

WHEREAS, the APA defines the System Assets in Paragraph 1.1;

WHEREAS, the Buyer and Seller mutually agreed to add a provision to purchase and transfer the Seller's Accounts Receivables pursuant to Paragraph 2.1(c), entitled Items to be delivered at Closing;

WHEREAS, subsequent to the execution of the APA by both Buyer and Seller, it was discovered that there were erroneous provisions included in the APA which include the following:

Paragraph 1.2, Excluded Assets erroneously lists that the Seller's Accounts Receivables are excluded, which is contradictory to the mutually agreed provision in Paragraph 2.1(c);

Paragraph 2.1(c), erroneously states that the Buyer agrees to buy “Buyers” Accounts Receivable;

NOW, THEREFORE, for and in consideration of these premises, the mutual undertakings and Agreements herein contained and assumed, the Buyer and Seller hereby enter into this Amendment to the APA to set forth the corrected System Assets to be purchased and transferred and agree as follows:

1. The foregoing Recitals are true and correct and are incorporated herein by reference.
2. This Amendment will serve as a change to APA in Section 1.1 Assets Further Defined
3. This Amendment will serve as a change to the APA in Section 1.2 Excluded Assets Items (d) and (e).
4. This Amendment will serve as a change to APA in Section 2.1(c).
5. Buyer and Seller mutually agreed that Buyer will purchase Seller's Accounts Receivables.
6. The agreed revision regarding Paragraph 1.1 Assets Further Defined are presented as set forth below.
7. The agreed changes regarding Paragraph 1.2 Excluded Assets Items (d) and (e) are presented as set forth below.
8. The agreed changes regarding Paragraph 2.1(c) Items to be delivered at Closing are presented in their entirety as set forth below.

Paragraph 1.1: Assets Further Defined insert the following additional section (d):

(d) Seller's Accounts Receivables at date of Closing as further set forth in **Paragraph 2.1(c)**.

Paragraph 1.2 (d): Seller's cash as of the date of Closing.

(Omit and delete the words: "and accounts receivables" and the word "and" at end of sentence) to read in its entirety as follows:

1.2 (d) Seller's cash as of the date of Closing.

Paragraph 1.2 (e): (DELETED ENTIRELY) - This item is hereby omitted and deleted in its entirety as the APA states in Section 2.1 (c). Buyer is purchasing the Seller's Accounts Receivables as the time of Closing.

Paragraph 2.2(c) - Buyer and Seller agree that final meter readings shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by the 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. Buyer agrees to purchase all of Seller's accounts receivables for Active customer accounts, as of the date of Closing, as follows: (i) for all accounts receivable that are thirty (30) days or less overdue, Buyer shall pay Seller 85% of the amount of all such accounts receivable, and (ii) for all accounts receivable that are more than thirty (30) days overdue, Buyer shall pay Seller 75% of the amount of all such accounts receivable. "Active" shall mean a customer account for which utility service has not been disconnected.

Acceptance of the Amendment and the items addressed are mutually agreed upon by both the Seller and Buyer, signified by the signatures below.

Agreement on the date first written.

SELLER



Lara Hechtkopf

Vice President, Sun River Utilities, Inc.

1/28/16

BUYER



Gary A. Deremer

President, North Charlotte Waterworks, Inc.

**RESOLUTION
OF THE
BOARD OF DIRECTORS OF
SUN RIVER UTILITIES, INC.**

A meeting of the Board of Directors ("Board") of Sun River Utilities, Inc. ("Corporation") was duly held, at which a quorum was present. At the meeting, the Board adopted the following resolutions:

RESOLVED, that the execution of the Asset Purchase Agreement between Sun River Utilities, Inc. ("Seller") and North Charlotte Waterworks, Inc. ("Purchaser"), dated January 22, 2016 ("Agreement"), for the Corporation's sale of that water production and distribution system and wastewater collection and treatment system known as Sun River Utilities located at 1601 Hunter Creek Drive, Punta Gorda, Florida 33982 ("System") is authorized and approved;

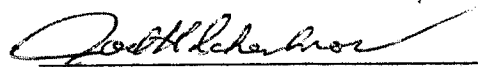
FURTHER RESOLVED, that the Vice President of the Corporation, Lara Hechtkopf, is authorized to perform any and all acts that they deem necessary or appropriate to effectuate the sale of the System, including, but not limited to signing all required documentation and instruments.

I, Joel H. Schenkman, President of Sun River Utilities, Inc., certify that the foregoing is a true and correct copy of the resolutions adopted by the Board.

IN WITNESS WHEREOF, I have subscribed my name as President of the Company this 4th day of February, 2016.

SUN RIVER UTILITIES, INC.

DIRECTORS:



JOEL H. SCHENKMAN
PRESIDENT