

DUVAL WATERWORKS, INC.FILED 10/28/2019
DOCUMENT NO. 09617-2019
FPSC - COMMISSION CLERK

October 23, 2019

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850***Re: Application for transfer of water and wastewater systems of Regency Utilities, Inc. and Water Certificate No. 641-W and Wastewater Certificate 551-S to Duval Waterworks, Inc. in Duval County******Request for Miscellaneous Service Charges - Pursuant to Section 367.091, Florida Statutes and Rule 25-30.460, Florida Administrative Code***RECEIVED-FPSC
2019 OCT 28 AM 9:53
COMMISSION
CLERK**I. Request for Transfer – Water & Wastewater**

Duval Waterworks, Inc. hereby submits its request and application for transfer of the water and wastewater systems of Regency Utilities, Inc. to Duval Waterworks, Inc. (Duval) in Duval County, Florida. Duval also hereby requests the transfer of Certificates Nos. 641-W and 551-S. Attached hereto is Duval's application pursuant to Sections 367.071, Florida Statutes (F.S.), and Rule 25-30.037, Florida Administrative Code (F.A.C.). Duval is a Florida Corporation incorporated to do business on August 20, 2019. An Asset Purchase Agreement was signed on September 6, 2019 for the water and wastewater assets of Duval Utilities, Inc.. The closing of the sale transaction occurred on September 30, 2019.

II. Request for Miscellaneous Service Charges

Duval further requests the following Miscellaneous Service Charges pursuant to Rule 25-30.460, F.A.C..

Late Payment Charge

Currently the utility has a late payment charge of \$5.00. Duval is requesting a revision to a \$6.50 late payment charge to recover the cost of supplies, labor, and RAFs associated with processing late payment notices. The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers. Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

Duval calculated the actual costs for its late payment charge to be \$8.07. It will take approximately 15 minutes to process each delinquent account. The delinquent customer accounts will be processed by the administrative contract employee with an hourly salary of \$28.00, resulting in a labor cost of \$7.00 ($\$28.00 \times 0.25\text{hr}$). This is consistent with prior Commission decisions where the Commission has allowed 10-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts.¹ However, \$8.07 would be the highest late payment charge amongst all other water and wastewater utilities regulated by the Commission.² Therefore, Duval is requesting a charge of \$6.50, consistent with recent Commission decisions. The Utility's calculation for its requested late payment charge is shown below in Table 6.

Table 6

Late Payment Charge

Labor	\$7.00
Supplies	\$0.22
Postage	\$0.49
Markup for RAFs	\$0.36
Total	\$8.07

Non-Sufficient Funds (NSF) Charge

Duval currently does not have a NSF charges in place. However, Duval is requesting NSF charges as set forth in Section 68.065(2), F.S. to be consistent with Commission practice and its sister utilities managed by USWSC. Section 367.091, F.S., requires rates, charges, and customer service policies to be approved by the Commission. The Commission has authority to establish, increase, or change a rate or charge. Section 68.065, F.S., allows for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed:

1. \$25, if the face value does not exceed \$50,
2. \$30, if the face value exceeds \$50 but does not exceed \$300,
3. \$40, if the face value exceeds \$300,

¹Order Nos. PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, Rentals and Utilities, Inc. and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

²Order Nos. PSC-14-0105-TRF-WS, issued February 20, 2014, in Docket No. 20130288-WS, In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.; PSC-15-0535-PAA-WU, issued November 19, 2015, in Docket No. 20140217-WU, In re: Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.; and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

Duval Waterworks, Inc.
Request for Transfer

4. or five percent of the face amount of the check, whichever is greater.

Approval of NSF charges is consistent with prior Commission decisions. Furthermore, NSF charges place the cost on the cost-causer, rather than requiring that the costs associated with the return of the NSF checks be spread across the general body of ratepayers.

Duval calculated the required filing fee based upon current ERCs served pursuant to Rule 25-30.020, F.A.C. Duval does not have either a water or wastewater treatment facilities as it is a consecutive system. The filing fee of \$1,500 – (\$750/water; \$750/wastewater) is attached hereto.

Respectfully submitted,



Troy Rendell
Vice President
Investor Owned Utilities
// for Duval Waterworks, Inc.

Duval Waterworks, Inc.
Filing Fee Pursuant to Rule 25-30.020, Florida Administrative Code

Water

Water

Mtr Size	5/8"	3/4	1	1.5	2	3	4	6	PFP	Total ERC
ERC Factor:	1	1.5	2.5	5	8	15	25	50	6"	
Total Meters:	39	2	10	2	14	3	2	1	1	
Total ERCs:	39	3	25	10	112	45	50	50	4.166667	338.1667

Filing Fee: \$750

Wastewater:

Wastewater

Mtr Size	5/8"	3/4	1	1.5	2	3	4	6		Total ERC
ERC Factor:	1	1.5	2.5	5	8	15	25	50		
Total Meters:	39	2	10	2	14	3	2	1		
Total ERCs:	39	3	25	10	112	45	50	50		334

Filing Fee: \$750

**APPLICATION FOR TRANSFER OF CERTIFICATES OR FACILITIES
FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY**

**(Pursuant to Section 367.071, Florida Statutes, and
Rule 25-30.037(2), Florida Administrative Code)**

Pursuant to Rule 25-30.037(1)(a), F.A.C., if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

To: **Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for the transfer of facilities and transfer or cancellation of Water Certificate No. 641-W and/or Wastewater Certificate No. 551-S and amendment of Water Certificate No. _____ and/or Wastewater Certificate No. _____ in Duval County, Florida, and submits the following information:

PART I APPLICANT INFORMATION

A) Contact Information for Utility/Seller. The utility/seller's certificated name, address, telephone number, and if applicable, fax number, e-mail address, and website address. The utility's name should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations:

Regency Utilities, Inc.
Utility Name

1 Independent Drive, Ste. 3120
Office Street Address

<u>Jacksonville</u>	<u>FL</u>	<u>32202</u>
City	State	Zip Code

Mailing Address (if different from Street Address)

_____ City	_____ State	_____ Zip Code
---------------	----------------	-------------------

(904) 353-5993 (904) 212-1255
Phone Number Fax Number

59-1573892
Federal Employer Identification Number

adaniels@trgjax.com
E-Mail Address

N/A
Website Address

641-W 551-S
Water Certificate No. Wastewater Certificate No.

B) The contact information of the seller's authorized representative to contact concerning this application:

Alexa Daniels
Name

1 Independent Drive, Ste. 3120
Mailing Address

Jacksonville FL 32202
City State Zip Code

(904) 353-5993 (904) 212-1255
Phone Number Fax Number

adaniels@trgjax.com
E-Mail Address

C) Contact Information for Buyer. The buyer's name, address, telephone number, Federal Employer Identification Number, and, if applicable, fax number, e-mail address, website address, and new name of the utility if the buyer plans to operate under a different name. The buyer's business name, and if applicable, new utility name, should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations.

Duval Waterworks, Inc.
Buyer's Name

4939 Cross Bayou Blvd.

Office Street Address

New Port Richey

FL

32652

City

State

Zip Code

Same

Mailing Address (if different from Street Address)

City

State

Zip Code

(727) 848-8292

(727) 848-7701

Phone Number

Fax Number

84-2914920

Federal Employer Identification Number

trendell@uswatercorp.net

E-Mail Address

Duval Waterworks, Inc.

New Utility Name

- D) The contact information of the buyer's authorized representative to contact concerning this application:

Troy Rendell, Vice President - Investor Owned Utilities

Name

Same as above

Mailing Address

City

State

Zip Code

(727) 848-8292

(727) 848-7701

Phone Number

Fax Number

trendell@uswatercorp.net

E-Mail Address

- E) The name, address, telephone number, and if available, e-mail address and fax number of the person in possession of the books and records when the application is filed.

Troy Rendell

Name

Same as above.

Mailing Address

City

State

Zip Code

() -

() -

Phone Number

Fax Number

same as above

E-Mail Address

- F) Indicate the nature of the utility's/buyer's business organization (check one). Provide documentation from the Florida Department of State, Division of Corporations, showing the utility's/buyer's business name and registration/document number for the business, unless operating as a sole proprietor.

- Corporation _____ P19000069042
Number
- Limited Liability Company _____
Number
- Partnership _____
Number
- Limited Partnership _____
Number
- Limited Liability Partnership _____
Number
- Sole Proprietorship
- Association
- Other (Specify) _____

If the utility is doing business under a fictitious name, provide documentation from the Florida Department of State, Division of Corporations showing the utility's fictitious name and registration number for the fictitious name.

Fictitious Name (d/b/a) _____
Registration Number _____

G) The name(s), address(es), and percentage of ownership of each entity or person which owns or will own more than 5 percent interest in the utility (Use additional sheet if necessary).

Gary Deremer - 100%

H) Provide the date and state of incorporation or organization of the buyer.

August 30, 2019 - State of Florida

PART II **TRANSFER OF CERTIFICATE**

A) DESCRIPTION OF SALE AGREEMENT

1) Exhibit A - Provide a copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval.

2) Exhibit B - Provide the following documentation of the terms of the transfer:

a) The date the closing occurred or will occur.

September 30, 2019

b) The purchase price and terms of payment.

\$60,000 - Cash

c) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities.

See attached schedule

- d) A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations.

Not Applicable.

- e) Provisions regarding the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases.

See Exhibit C.

- f) A statement that the buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

Buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

- g) A provision that the buyer has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility.

Buyer will be obtaining the books and records of the seller.

- h) A statement that the utility's books and records will be maintained using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA).

Buyer will maintain its books and records using the NARUC USOA.

- i) A statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. If the records will not be maintained at the utility's office(s), the statement should include the location where the utility intends to maintain the books and records.

The books and records will be maintained at the utility's office in New Port Richey, FL.

B) FINANCIAL ABILITY

- 1) Exhibit D - Provide a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided.
- 2) Exhibit D - Provide a list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements.

See Exhibit C - financial statements will be provided under separate cover letter requesting confidential treatment.

C) TECHNICAL ABILITY

- 1) Exhibit E - Provide the buyer's experience in the water or wastewater industry.

See Exhibit E

- 2) Exhibit E - Provide the buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities.

D) TERRITORY DESCRIPTION, PUBLIC INTEREST, AND FACILITIES

1) Exhibit F - Provide a legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.

2) Exhibit G - Provide a statement explaining why the transfer is in the public interest.

See Exhibit G

3) Exhibit H - Provide a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and compliance with all applicable standards set by the DEP, or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements that have been identified, the governmental entity that required the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements.

See Exhibit H

4) Exhibit I - Provide documentation of the utility's right to continued long-term use of the land upon which the utility treatment facilities are located. This documentation shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded long-term lease, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time prescribed in the order granting the transfer.

5) Exhibit J - Provide a copy of all of the utility's current permits from the Department of Environmental Protection (DEP) and the water management district.

6) Exhibit K - Provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary water quality standards report.

- 7) Exhibit L - Provide a copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.
- 8) Exhibit M - Provide a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

E) PROPOSED TARIFF

Exhibit N - Provide a tariff containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. See Rule 25-30.037, F.A.C., for information about water and wastewater tariffs that are available and may be completed by the applicant and included in the application.

F) ACCOUNTING INFORMATION

- 1) Exhibit O - Provide the proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and the order number. In addition, provide a schedule of all subsequent changes to rate base.

- 2) Exhibit P - Provide a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established or the rate base was last established by the Commission, whichever is later. If the tax returns have not been obtained, provide a description of the steps taken to obtain the tax returns.

Tax Records were obtained for the last 5 years.

- 3) Exhibit Q - Provide a statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years.

Seller will be responsible for RAFs from January 2019 through closing September 30, 2019. Buyer will be responsible for RAFs and Annual Report from October 1, 2019 through December 31, 2019.

- 4) Exhibit R - If the buyer currently owns other water or wastewater utilities that are regulated by this Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

G) NOTICING REQUIREMENTS

Exhibit - S - Provide proof of noticing pursuant to Rule 25-30.030, F.A.C. This may be provided as a late-filed exhibit.

PART III

SIGNATURE

Please sign and date the utility's completed application.

APPLICATION SUBMITTED BY:



Applicant's Signature

Troy Rendell

Applicant's Name (Printed)

Secretary - Rural Waterworks, Inc.

Applicant's Title

10-23-19

Date

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

A copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval

A copy of the Asset Purchase Agreement, including attachments, by and between Regency Utilities, Inc. and Duval Waterworks, Inc. executed on September 6, 2019 is attached hereto.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”), dated as of the 6th day of September 2019, by and between **Regency Utilities, Inc.**, a Florida corporation with an address of 1 Independent Drive, Suite 3120, Jacksonville, Florida 32202 (“**Seller**”), and **Duval Waterworks, Inc.**, a Florida corporation with an address of 4939 Cross Bayou Blvd., New Port Richey, Florida 34652 (“**Buyer**”), with reference to the following RECITALS:

RECITALS

A. Seller owns, maintains and operates: a) a water distribution system b) a wastewater collection system, and c) private fire protection system located at Regency Square Mall, 9820 Atlantic Blvd, Jacksonville, FL 32225 (collectively the “**System**”) that provide water and wastewater service to customers within Duval County, Florida (the “**Service Area**”).

B. Buyer is a public utility that furnishes water and collection of wastewater to the public in an assigned portion 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 the 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 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 (a) distribution of water, (b) collection of wastewater, and (c) production and distribution of private fire protection water within the Service Area (other than the Excluded Assets) (collectively, 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 (excluding any real property interest, including easements, as to which Seller makes no representations or warranties) 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 following specific assets, properties and rights of Seller (but excluding the Excluded Assets):

- (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;

- (a) 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 (collectively, the "**Assumed Contracts**"); 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 Duval County.

1.2 Excluded Assets

Notwithstanding the foregoing, the Assets shall not include any of the following, all of which shall be retained by Seller:

- (a) Seller's cash (including customer deposits) and accounts receivables as of the Closing;
- (b) the corporate seals, organizational documents, minute books, stock books, all employee-related or employee benefit-related files or records, and any other books and records that Seller is prohibited from disclosing or transferring to Buyer under applicable law, and Seller shall retain originals or copies (and provide copies or originals to Buyer) of tax returns, books of account and other records having to do with the corporate organization of Seller; and
- (c) the Purchase Price and all rights accruing to Seller under this Agreement.

In addition, the Assets do not include the following, none of which is owned by Seller:

- (x) any and all customer service lines that run from outside the meter box or from the curb stop to each individual commercial, industrial, or residential structure served by the Assets;
- (y) any customer water service lines that run from the curb to the customers; and
- (z) all piping and fixtures internal to each individual customer's structure.

1.3 Consideration

The total purchase price ("**Purchase Price**") for the Assets will be an amount equal to **Sixty Thousand Dollars** (\$60,000.00) minus the total customer deposits retained by Seller. Buyer will perform a final due diligence of all facilities and assets prior to Closing, at Buyer's sole risk and expense. Seller will provide Buyer reasonable access to Seller's facilities and assets to enable Buyer to conduct such diligence. Buyer will conduct all on-site investigations in a commercially reasonable manner that won't interfere with Seller's ability to conduct normal business. Buyer will give Seller at least 24 hours' advance written notice of its intention to perform any on-site inspections so that Seller will have the option of having one of Seller's representatives present at any such inspection. The due diligence is to ensure all assets are in the same working condition, subject to ordinary wear and tear, that

all necessary permits are valid and current, and that there are no compliance infractions in force at the time of Closing. If, after conducting the final due diligence, Buyer determines that the assets are not in the same working condition, subject to ordinary wear and tear, that any necessary permit is no longer valid or current, or that there are compliance infractions, Buyer shall notify Seller of the same in writing and Seller shall have 60 days to either correct the condition or reach an agreement with Buyer for a reduction to the Purchase Price. If Seller refuses or is unable 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 without any reduction to the Purchase Price.

1.4 Assumed Liabilities

Buyer shall assume and agree to pay, perform and discharge when due all liabilities and obligations arising after the Closing under or with respect to the Assumed Contracts (except to the extent that such liability or obligation arose out a breach of an Assumed Contract that occurred prior to the Closing) (collectively, the “**Assumed Liabilities**”). Except for the Assumed Liabilities, Buyer shall not assume any obligations of Seller. Seller acknowledges that there are no outstanding developer agreements, guaranteed revenue contracts, or customer advances (excluding the customer deposits) as of the date of this Agreement.

1.5 Retained Liabilities

All liabilities and obligations of Seller other than the Assumed Liabilities (collectively, the “**Retained Liabilities**”) 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 Retained Liabilities.

2. CLOSING

Subject to the provisions of Sections 4 and 5, the consummation of the transactions contemplated by this Agreement (the “**Closing**”) shall take place on September 30, 2019, or such other date as the parties mutually shall agree (the “**Closing Date**”). The effective time of the Closing 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 Seller and their respective 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 Quit Claim Deed for each easement and any other interest in real property to be conveyed, a Bill of Sale (the “**Bill of Sale**”) and an Assignment and Assumption Agreement (the “**Assignment and Assumption Agreement**”).

(ii) a complete and accurate list of the names and addresses of all customers of Seller in electronic form, along with a billing history for each customer;

- (iii) a complete listing of the last meter reading (ending read) in electronic form for all customers of Seller referred to in **Section 2.1(d)** hereof.
- (iv) 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 certificates referred to in **Section 5** hereof.
- (c) Buyer shall deliver to Seller:
 - (i) the Purchase Price, by wire transfer of immediately available funds to an account designed in writing by Seller;
 - (ii) the Bill of Sale, duly executed by Buyer;
 - (iii) the Assignment and Assumption Agreement, duly executed by Buyer;
 - (iv) the certificates referred to in **Section 4**; and
 - (v) such other documents as Seller may reasonably request to consummate the transactions contemplated in this Agreement.
- (d) Buyer and Seller agree that final meter readings shall be conducted by Seller 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 of Seller's final meter reading. In the event that Buyer receives payments for any period of time prior to the Closing, Buyer will hold those payments in trust for Seller and forward those payments to Seller within a reasonable period of time not to exceed thirty days from the date of receipt of such payments.
- (e) Seller shall deliver to Buyer an accurate fixed asset listing and depreciation schedules as of the Closing Date.
- (f) Buyer shall pay all costs of closing including, but not limited to, any application fees due to the Florida Public Service Commission ("FPSC"), costs of recording any deed for the land and buildings on which the Assets are located, intangible taxes, and any title costs, including title insurance, as required by Buyer. Buyer also agrees to pay all Florida Department of Environmental Protection Operating Fees for the current year. If Buyer obtains a title search related to any of the Assets, it shall provide a copy of the same to Seller.

2.2 Transfer of Utilities

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

2.3 Further Assurances

From time to time after the Closing, each party, at the other party's request, and without compensation, will execute, acknowledge and deliver to the other party 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 the other party may reasonably require in order to implement the provisions of this Agreement and give effect to the transactions contemplated hereunder.

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 Seller shall maintain and service the tangible Assets in good working order such that they will be in proper working order at Closing, subject to ordinary wear and tear.
- (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 in all material respects 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 render any representation or warranty made by Seller under this Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) Seller will promptly advise Buyer in writing if Seller receives knowledge of the commencement of any dispute, claim, action, suit, proceeding, arbitration, or investigation against or involving the Assets or the sale and transfer thereof to Buyer.
- (f) Seller will use its commercially reasonable efforts to cause all of the closing conditions set forth in **Sections 4 and 5** to be satisfied on or prior to the Closing Date.

3.2 Buyer will use its commercially reasonable efforts to cause all of the closing conditions set forth in **Sections 4 and 5** to be satisfied on or prior to the Closing Date.

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 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 Buyer Authorizations

Buyer shall have furnished Seller with a certificate signed by an officer of Buyer certifying the accuracy of the attached resolutions of Buyer's board of directors authorizing the transactions contemplated by this Agreement.

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 Real Estate Title Issues

Buyer shall be satisfied with its review of the real estate and the quality of title to be conveyed to Buyer from Seller.

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 an officer 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, except such as have been rendered incorrect because of events which occurred after the date hereof, as disclosed in writing by Seller to Buyer within a reasonable time after the event occurred.

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 a certificate signed by an officer of Seller certifying the accuracy of the attached resolutions of Seller's board of directors authorizing the transactions

contemplated by this Agreement.

5.5 Governmental Approvals

Buyer shall have received within 12 months (365 days) after the Closing Date all governmental approvals and authorizations needed for the transfer of the Assets, including, but not limited to, the FPSC, Florida Department of Environmental Protection ("FDEP"), and the Water Management District, upon terms and conditions reasonably acceptable to Buyer, to enable Buyer to assume ownership and operation of the Assets and to provide water service to the public in the service territory presently being served by Seller. Seller agrees to provide reasonable cooperation throughout the governmental approval, including but not limited to, assisting in the financial audit of Seller's books and records by the FPSC. Buyer and Seller will use commercially reasonable efforts to achieve any necessary additional approvals within ninety (90) days from the official FPSC transfer 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 FPSC staff recommendation and FPSC approval upon terms and conditions reasonably acceptable to Buyer and Seller 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 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, or in the event that the FPSC approves the sale and transfer of the Assets upon terms and conditions not reasonably acceptable to Buyer and Seller, then the Assets remain with Seller and any and all agreements or understandings will be null and void between Seller and Buyer.

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. Subject to the approvals described in Sections 5.5 and 5.6, Seller holds the exclusive right, title, interest and power to sell the Assets; provided, however, that Seller makes no representation or warranty with respect to any of the Assets that constitute an interest in real property, including any easements.
- (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; provided, however, that Seller makes no representation or warranty with respect to any of the Assets that constitute an interest in real property, including any easements.
- (d) Legal Authority. Subject to the approvals described in Sections 5.5 and 5.6, Seller has the full power and lawful authority to transfer to Buyer the rights, title and interest in and to the System; provided, however, that Seller makes no representation or warranty with respect to any of the Assets that constitute an interest in real property, including

any easements.

- (e) **Due Authorization: Valid and Binding.** Subject to the approvals described in **Sections 5.5 and 5.6**, 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 corporate action. This Agreement and all related agreements executed and delivered by Seller in connection with the consummation of the transactions contemplated in this Agreement constitute the valid and binding obligation of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).
- (f) **No Approvals or Violations.** Except for the approvals described in **Sections 5.5 and 5.6**, the execution, delivery and performance of this Agreement by Seller 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 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 that will have a material adverse effect on the System or the Assets.
- (h) **List of Assets.** **Schedule 1.1** contains a true and complete list of the tangible property included in the Assets.
- (i) **Undisclosed Liabilities.** Except as set forth in this **Section 6.1(i)**, there are no material liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Assets except (i) those that are reflected in the most recent balance sheet of Seller provided to Buyer and (ii) those that have been incurred in the ordinary course of business consistent with past practice since the date of such balance sheet and that are not material in amount. Seller has not received a bill from the landlord under the Ground Lease (as hereinafter defined) for the real property taxes for which Seller is responsible pursuant to the Ground Lease since Seller received a bill for the 2009 real property taxes. Seller has not accrued any liability for real property taxes for which it has not received a bill from the landlord. 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.
- (j) **No Other Parties.** Except for the landlord under the Utility Ground Lease Agreement, dated May 21, 1992, originally between Seller and RS Properties, Inc., a Delaware corporation (the "**Ground Lease**"), 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.
- (k) **Compliance with Law.** Except for Environmental Laws and related permits, which are addressed in **Sections 6.1(l) and (m)**, Seller is not in any material violation of any

applicable 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 in all material respects 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.

- (l) Compliance with Environmental Laws. To Seller's actual knowledge, Seller has been and is in compliance in all material respects with all applicable Environmental Laws (as hereinafter defined). As used in this Agreement, "Environmental Laws" means all federal, state, regional or local statutes, laws, rules, regulations, codes, ordinances, orders or licenses currently in existence, any of which govern or relate to pollution, protection of the environment, public health and safety, air emissions, water discharges, waste disposal, hazardous or toxic substances, or solid or hazardous waste.
- (m) Adequacy of Environmental Permits. To Seller's actual knowledge, 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 were required under applicable Environmental Laws to have been filed prior to the date of this Agreement, and also has complied in all material respects with all reporting and record keeping requirements under applicable Environmental Laws.
- (n) No Other Representations and Warranties. Except for the representations and warranties made by Seller in this Agreement, neither Seller nor any other person has made or makes any representation or warranty, express or implied, written or oral, to Buyer.

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. Subject to the approvals described in Sections 5.5 and 5.6, 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 corporate action. This Agreement and all related agreements executed and delivered by Buyer in connection with the consummation of the transactions contemplated in this Agreement constitute the valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).
- (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.

- (d) Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the System and Assets. Buyer acknowledges and agrees that (a) in making its decision to enter into this Agreement and consummate the transactions contemplated hereunder, Buyer has relied solely upon its own investigation and the express representations and warranties made by Seller in this Agreement; and (b) neither Seller nor any other person has made any representation or warranty to Buyer as to Seller, the System, the Assets, or this Agreement, except as expressly set forth in this Agreement.

8. INDEMNIFICATION

8.1 Indemnification of Seller

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

- (a) Buyer's ownership and use of the Assets and operation of the System after the Closing, including, without limitation, the provision of water and wastewater service by Buyer after the Closing;
- (b) issues of regulatory compliance and claims by third parties for events that occur following the date of Closing;
- (c) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Buyer under this Agreement;
- (d) any Assumed Liability; and
- (e) the enforcement of this Section 8.

8.2 Indemnification of Buyer

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 Retained Liability;
- (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement;
- (c) Seller's ownership and use of the Assets and operation of the System prior to the Closing, including, without limitation, the provision of water and wastewater service by Seller prior to the Closing;
- (d) issues of regulatory compliance and claims by third parties for events that occurred prior

to Closing; 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**. Except for claims alleging fraud, the indemnification rights of the parties under this **Section 8** shall be the exclusive remedy of the parties with respect to a breach of any representation, warranty, covenant or other provision of this Agreement. In no event shall either party be liable to the other party under this **Section 8** for any punitive, incidental, consequential, special, or indirect damages. In no event shall the liability of either party under this **Section 8** for breaches of any representations and warranties exceed the Purchase Price.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations and warranties made by the parties in this Agreement shall survive the Closing for a period of one (1) year. All covenants and agreements of the parties in this Agreement that contemplate performance after the Closing shall survive the Closing indefinitely or for the period contemplated by the terms of such covenant. Neither party shall be liable under this Agreement for any damages based upon or arising from any inaccuracy in or breach of any representation or warranty in this Agreement if the other party had knowledge of such inaccuracy or breach prior to the Closing.

10. TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Buyer and Seller;
- (b) by Buyer, by written notice to Seller, if:
 - (i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Section 5**, and such breach, inaccuracy or failure has not been cured by Seller within 15 days of Seller's receipt of written notice of such breach from Buyer;
 - (ii) any of the conditions set forth in **Section 5** shall not have been fulfilled by December 31, 2019, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or
 - (iii) Buyer provides such written notice to Seller in accordance with **Section 1.3**;
- (c) by Seller, by written notice to Buyer, if:
 - (i) Seller is not then in material breach of any provision of this Agreement and there has

been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Section 4**, and such breach, inaccuracy or failure has not been cured by Buyer within 15 days of Buyer's receipt of written notice of such breach from Seller; or

(ii) any of the conditions set forth in **Section 4** shall not have been fulfilled by December 31, 2019, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Buyer or Seller in the event that there shall be any law, ruling, order, or injunction that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited.

10.2 Effect of Termination

If this Agreement is terminated for any reason, this Agreement shall forthwith become void and have no further force or effect except (a) as set forth in this **Section 10.2** and **Section 11** hereof, and (b) that nothing herein shall relieve any party from liability for any willful breach of any provision hereof.

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 and supersedes all prior understandings and agreements, oral or written, between the parties with respect to the subject matter hereof. This Agreement 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 permitted 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 by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Buyer:

Gary A. Deremer, President
Duval Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

If to Seller:

Alexa Daniels
Regency Utilities, Inc.
1 Independent Drive, Suite 3120
Jacksonville, FL 32202

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 delivered.

11.4 Florida Law to Govern; Attorneys' Fees to Prevailing Party

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 conflict of law provisions. In the event of any action to enforce or interpret this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs from the non-prevailing party, including those incurred on appeal.

11.5 Exclusive Venue and Jurisdiction; WAIVER OF JURY TRIAL

(a) Venue for any litigation, legal action or other proceeding brought for the interpretation or enforcement of this Agreement, or because of an alleged dispute, breach or default in connection with any provision of this Agreement, shall lie solely in the Circuit Court in and for Duval County, Florida. The parties (i) consent to personal jurisdiction and venue in such courts, (ii) agree that such courts shall have exclusive jurisdiction over any matters arising out of or related to this Agreement, and (iii) waive all claims to the effect that any of the aforementioned courts constitutes an inconvenient forum.

(b) THE PARTIES HEREBY INTENTIONALLY AND IRREVOCABLY WAIVE THEIR RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER IN CONNECTION WITH ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THIS WAIVER OF THE RIGHT TO A TRIAL BY JURY WAS A MATERIAL INDUCEMENT FOR THEIR ENTRY INTO THIS AGREEMENT AND SHALL BE SUBJECT TO NO EXCEPTION.

11.6 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 respective successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.

11.7 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 as the context requires.

11.8 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.

11.9 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.

11.10 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.

11.11 Continuance of Cooperation

For a period of one year after the Closing, Seller agrees to provide commercially reasonable assistance to Buyer without compensation in the pursuit of resolving reasonable 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.

11.12 No Assignment

Neither party may assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other party.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as of the date first above written.

SELLER:

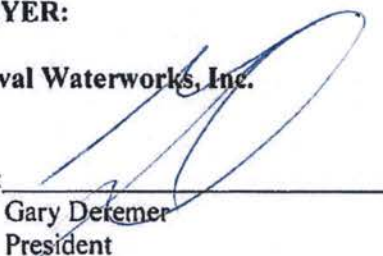
Regency Utilities, Inc.

By: 

Alexa Daniels
President

BUYER:

Duval Waterworks, Inc.

By: 

Gary DeFemer
President

Schedule 1.1

See attached.

Regency Utilities
 Depreciation Worksheet for 2018 PSC annual report

TAX DEPRECIATION						PSC DEPRECIATION						
W-1 Water Assets	Cost	Pr Yr Accum Depr	Cr Yr Tax Depr	Total Accum Depr	Depr Balance	PSC Cost	PSC Rates	PSC Accum Depr 12/31/17	Cr Yr PSC Depr	Total PSC Accum Depr	Depr Balance	Mo Depr
304 - Structure and Imp						285,386	3.70%	(249,903)	(10,559.28)	(260,462)	24,924	(879.94)
307 - Wells						195,402	3.70%	(169,100)	(7,229.87)	(176,330)	19,072	(602.49)
309 - Supply Mains						16,090	3.13%	(10,471)	(503.62)	(10,974)	5,116	(41.97)
310 - Power Generation Equip						58,707	5.88%	(58,707)	-	(58,707)	-	-
311.1 - Pumping Equipment						185,199	6.67%	(185,199)	-	(185,199)	-	-
320 - Water Treatment Equip						15,818	5.88%	(15,818)	-	(15,818)	(0)	-
330 - Dist Reservoirs & Standpipes Pumping Equip						153,890	3.03%	(110,355)	(4,662.87)	(115,018)	38,872	(388.57)
						910,492		(799,553)	(22,955.64)	(822,509)	87,983	(1,912.97)
#331 Supply Mains	21,980	(16,858)	(440)	(17,298)	4,682	21,980	2.63%	(19,068)	(578.00)	(19,646)	2,334	(48.17)
#333 Services	148,540	(118,314)	(477)	(118,791)	29,749	148,540	2.86%	(135,707)	(4,248.24)	(139,956)	8,584	(354.02)
#334 Meters & Install	51,095	(29,612)	(1,102)	(30,714)	20,381	51,095	5.88%	(51,095)	-	(51,095)	-	-
#335 Hydrants	10,786	(10,784)	-	(10,784)	2	10,786	2.50%	(10,786)	-	(10,786)	-	-
#340 Office Equipment		-	-	-	-	373	6.67%	(373)	-	(373)	-	-
#301 Organization Cost		-	-	-	-	25,000	2.50%	(6,250)	(625.00)	(6,875)	18,125	(52.08)
	0											
Old Assets	-	(11,400)		(11,400)	-	-					-	-
	232,401	(186,968)	(2,019)	(188,987)	54,814	257,774		(223,280)	(5,451.25)	(228,731)	29,043	(454.27)
Total Water Assets	232,401	(186,968)	(2,019)	(188,987)	54,814	1,168,266		(1,022,833)	(28,406.89)	(1,051,240)	117,026	(2,367.24)
	(W-1)	(W-2)	(W-2)	(W-2)		(W-1)		(W-2)	(W-2)			
S-1 Waste Water Assets												
#360 Sewers-Force	30,260	(28,415)	(618)	(29,033)	1,227	30,260	2.50%	(30,214)	(46.00)	(30,260)	-	(3.83)
#363 Svc to Customers	6,682	(4,974)	(267)	(5,241)	1,441	6,682	2.86%	(3,988)	(191.11)	(4,179)	2,503	(15.93)
#389 Office Equipment						373	6.67%	(373)	-	(373)	-	-
#351 Organization Cost Adjustment for 2013						25,000	2.50%	(6,250)	(625.00)	(6,875)	18,125	(52.08)
Total Waste Water Assets	36,942	(33,389)	(885)	(34,274)	2,668	62,315		(40,825)	(862.11)	(41,687)	20,628	(71.84)
	(S-1)	(S-2)	(S-2)	(S-2)				(S-2)	(S-2)	(S-2)		
TOTALS	269,343	(220,357)	(2,904)	(223,261)	57,482	1,230,581		(1,063,658)	(29,268.99)	(1,092,927)	137,654	(2,439.08)
	(F-4)			(F-4)		(S-1)		(S-2)	(S-2)	(S-2)	(F-4)	
Assets per Tax Schedule												
Fire Protection												
Water Assets	232,401			(188,987)								
Sewer Assets	36,942			(34,274)								
	269,343			(223,261)								
SARC Asset Total	1,230,581			(1,092,927)								
Variance	(961,238)			869,666								
Fire Protection	910,492			(822,509)								
Office Equip & Org Cost	50,746			(14,496)								
#331 Supply Mains				(2,348)								
#333 Services				(21,165)								
#334 Meters & Install				(20,381)								
Old Assets				11,400								
#360 Sewers-Force				(1,227)								
#363 Svc to Customers				1,062								

Regency Utilities
 Depreciation Worksheet for 2018 PSC annual report

TAX DEPRECIATION

PSC DEPRECIATION

W-1 Water Assets	Cost	Pr Yr Accum Depr	Cr Yr Tax Depr	Total Accum Depr	Depr Balance	PSC Accum						
						PSC Cost	PSC Rates	12/31/17 Depr	Cr Yr PSC Depr	Total PSC Accum Depr	Depr Balance	Mo Depr
304 · Structure and Imp						285,388	3.70%	(248,903)	(10,569.28)	(260,462)	24,924	(879.94)
307 · Wells						195,402	3.70%	(169,100)	(7,229.87)	(176,330)	19,072	(602.40)
309 · Supply Mains						16,090	3.13%	(10,471)	(503.62)	(10,974)	5,116	(41.97)
310 · Power Generation Equip						58,707	5.88%	(58,707)	-	(58,707)	-	-
311.1 · Pumping Equipment						185,199	6.67%	(185,199)	-	(185,199)	-	-
320 · Water Treatment Equip						15,818	5.88%	(15,818)	-	(15,818)	(0)	-
330 · Dist Reservoirs & Standpipes Pumping Equip						153,880	3.03%	(110,355)	(4,662.87)	(115,018)	38,872	(388.57)
						910,492		(799,553)	(22,955.64)	(822,509)	87,983	(1,912.97)
#331 Supply Mains	21,980	(16,858)	(440)	(17,298)	4,682	21,980	2.63%	(19,068)	(578.00)	(19,646)	2,334	(48.17)
#333 Services	148,540	(118,314)	(477)	(118,791)	29,749	148,540	2.86%	(135,707)	(4,246.24)	(139,956)	8,584	(354.02)
#334 Meters & Install	51,095	(29,612)	(1,102)	(30,714)	20,381	51,095	5.88%	(51,095)	-	(51,095)	-	-
#335 Hydrants	10,786	(10,784)	-	(10,784)	2	10,786	2.50%	(10,786)	-	(10,786)	-	-
#340 Office Equipment						373	6.67%	(373)	-	(373)	-	-
#301 Organization Cost						25,000	2.50%	(6,250)	(625.00)	(6,875)	18,125	(52.08)
Old Assets		(11,400)		(11,400)								
	232,401	(186,968)	(2,019)	(188,987)	54,814	257,774		(223,280)	(5,451.25)	(228,731)	29,043	(454.27)
Total Water Assets	232,401	(186,968)	(2,019)	(188,987)	54,814	1,188,266		(1,022,833)	(28,406.89)	(1,051,240)	117,026	(2,367.24)
	(W-1)	(W-2)	(W-2)	(W-2)		(W-1)		(W-2)	(W-2)	(W-2)		
S-1 Waste Water Assets												
#360 Sewers-Force	30,260	(28,415)	(618)	(29,033)	1,227	30,260	2.50%	(30,214)	(48.00)	(30,260)	-	(3.83)
#363 Svc to Customers	6,682	(4,974)	(267)	(5,241)	1,441	6,682	2.98%	(3,988)	(191.11)	(4,179)	2,503	(15.93)
#369 Office Equipment						373	6.67%	(373)	-	(373)	-	-
#351 Organization Cost Adjustment for 2013						25,000	2.50%	(6,250)	(625.00)	(6,875)	18,125	(52.08)
Total Waste Water Assets	36,942	(33,389)	(885)	(34,274)	2,668	62,315		(40,825)	(862.11)	(41,687)	20,628	(71.84)
	(S-1)	(S-2)	(S-2)	(S-2)				(S-2)	(S-2)	(S-2)	(F-4)	
TOTALS	269,343	(220,357)	(2,904)	(223,261)	57,482	1,230,581		(1,063,658)	(29,268.99)	(1,092,927)	137,654	(2,439.08)
	(F-4)			(F-4)		(S-1)		(S-2)	(S-2)	(S-2)	(F-4)	

Barniv W. P. ...

Assets per Tax Schedule		Accum Depr per Tax Schedule
Fire Protection		
Water Assets	232,401	(188,987)
Sewer Assets	36,942	(34,274)
	<u>269,343</u>	<u>(223,261)</u>
SARC Asset Total	1,230,581	(1,092,927)
Variance	(981,238)	869,666
Fire Protection	910,492	(822,509)
Office Equip & Org Cost	50,748	(14,496)
#331 Supply Mains		(2,348)
#333 Services		(21,165)
#334 Meters & Install		(20,381)
Old Assets		11,400
#360 Sewers-Force		(1,227)
#363 Svc to Customers		1,062

29,270 Book
 2904 tax
 26,366 m-1

2018 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Code	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction in Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	WW GAY REWORK SERVICES IN EAST	03/30/93	150DB	20.00		16	136,612.		\$333	202	136,612.	109,466.		0.	109,466.
2	BEHK EXPANSION (1 FIRE 1/4")	05/03/99	SL	25.00		16	9,515.		148,540		9,515.	7,095.	477	381.	7,476.
3	MALL (AUNTI ANN) 3/4"	07/15/99	SL	25.00		16	937.			937.	684.			37.	721.
4	MALL (WILSONS LEATHER) 1" 2	11/24/99	SL	25.00		16	1,476.			1,476.	1,069.			59.	1,128.
5	METERS 0 1979 ADDITIONS	01/01/70	SL	50.00	MM	16	11,621.			11,621.	11,149.			232.	11,381.
6	TWO 530 METERS - DAVIS SUPPLY	01/01/72	SL	50.00	MM	16	71.			71.	59.		1.	60.	
7	DAVIS METER - 1974 ADDITION	01/01/74	SL	50.00	MM	16	40.			40.	38.		1.	39.	
8	DAVIS METER 1975 ADDITION	01/01/75	SL	50.00	MM	16	107.			107.	90.		2.	92.	
9	DAVIS METER - 1977 ADDITION	01/01/77	SL	40.00	MM	16	284.			284.	283.		0.	283.	
10	INTERSTATE METER - 2"	01/01/78	SL	40.00	MM	16	363.			363.	362.		0.	362.	
11	METER CONTRIBUTIONS	07/01/81	SL	15.00		16	1,799.			1,799.	1,799.		0.	1,799.	
12	CIAD ADDED BACK IN PRIOR	12/31/82	SL	5.00		16	11,746.			11,746.	11,746.		0.	11,746.	
13	LENSECRAPTERS - NEW 1 1/2 METER	09/14/88	150DB	20.00		16	430.			430.	363.		0.	363.	
14	MAISON BLANCHE - REPLACE 1 1/2 " METER	12/31/88	150DB	20.00		16	413.			413.	350.		0.	350.	
15	WALGREENS NEW 1/1/2 " METER	03/09/89	150DB	20.00		16	408.			408.	340.		0.	340.	
16	NICKLES AND DIMES NEW 5/8" METER	04/18/89	150DB	20.00		16	31.			31.	25.		0.	25.	
17	TAPE WORLD 5/8 " METER	07/27/89	150DB	20.00		16	62.			62.	51.		0.	51.	
18	CHICK-FIL-A	10/22/89	150DB	5.00		16	127.			127.			0.		

T.M. Davis

2018 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
19	STATE FARM UNIT	10/01/89	150DB	20.00		16	66.				66.	54.		0.	54.
20	D ALTOS PIZZA	01/30/90	150DB	20.00		16	48.				48.	40.		0.	40.
21	BODY SHOP INSTALL	01/30/90	150DB	20.00		16	10.				10.	6.		0.	6.
22	ST. VINCENTS AMBULATORY 1" METER	03/06/90	150DB	20.00		16	107.				107.	88.		0.	88.
23	MCDONALDS 1 1/2 " METER	05/16/90	150DB	20.00		16	256.				256.	210.		0.	210.
24	PICADILY 1 1/2 " METER	08/20/90	150DB	20.00		16	605.				605.	497.		0.	497.
25	PEKING ENTREE 5/8"	09/28/90	150DB	20.00		16	38.				38.	32.		0.	32.
26	H&R BLOCK 5/8"	12/04/90	150DB	20.00		16	41.				41.	35.		0.	35.
27	LIMITED DANCE 1"	12/04/90	150DB	20.00		16	68.				68.	55.		0.	55.
28	UNKNOWN NAME	06/08/92	200DB	7.00		16	48.				48.	33.		0.	33.
29	ATRIUM II CONSTRUCTION 5/8"	12/07/94	200DB	7.00		16	40.				40.	16.		0.	16.
30	2001 ADDITIONS	06/30/01	SL	25.00		16	18,060.				18,060.	11,387.		722.	12,109.
31	MOORE PIPE & SPRINKLER	08/31/79	SL	50.00		16	16,103.				16,103.	12,345.		322.	12,667.
32	MOORE PIPE & SPRINKLER	09/01/79	SL	50.00		16	5,877.				5,877.	4,513.		118.	4,631.
33	BELK EXPANSION	05/03/99	SL	25.00		16	6,682.				6,682.	4,974.		267.	5,241.
34	SHOPPING CENTER	01/01/72	SL	49.00		16	30,260.				30,260.	28,415.		618.	29,033.
35	25 WATER METERS	11/22/08	SL	25.00		16	2,850.				2,850.	1,036.		114.	1,150.
36	3" WATER METER	08/12/09	SL	25.00		16	740.				740.	252.		30.	282.

#331 supply
main
sewer assets

440 ✓

2018 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Code	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
37	OLD ASSETS	01/01/85	SL	25.00		16	11,400.				11,400.	11,400.		0.	11,400.
	* TOTAL OTHER DEPRECIATION						269,341. <i>✓</i>				269,341.	220,357.		2,904.	223,261.

223,261
✓

EXHIBIT B
Rule 25-30.037 (2)(j)

The buyer must provide the following documentation of the terms of the transfer:

- 1. The date the closing occurred or will occur;**
- 2. The purchase price and terms of payment;**
- 3. A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities;**
- 4. A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations;**

A copy of the final executed closing dates, including attachments, by and between Regency Utilities, Inc. and Duval Waterworks, Inc. executed on September 30, 2019 is attached hereto.

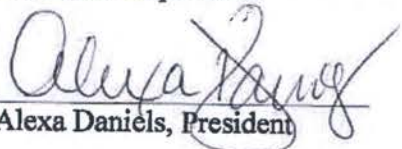
SELLER CLOSING STATEMENT

File Number: 19-546
Name of Buyer: Duval Waterworks, Inc., a Florida corporation
Name of Seller: Regency Utilities, Inc., a Florida corporation
Property: Water System, Sewer System, Fire Protection System and all associated easements and appurtenances
Settlement Agent: Booth & Cook, P.A.
Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668
Settlement Date: September 30, 2019

PURCHASE PRICE	\$60,000.00
Down Payment to Seller	\$0.00
Prorate real estate taxes (not applicable)	\$0.00
Prorate tangible tax, 1/1/19 through 9/30/19 (\$1,738.05/yr)	(\$1,299.48)
Customer deposits retained by Seller for disposition POC	(\$0.00)
DUE TO SELLER:	\$58,700.52

RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Regency Utilities, Inc.
A Florida corporation


Alexa Daniels, President

BUYER CLOSING STATEMENT

File Number: 19-546
Name of Buyer: Duval Waterworks, Inc., a Florida corporation
Name of Seller: Regency Utilities, Inc., a Florida corporation
Property: Water System, Sewer System, Fire Protection System and all associated easements and appurtenances
Settlement Agent: Booth & Cook, P.A.
Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668
Settlement Date: September 30, 2019

PURCHASE PRICE	\$60,000.00
Record assignment of ground lease and exhibit	\$154.50
Record bill of sale (\$27); assignment of easements (\$18.50)	\$45.50
Prorate tangible tax, 1/1/19 through 9/30/19 (\$1,738.05/yr)	(\$1,299.48)
Legal fees to Booth & Cook, P.A., Buyer Counsel	\$1,250.00
Customer deposits retained by Seller for disposition POC	(\$0.00)
 WIRE FUNDS DUE FROM BUYER:	 \$60,150.52

RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Duval Waterworks, Inc.
A Florida corporation



Gary Deremer, President

Buyer clo stm.doc.rtf

Closing Certificate
of
Duval Waterworks, Inc.

The undersigned is the President of Duval Waterworks, Inc., a Florida corporation (the "Buyer") and hereby certifies on behalf of the Buyer as follows:

1. The Asset Purchase Agreement dated September 6, 2019 (the "Purchase Agreement") between Regency Utilities, Inc., a Florida corporation (the "Utility") and the Buyer, and the assignment of the leasehold interest in the real property, the assignment, the bill of sale and other instruments whereby the Assets (as defined in the Purchase Agreement) have been conveyed to Buyer (collectively, the "Conveyance Instruments" and, together with the Purchase Agreement, the "Contracts") have been duly authorized, executed and delivered by the Buyer and constitute the legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

2. The Buyer is not prohibited by decree or law from consummating the transaction contemplated by the Purchase Agreement.

3. There is not pending, or to the knowledge of the Buyer, threatened, any legal action or proceeding that hinders the ability of the Buyer to perform its obligations in compliance with the Contracts.

4. All representations and warranties of the Buyer contained in the Purchase Agreement are true and correct in all material respects as of the date hereof, and the Buyer has complied in all material respects with its covenants under the Purchase Agreement.

Dated: 9/24/19

DUVAL WATERWORKS, INC.



Gary Defemer, President

Closing Certificate
of
REGENCY UTILITIES, INC.

The undersigned is the President and an authorized signatory on behalf of Regency Utilities, Inc., a Florida corporation (the "Seller") and hereby certifies on behalf of the Seller as follows:

1. The Asset Purchase Agreement dated September 6, 2019 (the "Purchase Agreement") between Regency Utilities, Inc., a Florida corporation (the "Utility") and Duval Waterworks, Inc., a Florida corporation (the "Buyer" or "Waterworks") and the conveyance of the leasehold interest in the real property, the assignment, the bill of sale and other instruments whereby the Assets (as defined in the Purchase Agreement) have been conveyed to Buyer (collectively, the "Conveyance Instruments" and, together with the Purchase Agreement, the "Contracts") have been duly authorized, executed and delivered by Seller and constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms.

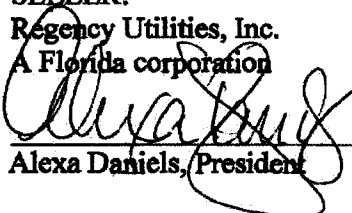
2. The Assets (excluding any real property interest, including easements, as to which the Seller makes no representations or warranties) are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever.

3. The Seller is not prohibited by decree or law from consummating the transaction contemplated by the Purchase Agreement.

4. There is not pending, or to the knowledge of the Seller, threatened, any legal action or proceeding that hinders the ability of Seller to perform its obligations in compliance with the Contracts.

5. All representations and warranties of Seller contained in the Purchase Agreement are true and correct in all material respects as of the date hereof, and Seller has complied in all material respects with its covenants under the Purchase Agreement.

Dated: 9/30/19

SELLER:
Regency Utilities, Inc.
A Florida corporation


Alexa Daniels, President

RE: Escrow File #19-546
Regency Utilities, Inc. - conveyance to Duval Waterworks, Inc.
- water treatment and wastewater treatment systems and fire protection system serving
Duval County, Florida

DISCLOSURE AND HOLD HARMLESS

The undersigned purchaser, after full disclosure, has elected to proceed with the closing of the above described transaction, and hereby acknowledges and agrees to hold and save the firm of Booth & Cook, P.A. harmless from any loss or damages and all liability arising from the following matters:

A. The purchaser is proceeding without the benefit of a title search and a leasehold title insurance policy insuring the leasehold interest in the real property being acquired which does not propose to insure the easement interests necessary for the operation of the water and/or sewer service district facilities, as may be applicable.

B. The purchaser is proceeding without the benefit of an updated survey of the lands which are the subject of the captioned transaction, notwithstanding the inability to determine with accuracy whether the necessary access easements and utility system easements are located within the boundaries of any assignment of easement delivered at closing in consummation of the Asset Purchase Agreement between the parties.

C. The purchaser has elected to proceed with closing without obtaining the consent and/or subordination of any lender whose mortgage may encumber the underlying fee simple title in and to any beneficial easement interests which are the subject of the captioned transaction.

D. The purchaser has elected to proceed without obtaining the consent required, if any, of any fee owners of the Mall parcel to the conveyance of the easement interests and the leasehold interest which are the subject of the captioned transaction.

Dated this 24th day of September, 2019

PURCHASER:
Duval Waterworks, Inc.
A Florida corporation



Gary Deremer, President

Prepared by/return to:

Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668

File #19-546

BILL OF SALE
Water and Wastewater Utility System

KNOW ALL MEN BY THESE PRESENTS that on the 1st day of October, 2019, **REGENCY UTILITIES, INC.**, a Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **DUVAL WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated September 6, 2019 (the "Purchase Agreement"), hereby grants, sells, assigns and conveys to Purchaser all of Seller's right, title and interest in and to all of the Assets, as such terms is defined in the Purchase Agreement, including, but not limited to, the following:

1. All water supply, treatment, storage, distribution and transmission fixtures and facilities, all wastewater collection, treatment and disposal fixtures and facilities of every kind and description whatsoever, including, but not limited to, pumps and pump stations, plants, wells, storage tanks, fire hydrants, irrigation service lines lift stations, transmission mains, distribution mains, supply pipes, collection pipes or facilities, effluent disposal facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection therewith (the "Utility System"), together with all additions or replacements thereto;
2. The following, but only to the extent that Seller's right, title or interest is transferrable: all certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds, and all rights to construct, maintain, and operate the Utility System and its plants and systems for the collection and disposal of wastewater, including reclaimed water, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
3. All supplier lists, customer records, prints, plans, including plans in electronic or digital format, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof;
4. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias, or other reproducible materials in Seller's possession, including right of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form;
5. All rights of Seller under any Developer Agreements or Utility Agreements, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;
6. All rights and obligations of Seller under the Assumed Contracts and Leases, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;

Notwithstanding the foregoing, Seller does not hereby convey to Purchaser those certain Excluded Assets, as such term is defined and described in the Purchase Agreement.

All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference. In the event of any conflict or inconsistency between the Purchase Agreement and the definitions, terms, provisions, conditions and limitations set forth therein and those which are set forth in this Bill of Sale, the definitions, terms provisions, conditions and limitations set forth in the Purchase Agreement shall supersede and prevail.

Seller makes no representation as to the condition of the Assets. Purchaser acknowledges that it is acquiring the Assets "as-is".

IN WITNESS WHEREOF, this instrument shall be effective as of the date first above written.

SELLER:

Signed, sealed and delivered in the presence of:

David Dunn
Signature

David Dunn
Type/print name of witness

Teresa L. Dutton
Signature

Teresa L. Dutton
Type/print name of witness

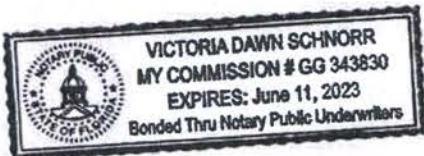
REGENCY UTILITIES, INC.
A Florida corporation

Alexa Daniels
Alexa Daniels, President

STATE OF FL
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 26 day of September, 2019 by Alexa Daniels, as President of Regency Utilities, Inc., a Florida corporation. She is personally known to me or has produced _____ as identification.

Victoria D. Schnorr
Notary Public



Signed, sealed and delivered in the presence of:

[Signature]
Signature

Troy Rendell
Type/print name of witness

[Signature]
Signature

EVERETT ALICIA
Type/print name of witness

STATE OF FLORIDA
COUNTY OF PASCO

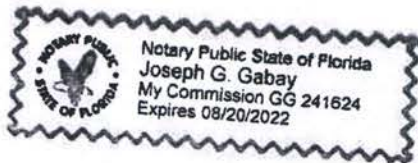
The foregoing instrument was acknowledged before me this 24 day of Sept, 2019 by Gary Deremer as President on behalf of said Duval Waterworks, Inc., a Florida corporation. He is personally known to me.

[Signature]
Notary Public

BUYER:

Duval Waterworks, Inc.
A Florida corporation

[Signature]
Gary Deremer, President



**LESSEE ESTOPPEL AND RATIFICATION
OF
UTILITY GROUND LEASE AGREEMENT**

1. That certain Lease dated May 21, 1992 ("Lease") by and between RS Properties, Inc., a Delaware corporation, as initial landlord, and Regency Utilities, Inc., a Florida corporation, as tenant ("Tenant"), covering those certain premises commonly known and designated as 25,913 square feet, more or less, in Jacksonville, Duval County, Florida, together with an appurtenant easement for landscaping around the exterior perimeter as more fully described in said Lease (the "Premises") is referred to herein as the "Lease".
2. The Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect except as indicated below (if none, state "none"). The Lease is valid and in full force and effect on the date hereof. The Lease, as modified by the amendments or assignments listed below, if any, represents the entire agreement between the Landlord under the Lease ("Landlord") and the Tenant with respect to the Premises.

Amendments: Consent to Assignment or Sublease, dated April 6, 2001, between the Tenant and RS Properties, Inc.; Sublease Agreement dated April 10, 2001 between the Tenant and JEA.

3. The Tenant is not entitled to, and has made no agreement(s) with the Landlord or its agents or employees concerning free rent, partial rent, rebate of rent payments, credit or offset or reduction in rent, or any other type of rental concession including, without limitation, lease support payments or lease buy-outs, except as expressly set forth in the Lease and except as indicated below (if none, state "none").

Concessions: None.

4. The Tenant has accepted and now occupies the Premises and is open for business. Pursuant to Article 3 of said Lease, the Lease term began on or about September 17, 1991.
5. The Tenant has paid rent for the Premises for the period up to and including September 16, 2090. No such rent (not including security deposits) has been paid more than one (1) month in advance of its due date, except as indicated below (if none, state "none").
Amount of monthly rent: \$None.
Advance rents prepaid: Total rent \$99.00) prepaid through September 16, 2090.
The Tenant's security deposit is \$0.00
6. No event has occurred and no condition exists which, with the giving of notice or the lapse of time or both, will constitute a default by Tenant or, to Tenant's best knowledge, by the Landlord, under the Lease. To the actual knowledge of Tenant, the Tenant has no existing defenses or offsets against the enforcement of the Lease by the Landlord.
7. The Lease contains, and the Tenant has, no outstanding options, rights of first refusal or rights of first offer to purchase the Premises or any part thereof or all or any part of the real property of which the Premises are a part.

8. No actions, whether voluntary or otherwise, are pending against the Tenant under the bankruptcy laws of the United States or any state thereof.
9. The Tenant has not sublet the Premises to any sublessee and has not assigned any of its rights under the Lease, except as indicated below (if none, state "none"). The Lease is fully assignable to Duval Waterworks, Inc., a Florida corporation, as Lessee, as Permitted Assignee as such term is defined in the Lease.

Sublease Agreement dated April 10, 2001 between the Tenant and JEA.

10. The Premises have not been used by Tenant and Tenant does not plan to use the Premises for any activities which, directly or indirectly, involve the use, generation, treatment, storage, transportation or disposal of any petroleum product or any toxic or hazardous chemical, material, substance, pollutant or waste in violation of applicable law.
11. The Tenant has not received any written notice from any governmental authority of violation of any federal, state, county or local statutes, laws, rules or regulations of any governmental authorities relating to environmental, health or safety matters and, there are no writs, injunctions, decrees, orders or judgments outstanding or lawsuits, claims, proceedings or investigations pending or, to the Tenant's knowledge, threatened, relating to Tenant's use, maintenance or operation of the Premises.
12. The undersigned is authorized to execute this Estoppel Certificate on behalf of the Tenant.
13. The undersigned hereby ratifies and confirms the above described Lease Agreement in its entirety. This instrument may be executed in counterparts by the parties hereto and when taken together the counterparts shall constitute one and the same original.

Dated: 9/30/19

Teresa L. Dutton
First Witness
printed name: Teresa L. Dutton

David Dunn
Second Witness
printed name: David Dunn

TENANT
Regency Utilities, Inc.

Alexa Daniels
Alexa Daniels
President
Authorized signatory

(Corporate Seal)

NOTE: Two different witnesses are required as to each signing party.

Prepared by/return to:
Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668

File #19-546

QUIT CLAIM ASSIGNMENT OF INTEREST IN EASEMENTS

In consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, the undersigned hereby quit claims and assigns to **DUVAL WATERWORKS, INC.**, a Florida corporation, its successors and/or assigns, any and all interest the undersigned, now has or may have in all easements, express or implied, serving the undersigned's water production and distribution system, water for fire protection system, and the waste water collection system (collectively the "System") which are appurtenant to the Regency Square Mall service area and benefit the service area, including, but not limited to, those which are identified on the attached Schedule A.

Dated effective the 1st day of October, 2019.

Signed, sealed and delivered in the presence of:

Witness:

Teresa L. Dutton
Printed Name: Teresa L. Dutton

Regency Utilities, Inc.,
a Florida corporation

Witness:

David Dunn
Printed Name: David Dunn

Alexa Daniels
Alexa Daniels, President

STATE OF FLORIDA; COUNTY OF Duval :

Acknowledged before me the 26th day of September, 2019 by Alexa Daniels, as President of Regency Utilities, Inc., a Florida corporation, who () is personally known to me or () has produced a driver's license as identification.

Notary Seal



Victoria D. Schnorr
NOTARY PUBLIC

Schedule A

1. **Utility Easement Agreement dated June 26, 1990 in favor of Regency Utilities, Inc., a Florida corporation, recorded in Official Records Book 6976, Page 1964, Public Records of Duval County, Florida.**
2. **All easements created in favor of Regency Utilities, Inc., a Florida corporation, as set forth in that certain unrecorded Utility Agreement and Addendum thereto, dated September 17, 1991, by and among RS Properties, Inc., a Delaware corporation, and Regency Utilities, Inc., a Florida corporation, including, but not limited to, an easement for reading of the water meters for the servicing of the System; a non-exclusive easement on, over, across and under the Water Plant Site for the continued operation, maintenance and repair of the Non-Relocated Facilities.**
3. **Easement for Utilities dated November 15, 1991, in favor of Regency Utilities, Inc., a Florida corporation, recorded in Official Records Book 7233, Page 648, Public Records of Duval County, Florida.**
4. **Easements reserved in deed dated October 22, 1992, recorded in Official Records Book 7439, Page 1364, Public Records of Duval County, Florida.**
5. **Utility Easement dated July 16, 1993 in favor of Regency Utilities, Inc., a Florida corporation, recorded in Official Records Book 7621, Page 936, Public Records of Duval County, Florida.**
6. **Grant of Utility Easement dated May 28, 1996 in favor of Regency Utilities, Inc., a Florida corporation, recorded in Official Records Book 8363, Page 2093, Public Records of Duval County, Florida.**
7. **Easement for Utilities dated March 12, 1999 in favor of Regency Utilities, Inc., a Florida corporation, recorded in Official Records Book 9334, Page 609, Public Records of Duval County, Florida.**
8. **Easement for Utilities in favor of Regency Utilities, Inc., a Florida corporation, recorded in Official Records Book 10040, Page 1079, Public Records of Duval County, Florida.**

PREPARED BY/RETURN TO:

Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, Florida 34668
Telephone: 727/842-9105

File # 19-546

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

KNOW THAT, **REGENCY UTILITIES, INC.**, a Florida corporation ("Assignor"), in consideration of TEN (\$10.00) Dollars and other good and valuable consideration paid by **DUVAL WATERWORKS, INC.**, a Florida corporation ("Assignee"), hereby assigns unto the Assignee, a certain Utility Ground Lease Agreement made by **RS Properties, Inc.**, a Delaware corporation, as Lessor, and **Regency Utilities, Inc.**, a Florida corporation, as Lessee, dated May 21, 1992 (the "Lease"), a copy of which is attached hereto and marked Exhibit "A", covering the premises therein described and the improvements thereon, with the appurtenances thereto pertaining;

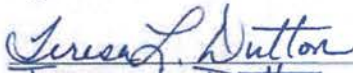
TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns from the date of October 1, 2019, for all the rest of the term mentioned in said Lease, subject to the rents, covenants, conditions, and provisions therein also mentioned.


AND the Assignor hereby covenants that it has full power and authority to make the assignment set forth herein, and that the said assigned leasehold interest in the premises is free from leasehold mortgage encumbrances made by Assignor.

AND the Assignee, by joining in this Assignment, does hereby covenant and agree to abide by all of the terms and conditions of the subject Lease and does hereby assume and agree to abide by all of the terms and conditions of the subject Lease.

IN WITNESS WHEREOF this Assignment has been duly executed by the undersigned.

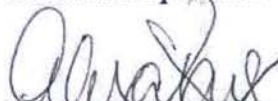
Signatures of Witnesses:


Teresa L. Dutton
printed name of witness


David Duan
printed name of witness

ASSIGNOR:

Regency Utilities, Inc.,
a Florida corporation


Alexa Daniels, President

Terry Rendell
Terry Rendell
printed name of witness

EVERDYN ALICEA
EVERDYN ALICEA
printed name of witness

ASSIGNEE:
Duval Waterworks, Inc.,
a Florida corporation

Gary Deremer
Gary Deremer, President

STATE OF FLORIDA

COUNTY OF PASCO

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Gary Deremer, as President of Duval Waterworks, Inc., a Florida corporation,

who is/are personally known to me or
 who has/have produced _____ (type of identification) as
identification.

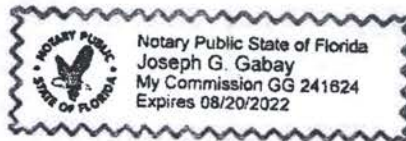
Witness my hand and official seal in the county and state aforesaid this 24 day of
Sept, 2019.

my commission expires on:

seal of notary

Joseph G. Gabay
Signature of Notary public

printed, typed or stamped name of notary



Assignment and Assumption of Utility Ground Lease Agreement

STATE OF FLORIDA

COUNTY OF Duval

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Alexa Daniels, as President of Regency Utilities, Inc., a Florida corporation,

X who is/are personally known to me or
_____ who has/have produced _____ (type of identification) as
identification.

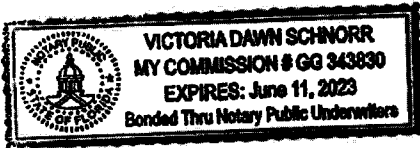
Witness my hand and official seal in the county and state aforesaid this 26th day of
September, 2019.

my commission expires on:

Victoria D. Schnorr
Signature of Notary public

seal of notary

printed, typed or stamped name of notary



UTILITY GROUND LEASE AGREEMENT

This UTILITY GROUND LEASE AGREEMENT (the "Lease") is entered into this 21st day of May, 1992, between RS PROPERTIES, INC., a Delaware corporation ("Landlord"), and REGENCY UTILITIES, INC., a Florida corporation ("Tenant").

For good and valuable consideration, the parties agree as follows:

1. Premises. Subject to the following terms and conditions, Landlord leases to Tenant and Tenant hereby accepts for lease the premises described in Exhibit A attached hereto ("Premises") containing approximately 25,913 square feet, together with an easement for the installation of landscaping around the exterior perimeter of the Premises in accordance with that certain Landscaping Plan prepared by Bessent, Hammack & Ruckman, Inc., dated January 1992 as Drawing ~~1~~-1, Project No. 25073.68.

2. Use and Construction of Improvements. The Premises are to be used by Tenant for the construction, operation, maintenance, repair and replacement of a water treatment plant, water storage tank, storage shed and related facilities (i.e., the Relocated Facilities and the New Facilities, as the same are defined in the Utility Agreement dated September 17, 1992, between Landlord and Tenant, Addendum to that certain Utility Agreement dated September 17, 1991, between Landlord and Tenant, and Amendment of Utility Agreement and Addendum dated December 20, 1991, between Landlord and Tenant [collectively the "Utility Agreement"]), and for no other use without the express written consent of Landlord. Landlord agrees to cooperate with Tenant in obtaining, at Tenant's sole expense, all licenses and permits required for Tenant's use of the Premises.

3. Term. The term of this Lease shall be ninety-nine (99) years, commencing upon the earlier of Tenant's written notice to Landlord of Tenant's intent to commence the term of the Lease on the Premises or commencement of utility operations by Tenant on the Premises (the "Commencement Date") and terminating at midnight on the day before the ninety-ninth (99th) anniversary of the Commencement Date, subject to earlier termination by Landlord in the event Tenant, its successors or assigns, discontinues permanent utility service from the Premises to the customers within Tenant's service territory. Tenant's default hereunder shall not cancel or diminish Tenant's obligations under the Utility Agreement.

4. Rent. Upon the Commencement Date Tenant shall pay Landlord, as rent, the sum of Ninety-Nine and 00/100 (\$99.00) Dollars based on One and 00/100 (\$1.00) Dollar for each year of the term. Landlord shall deliver to Tenant a receipt confirming payment of the rent for the initial term.



DOCUMENT NUMBER 011

01437 FEB 26 8

FPSC-COMMISSION CLERK

5. Improvements; Liability; Utilities; Access.

(a) Tenant shall maintain in clean, good and orderly condition at its expense, the Premises and improvements, personal property and facilities including the water treatment plant, water storage tank, storage shed and related facilities (collectively the "Water Plant Facilities") erected on the Premises. The Water Plant Facilities shall remain the exclusive property of Tenant and shall be removed by Tenant, except for the foundations, which will be removed to a depth of three (3) feet below ground level, at Tenant's expense, upon the expiration or earlier termination of this Lease and the Premises restored to its previous condition.

(b) Tenant shall promptly pay for all water, gas, electricity or other utilities used on the Premises and shall have the right to install utilities, at Tenant's expense, and to improve the utilities on the Premises (including, but not limited to, the installation of emergency power generators).

(c) Tenant shall operate the Premises subject to the terms and conditions of the Utility Agreement.

6. Termination. Any one or more of the following acts or occurrences shall constitute an event of default under this Lease (an "Event of Default"):

(a) Upon not less than thirty (30) days prior written notice, if Tenant is no longer continuously providing water utility services either to Landlord, its successors and assigns, or customers in Tenant's service area in accordance with the provisions of the Utility Agreement.

(b) If Tenant shall fail to pay the rental or any other sum due and payable hereunder when and as the same shall become due and payable, and such failure shall continue for a period of ten (10) days after receipt of notice that such payment was not made when due and payable.

(c) If Tenant shall fail to observe or perform faithfully any of the other covenants herein contained (other than a covenant to pay money) on the part of Tenant to be observed and performed, and such default shall continue for thirty (30) days after receipt of notice by Landlord to Tenant of such default, or if such default is of such a nature that it cannot be completely remedied within said period of thirty (30) days, or shall not thereafter diligently prosecute to completion, all steps necessary to remedy such default.

(d) If any default shall occur under the Utility Agreement beyond any applicable notice and grace periods, provided that such default relates to the failure to provide utility service pursuant to the terms and conditions thereof.

(e) If Tenant shall fail timely to commence the construction of the Relocated Facilities or the New Facilities (as such capitalized terms are defined in the Utility Agreement) as required by the Utility Agreement.

(f) If Tenant shall fail to complete the Relocation Work or the construction of the New Facilities in accordance with the terms and conditions of the Utility Agreement, subject to force majeure, provided that construction of the new department store to be erected to the north of and in the immediate vicinity of the Premises is the process of being (or has been) constructed.

During the continuation of an Event of Default by Tenant, in addition to all remedies at law or in equity available to Landlord, Landlord may deliver to Tenant, upon the expiration of any applicable cure period set forth above, a final notice specifying the date and time on which this Lease will be effectively terminated and then on the date specified in such final notice, this Lease shall expire with the same force and effect as though the date so specified were the date herein originally fixed as the expiration date of the Term hereof, and all rights and obligations of Tenant under this Lease shall expire; however, Tenant shall have the right to remove its property and improvements from the Premises. Upon any expiration or termination of this Lease pursuant to the provisions of this Section 6, Tenant shall quit and peacefully surrender the Premises to Landlord and Landlord upon, or at any time after any such expiration or termination may, without further notice, enter upon and re-enter the Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Tenant and remove Tenant and all other persons and property from the Premises and may have hold and enjoy the Premises and the right to receive all rental and other income of and from the same.

(g) This Lease may be terminated, without penalty or further liability, by Tenant ninety (90) days after prior written notice to Landlord that the Premises are or have become unacceptable to Tenant's engineers for its Water Plant Facilities or the utility system in which the Water Plant Facilities belong. Provided however such a termination does not modify Tenant's obligations under the Utility Agreement.

7. Taxes. Tenant shall pay any personal property taxes assessed on, or any portion of such taxes attributable to, the Water Plant Facilities. Tenant shall pay all real property taxes attributable to the Premises.

8. Indemnity and Insurance. Tenant agrees that it will indemnify Landlord against and save harmless Landlord from and against any and all losses, damages, claims, demands, liabilities, expenses (including Landlord's reasonable attorney's fees), causes of action and proceedings of every kind and nature by reason of any damage or injury to property or person which may be claimed to have

arisen as a result of or directly or indirectly in any way in connection with the use or occupancy of the Premises by Tenant, its agents, sub-tenants, customers or employees, except when due to the negligence of Landlord, its employees, agents, assigns or subcontractors. Tenant agrees to procure and maintain insurance at all times during the lease term at its sole cost and expense, as follows:

(a) Comprehensive public liability insurance with umbrella coverage of not less than One Million and No/100 Dollars (\$1,000,000.00) per person and per occurrence, and property damage liability of no less than Two Million and No/100 Dollars (\$2,000,000.00);

(b) Workman's Compensation insurance subject to statutory limits or better in respect to any work or other operations on or about the Premises; and

All such policies of insurance shall be in standard form and shall name Landlord and Tenant as insured as their interest may appear. All such policies shall contain a provision prohibiting the insurer from terminating or reducing coverage until after a period of thirty (30) days following receipt of notice thereof by Landlord and shall contain an endorsement or endorsements pursuant to which the insurer waives any right of subrogation against Landlord provided Landlord's insurance coverage waives subrogation against Tenant. Tenant shall, prior to the Commencement Date, furnish to Landlord certificates for such insurance, and not less than ten (10) days before the expiration of any such insurance, shall furnish Landlord certificates evidencing the replacement or renewal thereof together with evidence that the premiums have been paid. If Tenant shall at any time fail to insure or keep insured as aforesaid, Landlord may obtain and maintain such insurance, and all sums expended by Landlord for such purpose, together with interest thereon at the highest lawful rate, shall be repayable by Tenant on demand.

9. Destruction of Premises. If the Premises or the Water Plant Facilities are substantially destroyed or damaged, Tenant may elect to terminate this Lease as of the date of the damage or destruction by so notifying the Landlord not more than forty-five (45) days following the date of damage or destruction; provided that Tenant has arranged for alternative means with which to satisfy all of its obligations to Landlord under the Utility Agreement. If Tenant so elects to terminate this Lease, Tenant shall remove all improvements made by it on the Premises, except the foundations which shall be removed to a depth of three (3) feet below the surface, referred to in paragraph 5(a), and restore the Premises to the condition they were when delivered to the Tenant, ordinary wear and tear and tree removal excepted. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction. If Tenant elects not to terminate this Lease, Tenant shall rebuild the Premises.

10. Condemnation. If a condemning authority takes all of the Premises, or a portion sufficient, in Tenant's reasonable business judgment, to render the Premises unsuitable for the use which Tenant was then making of the Premises, this Lease shall terminate as of the date the title vests in the condemning authority. Tenant shall be entitled to the condemnation proceeds relating to Tenant's improvements and its leasehold interest in the real property. Landlord shall be entitled to seek a separate award for its remainder. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of the exercise of power, shall be treated as a taking by condemnation. As an alternative to the foregoing procedure with respect to condemnation proceeds, if Landlord elects to provide Tenant with a substitute site for the Premises which is suitable for Tenant's use in Tenant's reasonable business judgment, then the condemnation proceeds shall be divided as follows:

(a) First, to the parties for their expenses in recovering such proceeds;

(b) Second, to Landlord for the value of the land constituting the Premises; and

(c) Last, to Tenant for Tenant's improvements.

11. Hold Harmless. Tenant agrees to hold Landlord harmless from and indemnify Landlord against any and all claims arising from the installation, use, maintenance, repair or removal of Tenant's Water Plant Facilities, including any claims or damages resulting therefrom, except for claims arising from the negligence of Landlord, its agents or independent contractors.

12. Short Form Lease. Both parties agree to execute, acknowledge and deliver at any time after the date of this Lease, at the request of the other party, a "short form lease" suitable for recording.

13. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

If to Landlord: RS Properties, Inc.
 c/o Schroder Real Estate Associates
 437 Madison Avenue
 New York, New York 10022
 Attention: Mr. Mark Peskin

With copy to: E. Owen McCuller, Jr., Esquire
 Smith Hulsey & Busey
 1800 First Union National Bank Tower
 225 Water Street
 Jacksonville, Florida 32202

With copy to: Harvey R. Uris, Esquire
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022

If to Tenant: Regency Utilities, Inc.
Attention: Mr. G. W. Whitmire, Jr.
200 North Laura Street
10th Floor, The Greenleaf Building
Jacksonville, Florida 32202

With copy to: John S. Duss IV, Esquire
Ulmer, Murchison, Ashby & Taylor
200 West Forsyth Street, Suite 1600
Post Office Box 479
Jacksonville, Florida 32201

14. Title and Quiet Enjoyment.

(a) Landlord warrants that it has full right, power, and authority to execute this Lease and has good title to the Premises, subject to all matters of record, none of which prohibit or restrict the use of the Premises for the uses intended by this Lease. Landlord shall use reasonable efforts to obtain an agreement of non-disturbance from the holders of any mortgages affecting the Premises. If Landlord is unable to provide Tenant with an acceptable agreement prior to the time Tenant is required to commence construction on the Premises, Tenant shall have the right to terminate this Lease and the Utility Agreement. Landlord further warrants that Tenant shall have the quiet enjoyment of the Premises during the term of this Lease.

(b) Tenant hereby acknowledges prior receipt of Chicago Title Insurance Company Policy No. 10 0715 10 000247 dated March 14, 1991, covering property that includes the Premises (the "Policy"), and acknowledges and accepts the state of title with respect to the Premises as set forth therein. If upon or prior to the commencement of the term of this Lease Tenant shall determine that any liens or encumbrances, including those shown in the Policy, "Defects" affecting the Premises, and such defects, liens or encumbrances materially adversely affect Tenant's use or intended use of the Premises, Landlord shall use its reasonable efforts to properly and expeditiously cure such defects and objections to title. The failure of Landlord to cure such defects or objections shall entitle Tenant to terminate this Lease and the Utility Agreement.

(c) Prior to the commencement of the term of this Lease, Tenant shall also have the right at Tenant's sole cost and expense to have the Premises surveyed, and, in the event that any defects are shown by the survey which materially adversely affect Tenant's

use or intended use of the Premises, Tenant shall have the rights set forth in subparagraph (b) above.

(d) To Landlord's knowledge, Landlord represents and warrants to Tenant that hazardous substances have not been generated, stored or disposed of on the Premises. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance or other similar term by any federal, state or local environmental law, regulation or rule presently in effect on the date hereof; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonable be anticipated to cause sickness, death or disease. Landlord will hold Tenant harmless from and indemnify Tenant against and from any claim by a third party and any cost or expense incurred in removing a hazardous substance resulting from any breach of this representation and warranty including all attorneys fees and costs incurred as a result thereof.

(e) Tenant represents and warrants to Landlord that during the term of this Lease or any extension thereof that hazardous substances will not be generated, stored or disposed of on the Premises nor will the same be transported to or over the Premises by Tenant or its employees, agents, invitees or licensees, except for small amounts of such substances customarily required for the operation of the Water Plant Facilities and which shall be used in accordance with all laws and regulations. Tenant represents and warrants that it will obtain and operate in compliance with all required permits relating to the protection of public health and the environment, and that it will at no time operate without all such permits or in non-compliance with such permits and agrees that upon Landlord's written request, it will provide Landlord with evidence of its compliance. Landlord shall have the right to inspect the Premises (including, without limitation, to conduct environmental tests) at reasonable times to determine Tenant's compliance with its representations and warranties. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or as amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonable be anticipated to cause sickness, death or disease. Tenant will hold Landlord harmless from and indemnify Landlord against and from any damage, loss, expenses or liability, including, without limitation, loss of value of the Premises resulting from (i) any breach of this representation and warranty, and (ii) the presence or release of a Hazardous Substance in, on or under the Premises arising from or in any way connected with activities occurring during the term of

this Lease, including all attorneys fees and costs incurred as a result thereof.

15. Surrender of Premises. Upon expiration of the term of this Lease or termination thereof, Tenant shall surrender the Premises and shall remove all such improvements, alterations, and additions and restore the Premises to the condition they were in when originally delivered to Tenant, except for the foundations which shall be removed to a depth of three (3) feet below the surface referred to in paragraph 5(a) above and except for ordinary wear and tear.

16. Assignment.

(a) Tenant may assign or sublet this Lease to any entity holding a valid certificate to provide water utility services to the Landlord's adjacent property or to any successor by acquisition or meter or sale by Tenant of the territory in which the Premises are located ("Permitted Assignee"), without the prior written approval of the Landlord, provided that such entity shall agree to continue to provide water utility service from the Premises to Landlord, its successors and assigns, and customers in Tenant's utility service area, in accordance with the terms and provisions of the Utility Agreement, and has assumed all obligations of Tenant hereunder. Any sublease that is entered into by Tenant shall be subject to the provisions of this Lease.

(b) Any assignment of this Lease of the Premises in accordance with the terms of this paragraph 16 to a Permitted Assignee who has assumed Tenant's obligations hereunder and under the Utility Agreement shall release and discharge Tenant of its obligations under this Lease and under the Utility Agreement arising from and after the date of such transaction. ✓

(c) Landlord may convey, transfer or assign Landlord's title to or interest in the Premises or any part thereof subject to this Lease, or assign Landlord's interest in the Lease, to any entity which is also the owner of the shopping center described in the Utility Agreement and, upon such conveyance, transfer or assignment, and the assumption by the grantee, transferee or assignee of the Lease and the Utility Agreement, Landlord shall be released and discharged from all liability which may arise from and after such transaction.

17. Leasehold Mortgages. Tenant or its Permitted Assignees shall have the right to Mortgage its interest in this Lease under one or more Leasehold Mortgages, upon the condition that all rights acquired under such Leasehold Mortgage shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease, and to all rights and interests of Landlord herein. If Tenant and/or Tenant's Permitted Assignee shall mortgage this leasehold, and if the holder of such Mortgage shall, within thirty (30) days of its execution, send to Landlord a true copy thereof,

together with written notice specifying the name and address of the Mortgagee and the pertinent recording date with respect to such Mortgage, Landlord agrees that so long as any such Leasehold Mortgage shall remain unsatisfied of record or until written notice of satisfaction is given by the holder to Landlord, the following provisions shall apply:

(a) There shall be no cancellation, surrender or modification of this Lease by joint action of Landlord and Tenant without forty-five (45) days prior written notice to the Leasehold Mortgagee.

(b) Landlord shall, upon serving Tenant with any notice of default, simultaneously serve a copy of such notice upon the holder of such Leasehold Mortgage. The Leasehold Mortgagee shall thereupon have the same period, after service of such notice upon it, to remedy or cause to be remedied the defaults complained of, and the Landlord shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Tenant.

(c) If any default shall occur which, pursuant to any provision of this Lease, entitles Landlord to terminate this Lease, and if before the expiration of thirty (30) days from the date of service of notice of termination upon such Leasehold Mortgagee such Leasehold Mortgagee shall have notified Landlord of its desire to nullify such notice and shall have paid to Landlord all rent and other payments herein provided for, and then in default, and shall have complied or shall commence the work of complying with all of the other requirements of this Lease, if any are then in default, and shall prosecute the same to completion with reasonable diligence, within ninety (90) days after written notice by Landlord to such Leasehold Mortgagee, then in such event Landlord shall not be entitled to terminate this Lease and any notice of termination theretofore given shall be void and of no effect.

(d) Landlord agrees that the name of the Leasehold Mortgagee may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Lease.

(e) Landlord agrees that in the event of termination of this Lease by reason of any default by Tenant within a period of ninety (90) days following such termination, at the option of the Leasehold Mortgagee, Landlord will enter into a new Lease of the Premises with the Leasehold Mortgagee or its nominee acting and holding for the benefit of Leasehold Mortgagee, for the remainder of the term, effective as of the date of such termination, at the rent and upon the terms, provisions, covenants and agreements as herein contained and subject only to the same conditions of title as this Lease is subject to on the date of the execution hereof and such other conditions of title then in effect which will not

materially interfere with the use of the Premises under this Lease, and to the rights, if any, of any parties then in possession of any part of the Premises, provided:

(1) Said Mortgagee or its nominee shall make written request upon Landlord for such new Lease within thirty (30) days after the date of such termination and such written request is accompanied by payment to Landlord of any sums then due to Landlord under this Lease, as to which Landlord confirms to Mortgagee notice of non-payment.

(2) Said Mortgagee or its nominee shall pay to Landlord at the time of the execution and delivery of said new Lease, any and all sums which would at the time of the execution and delivery thereof, be due pursuant to this Lease but for such termination, and in addition thereto, any expenses, including reasonable attorneys' fees, to which Landlord shall have been subjected by reason of such default;

(3) Said Mortgagee or its nominee shall perform and observe all covenants herein contained on Tenant's part to be performed and shall further remedy any other conditions which Tenant under the terminated Lease was obligated to perform under the terms of this Lease;

(4) Landlord shall not warrant possession of the Premises to the tenant under the new Lease;

(5) Such new Lease shall be expressly made subject to the rights, if any, of Tenant under the terminated Lease and shall be for use as a water utility plant; and

(6) The Tenant under such new Lease shall have the same right, title and interest in and to the buildings and improvements on the Premises as Tenant had under the terminated Lease;

(f) The proceeds from any insurance policies of Tenant or arising from a condemnation or casualty to which Tenant is entitled are to be held by any Leasehold Mortgagee and distributed pursuant to the provisions of this Lease.

(g) From time to time Landlord shall, upon request, execute, acknowledge and deliver to each Leasehold Mortgagee an agreement prepared at the sole cost and expense of Tenant, in form reasonably satisfactory to Landlord and Leasehold Mortgagee, between Landlord, Tenant and Leasehold Mortgagee, agreeing to all of the provisions of this paragraph 17.

18. Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and Permitted Assigns.

19. Waiver of Landlord's Lien. Landlord hereby waives any and all lien rights it may have, statutory or otherwise, concerning the Water Plant Facilities or any portion thereof which shall be deemed personal property for the purposes of this Lease, regardless of whether or not same is deemed real or personal property under applicable laws; provided, however, that such waiver shall only be for the benefit of a Leasehold Mortgagee, and it is understood and agreed that Landlord is not waiving such lien rights as to Tenant or any other party. Landlord gives Tenant the right to remove all or any portion of the same from time to time in Tenant's sole discretion and without Landlord's consent, provided such removal does not impair the integrity of the Water Plant Facilities or diminish the level of service provided therefrom to Landlord.

20. Mechanics' Liens.

(a) Tenant covenants and agrees that it will not suffer nor permit any mechanics', laborers', or materialmen's liens to be filed or placed against the Premises or the Landlord's interest therein and that it will indemnify and save the Landlord harmless from all loss or damage resulting to the Landlord on account of such liens. Tenant shall promptly pay and discharge all of such liens and claims that may at any time be filed against the Premises or any improvements thereon. If the Tenant fails to pay and discharge such liens within thirty (30) days after written notice from the Landlord to the Tenant, the Landlord shall have the right at his option to pay off and discharge the same or any portion thereof, and the amount so paid in connection therewith, plus interest thereon at the rate of eighteen (18) percent per annum from the date of such payment by the Landlord shall be payable on demand or the Landlord may, at his option, after the expiration of such notice and the failure of the Tenant to cure such default in accordance with the terms hereof, declare this Lease to be terminated and the term hereof at an end.

(b) Tenant shall do no act which shall in any way encumber the Landlord's estate in the Premises, nor shall the estate of the Landlord be in any way subject to any claim, lien or encumbrance created or suffered by the Tenant whether claimed by operation of law or by virtue of any contract by the Tenant and any claim of lien arising from any act or omission of the Tenant shall accrue only against the leasehold estate of the Tenant and shall in all respects be subject to the paramount title of the Landlord.

(c) Notwithstanding the provisions of this article, if the Tenant in good faith and by appropriate legal proceedings contests the validity of such claim or claim and deposits with the Landlord a surety bond or other security in such form and amount as Landlord may reasonably require, or makes other provisions that are effective under Florida Law to transfer the lien from the Premises, then so long as such proceedings are prosecuted with diligence and operate as a stay of execution against the Landlord's interest in said premises, in the event no bond has been posted the Tenant shall not be deemed to be in default hereunder.

21. Miscellaneous.

(a) The prevailing party in any litigation arising hereunder shall be entitled to its reasonable attorneys' fees and court costs, including appeals, if any.

(b) Each party agrees to furnish to the other, within ten (10) days after request, such truthful estoppel information as the other may reasonably request.

(c) This Lease, together with the Utility Agreement and the Letters (as the term "Letters" is defined in the Utility Agreement), constitute the entire agreement and understanding of the parties, and supersede all offers, negotiations and other agreements with respect to the subject matters hereof. There are no representations or understandings of any kind not set forth herein. Any amendments to said Lease must be in writing and executed by both parties.

(d) Landlord agrees to cooperate with Tenant in executing any documents (including a Memorandum of Lease) necessary to protect Tenant's rights hereunder of use of the Premises by Tenant.

(e) It is expressly understood and agreed by Tenant and every person, firm, partnership, or any other entity hereafter claiming an interest pursuant to this Lease that the liability of Landlord hereunder, including for purposes of this paragraph any principal, shareholder, partner, beneficiary, co-tenant, joint venturer, officer or director of Landlord or any agent or employee of Landlord (collectively the "Related Parties") for damages, or otherwise shall be limited to Landlord's interest in and to the Premises and this Lease, and that no personal liability or personal responsibility is assumed by nor shall, at any time, be asserted or enforceable against Landlord or any Related Parties or any of their respective successors and assigns; all such personal liability, if any, being expressly waived and released other than as to the Premises, money due under the Utility Agreement, and the proceeds of insurance or condemnation pursuant to the terms of this Lease. Tenant shall not look to the property or assets of any of the shareholders, directors, partners, co-tenants, joint venturers, beneficiaries, officers, agents, servants or employees comprising Landlord or any Related Parties. Tenant further agrees that no personal judgment shall be sought, taken, rendered, entered or enforced against Landlord for any sum of money which is or may be payable hereunder for the performance of any of the obligations of Landlord hereunder, and no property or assets of any of the aforesaid entities or persons shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder, except as otherwise set forth herein. The provisions of this paragraph (e) shall survive the expiration or sooner termination of the term of this Lease.

(f) Tenant shall, at Tenant's cost and expense, promptly comply with all present and future laws, ordinances, orders, judgments, decrees, writs, injunctions, rules and regulations of all applicable governmental authorities and any agency, department, commission, board, bureau, court, instrumentality or political subdivision of any of the foregoing, now or hereafter created, having jurisdiction over the Premises, and all rules and regulations of the local fire insurance rating organization having jurisdiction and any other organization or board exercising similar functions affecting the Premises and the business conducted thereat, and the cleanliness, safety, use and occupation thereof..

DATED as of the date first set forth above.

Signed, sealed and delivered
in the presence of:

Robert L. Byrd
Robert L. Byrd

Kimberly G. Miller
Margaret S. Lane

RS PROPERTIES, INC.

By: Randall A. Hisk

Its: VICE President

REGENCY UTILITIES, INC.

By: G.W. Whitmire, Jr.
G.W. Whitmire, Jr., President

EXHIBIT A

A part of Section 13, Township 2 South, Range 27 East, Duval County, Florida, more particularly described as follows:

For a point of reference, commence at the intersection of the Easterly line of the Southeast 1/4 of the Southwest 1/4 of said Section 13, with the Northerly right-of-way line of Regency Square Boulevard-(a 115 foot right-of-way as now established); thence South 89°45'21" West along said Northerly right-of-way line, a distance of 301.42 feet; thence South 00°14'39" East crossing said Regency Square Boulevard, a distance of 115.00 feet to a point on the Southerly right-of-way line of said Regency Square Boulevard and the Point of Beginning; thence North 89°45'21" East along said Southerly right-of-way line, a distance of 30.00 feet; thence South 00°14'39" East leaving said Southerly right-of-way line, a distance of 10.00 feet; thence North 89°45'21" East, a distance of 234.52 feet; thence South 01°31'15" East, a distance of 75.00 feet; thence South 42°31'46" West, a distance of 80.70 feet; thence North 83°54'38" West, a distance of 51.60 feet; thence North 60°20'14" West, a distance of 184.70 feet; thence North 00°14'39" West, a distance of 46.44 feet to the Point of Beginning.

TOGETHER WITH an easement for the installation of landscaping around the exterior perimeter of the Premises in accordance with that certain Landscaping Plan prepared by Bessent, Hammack & Ruckman, Inc., dated January 1992 as Drawing L-1, Project No. 25073.68.

EXHIBIT A

CORPORATION RESOLUTION/INCUMBENCY CERTIFICATE

The undersigned officer(s) of **DUVAL WATERWORKS, INC.**, a Florida corporation (the "Company") hereby certify that the Company is a corporation organized and existing under the laws of the State of Florida, having its chief executive office, principal place of business, registered office and registered agent at c/o 4939 Cross Bayou Blvd., New Port Richey, FL 34652; that the following copy is a true and correct copy of the resolution duly adopted at a meeting of the Board of Directors of the Company, held on or about September 6, 2019, that said meeting was duly authorized by the Bylaws of the Company; that the actions taken at such meeting and reflected in said resolution are authorized by the Bylaws of the Company; and that said resolution is now in full force and effect and has not been modified or amended.

WHEREAS, the Company desires to authorize Gary Deremer in his capacity as the President of the Company ("Agent") to enter into and execute for and on behalf of and in the name of the Company the documentation required to effectuate the purchase of the property described in that certain Asset Purchase Agreement dated September 6, 2019 (the "Property") by and between the Company, as Buyer, and Regency Utilities, Inc., a Florida corporation, as Seller, without the necessity for consent or joinder of any other person.

NOW THEREFORE, IT IS HEREBY:

RESOLVED, that the Agent is hereby authorized and empowered in the name and on behalf of the Company from time to time as it shall deem appropriate to:

(i) execute on behalf of the Company in such form as may be required by the Closing Agent or Title Insuring Agent and deemed advisable by the Agent, the Closing Statement and such other instruments or documents required as a condition to the consummation of the purchase transaction; and

FURTHER RESOLVED, that the Agent is authorized and directed to execute and deliver in the name and on behalf of the Company any other agreements, certificates or documents as the Agent may consider necessary or appropriate in order to consummate the transaction contemplated in this resolution; and

FURTHER RESOLVED, that the approval and agreement of the Agent and the Company of and to the conditions contained in the agreements, certificates, documents and other instruments executed by the Agent in connection with purchase transaction contemplated in this resolution shall be conclusively established by its execution thereof; and

FURTHER RESOLVED, that the execution by the Agent shall be conclusive evidence of his authority to act on behalf of and in the name of the Company as provided herein; and


THE UNDERSIGNED FURTHER CERTIFY that neither the articles of incorporation nor the Bylaws of the Company, require, prohibit or limit in any manner the authorization contained herein.

FURTHER CERTIFIED: The following officers hold the offices set forth beside their names:

Gary Deremer President and Director

William T. Rendell Secretary and Treasurer

So certified this 25th day of September, 2019



William T. Rendell,

Its Secretary and Treasurer

(COMPANY SEAL)

RESOLUTION/INCUMBENCY CERTIFICATE

The undersigned Officer(s) of **REGENCY UTILITIES, INC.**, a Florida corporation (the "Company") hereby certify(ies) that the Company is a corporation organized and existing under the laws of the State of Florida, having its chief executive office and principal place of business at One Independent Drive, Ste. 3120, Jacksonville, FL 32202 and its registered agent at One Independent Drive, Ste. 1300, Jacksonville, FL 32202; that the following copy is a true and correct copy of the resolution duly adopted by written consent of the board of directors or governing body of the Company; that the actions reflected in said resolution are authorized by the organizational documents and/or bylaws of the Company; and that said resolution is now in full force and effect and has not been modified or amended.

WHEREAS, the Company desires to authorize ALEXA DANIELS in her capacity as President of the Company ("Agent") to enter into and execute for and on behalf of and in the name of the Company the documentation required to effectuate the sale of the personal property assets and real property interests described in the Asset Purchase Agreement dated September 6, 2019 between the Company, as Seller, and Duval Waterworks, Inc., a Florida corporation, as Buyer, without the necessity for consent or joinder of any other person.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Agent is hereby authorized and empowered in the name and on behalf of the Company from time to time as she shall deem appropriate to execute on behalf of the Company in such form as may be required by the Closing Agent or Title Insuring Agent and deemed advisable by the Agent, the Closing Statement, Deed, Assignments, Certificates, Affidavits, and such other instruments or documents required as a condition to the consummation of the sale transaction; and

FURTHER RESOLVED, that the Agent is authorized and directed to execute and deliver in the name and on behalf of the Company any other agreements or documents as the Agent may consider necessary or appropriate in order to consummate the transaction contemplated in this resolution; and

FURTHER RESOLVED, that the approval and agreement of the Agent and the Company of and to the conditions contained in the agreements, certificates, documents and other instruments executed by the Agent in connection with sale transaction contemplated in this resolution shall be conclusively established by her execution thereof; and

FURTHER RESOLVED, that the execution by the Agent shall be conclusive evidence of her authority to act on behalf of and in the name of the Company as provided herein;

THE UNDERSIGNED FURTHER CERTIFIES that neither the articles of incorporation nor the bylaws of the Company, prohibit or limit in any manner the authorization contained herein.


The undersigned further certifies that the following officers hold the offices set forth beside their names:

Alexa Daniels President

Sandy Curley Treasurer

The undersigned further certifies that the sale of substantially all of the assets of the Company was approved unanimously by its Shareholders.

So certified this 30th day of September, 2019



Alexa Daniels, President
on behalf of Regency Utilities, Inc.

**ASSIGNMENT AND ASSUMPTION OF PERMITS
AND GOVERNMENTAL APPROVALS**

THIS ASSIGNMENT AND ASSUMPTION OF PERMITS AND GOVERNMENTAL APPROVALS (this "Assignment") is made and entered into this 15th day of October, 2019 by and between REGENCY UTILITIES, INC., a Florida corporation ("Assignor") and DUVAL WATERWORKS, INC., a Florida corporation ("Assignee").

WITNESSETH:

WHEREAS, Assignor has as of this date conveyed to Assignee, pursuant to that certain Asset Purchase Agreement dated September 6, 2019 (the "Purchase Agreement"), all of the real and personal property, both tangible and intangible, which comprise the Assets. All capitalized terms not defined herein shall have the meaning(s) ascribed to them in the Purchase Agreement; and

WHEREAS, included within the Assets which Assignor intends to convey to Assignee, and Assignee intends to accept, are all of Assignor's certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds and all rights to construct, maintain and operate the Assets, and every right of every character whatsoever in connection therewith (other than the Excluded Assets), and the obligations thereof; together with all rights granted to Assignor under any of the foregoing, made available by or under the authority of any governmental body or pursuant to any legal requirement, identified on Exhibit "A" attached hereto and made a part hereof (collectively the "Permits") to the extent that the foregoing are assignable.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and agreements contained herein, together with \$10.00 and other good and valuable consideration exchanged between the parties, the parties do undertake, promise and agree for themselves, their permitted successors and assigns as follows:

1. Assignor hereby conveys and assigns unto Assignee, its successors and assigns, all right, title and interest of Assignor in the Permits except as otherwise set forth in Section 1.2 of the Purchase Agreement; provided, however, that other than as contained in the Purchase Agreement, Assignor makes no representation or warranty that the Permits are legally sufficient.

2. Except as otherwise set forth in Section 1.2 of the Purchase Agreement, Assignee hereby accepts the transfer and assignment of the Permits as set forth in Paragraph 1 herein, and assumes the performance, obligations, duties and liabilities of Assignor under such Permits as of the date hereof. As of the date of this Agreement, and pursuant to the Purchase Agreement, Assignor's obligations and responsibilities to act under such Permits shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Permits, except for those obligations and responsibilities which accrued prior to the date of this Assignment. Assignor makes no representations, warranties or covenants concerning the Permits other than those set forth in the Purchase Agreement.

3. Assignor and Assignee covenant and agree with each other and their respective successors and assigns that each of them will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered any and all such further acts, instruments, papers and documents, as may be necessary, proper or convenient, to carry out and effectuate the intent and purposes of this Assignment.

4. This Assignment shall inure to the benefit of and be binding upon Assignor and Assignee and their successors and assigns. This Assignment is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

5. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of Florida applicable to contracts made and to be performed within said State.

6. If any term or provision of this Assignment shall, to any extent or for any reason, be held to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein or been applicable in such circumstances.

7. This Assignment incorporates the Purchase Agreement and by reference all definitions, terms, provisions, conditions and limitations set forth therein. In the event of any conflict or inconsistency between the Purchase Agreement and the definitions, terms, provisions, conditions and limitations set forth therein and those which are set forth in this Assignment, the definitions, terms, provisions, conditions and limitations set forth in the Purchase Agreement shall supersede and prevail.

[signature pages follow]

Signed, sealed and delivered in the presence of:

Teresa L. Dutton
Signature

Teresa L. Dutton
Type/print name of witness

David Dunn
Signature

David Dunn
Type/print name of witness

STATE OF FL
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 26th day of September, 2019 by Alexa Daniels, as President and authorized signatory on behalf of Regency Utilities, Inc., a Florida corporation. She is personally known to me or has produced as identification.

Victoria D. Schnorr
Notary Public



ASSIGNOR:

Regency Utilities, Inc.,
A Florida corporation

Alexa Daniels
Alexa Daniels, President

Signed, sealed and delivered in the presence of:

[Signature]
Signature

Troy Rendell
Type/print name of witness

[Signature]
Signature

K. V. Alyssa F. Alicea
Type/print name of witness

ASSIGNEE:

Duval Waterworks, Inc.
A Florida corporation

[Signature]
Gary Deremer, President

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 24 day of Sept., 2019 by Gary Deremer as President on behalf of Duval Waterworks, Inc., a Florida corporation. He is personally known to me.

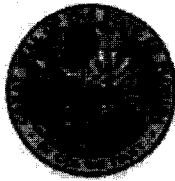
[Signature]
Notary Public



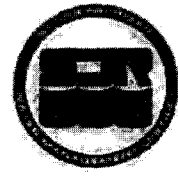
Exhibit "A"
Permits

All existing permits and governmental approvals, to the extent they are assignable, relating to the System presently serving the Service Area by Regency Utilities, Inc. located in Duval County, Florida, including, but not limited to, the following:

Consumptive Use Permit No. 96069 issued by the St. Johns River Water Management District on November 11, 2004



CONSUMPTIVE USE PERMIT TRANSFER REQUEST



St. Johns River Water Management District
4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
Transfer requests may also be submitted electronically at www.sjrwmd.com.

Persons who wish to continue an existing, permitted water use and who have acquired ownership or legal control of permitted water withdrawal or diversion facilities or the land on which the facilities are located must submit a request to transfer the consumptive use permit (CUP) in accordance with Rule 40C-1.012, F.A.C. Although the use of this form is not required, it can facilitate transfer of the CUP.

If you wish to change the permitted authorization (e.g., change project acreage, use type, or any activity authorized by the existing CUP), please be advised that a separate modification of the CUP will be required. The transfer of a permit does not relieve the new landowner from obtaining any necessary federal, state, local, or other District authorizations.

SECTION I - CONTACT INFORMATION

1. APPLICANT (Complete legal name in which permit should be issued)

NAME: Duval Waterworks, Inc.

If applicant is a business, provide a contact person: Troy Rendell

ADDRESS: 4939 Cross Bayou Blvd.

CITY, STATE, ZIP: New Port Richey, FL 34652

PHONE: (727) 848-8292 CELL PHONE: ()

EMAIL ADDRESS: trendell@uswatercorp.net

Do you want all correspondence to be transmitted electronically to this email address? Yes No

Applicant is: Owner Lessee Other (explain)

Attach a copy of the current deed, lease, or other documentation evidencing control of the property or facilities.

2. OWNER (if different than applicant)

NAME:

ADDRESS:

CITY, STATE, ZIP:

PHONE: () CELL PHONE: ()

EMAIL ADDRESS:

3. COMPLIANCE CONTACT (Person responsible for ensuring that the permit conditions are met)

NAME: Troy Rendell

ADDRESS: (See above)

CITY, STATE, ZIP:

PHONE: () CELL PHONE: ()

EMAIL ADDRESS:

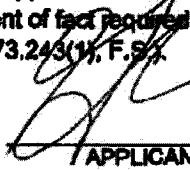
SECTION IV - APPLICANT CERTIFICATION

The undersigned hereby notifies the District that I have acquired ownership or legal control of the permitted water withdrawal or diversion facilities or the land on which the facilities are located. I request that the permit be transferred and that it reflect that I agree to be the new permittee and I agree to continue to use water in the same manner as the current permittee (unless I first obtain a permit modification). By so doing, I acknowledge that I have examined the permit terms and conditions, and agree to accept all rights and obligations as permittee, including agreeing to be liable for compliance with all of the permit terms and conditions, and to be liable for any corrective actions required as a result of any violations of the permit after approval of this transfer by the District.

I certify all of the information provided on this form and in any attachment to it is correct. I understand that any material false statement in an application to continue, initiate, or modify a use, or any material false statement in any report or statement of fact required of the permittee, may result in revocation, in whole or in part, of the permit (Section 373.243(1), F.S.).

Duval Waterworks, Inc.

APPLICANT'S NAME
(print or type)

 President

APPLICANT'S SIGNATURE

9-24-19

DATE

AUTHORIZED AGENT'S NAME
(print or type)

AUTHORIZED AGENT'S SIGNATURE

DATE

(If an agent is signing on behalf of the applicant, please provide separate documentation showing authorization to act on behalf of the applicant.)



INSURANCE BINDER

DATE (MM/DD/YYYY)
09/27/2019**THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.**

AGENCY LOUIS MORRISON LOUIS MORRISON C & C CONSULTANTS PO BOX 701340 SAINT CLOUD, FL 34770-1340		COMPANY PHILADELPHIA INDEMNITY INS. CO.		BINDER # 41990
PHONE (A/C No. Ext.): 888-494-9844 FAX (A/C No.): 407-809-5283		DATE EFFECTIVE	TIME	EXPIRATION DATE
CODE: SUB CODE:		09/30/2019	12:01 <input checked="" type="checkbox"/> AM <input type="checkbox"/> PM	11/15/2019 <input checked="" type="checkbox"/> 12:01 AM <input type="checkbox"/> NOON
AGENCY CUSTOMER ID: INSURED DUVAL WATERWORKS, INC. MR. JOE GABAY 4939 CROSS BAYOU BLVD NEW PORT RICHEY, FL 34652		THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #.		
		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location) CONSECUTIVE WATER & WASTEWATER UTILITY SYSTEM		

COVERAGES		LIMITS		
TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input checked="" type="checkbox"/> SPEC	CONTENTS	\$500		\$5,000
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	BLANKET ADDITIONAL INSURED BLANKET WAIVER OF SUBROGATION HIRED & NON-OWNED AUTO LIABILITY RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$ 1,000,000
		DAMAGE TO RENTED PREMISES		\$ 100,000
		MED EXP (Any one person)		\$ 10,000
		PERSONAL & ADV INJURY		\$ 1,000,000
		GENERAL AGGREGATE		\$ 3,000,000
		PRODUCTS - COMP/OP AGG		\$ 3,000,000
VEHICLE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		COMBINED SINGLE LIMIT		\$
		BODILY INJURY (Per person)		\$
		BODILY INJURY (Per accident)		\$
		PROPERTY DAMAGE		\$
		MEDICAL PAYMENTS		\$
		PERSONAL INJURY PROT		\$
		UNINSURED MOTORIST		\$
VEHICLE PHYSICAL DAMAGE DED <input type="checkbox"/> COLLISION: <input type="checkbox"/> OTHER THAN COL:	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	ACTUAL CASH VALUE		\$
		STATED AMOUNT		\$
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT		\$
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT		\$
		AGGREGATE		\$
EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	EXCESS OF GENERAL LIABILITY RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$ 1,000,000
		AGGREGATE		\$ 1,000,000
		SELF-INSURED RETENTION		\$ 0
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		WC STATUTORY LIMITS		
		E.L. EACH ACCIDENT		\$
		E.L. DISEASE - EA EMPLOYEE		\$
		E.L. DISEASE - POLICY LIMIT		\$
SPECIAL CONDITIONS/ OTHER COVERAGES	TERRORISM COVERAGE DECLINED	FEES		\$
		TAXES		\$
		ESTIMATED TOTAL PREMIUM		\$

NAME & ADDRESS

PROOF OF INSURANCE: POLICY NO: PHPK2041990 POLICY NO: PHUB694914 POLICY TERM: 9/30/19-9/30/20	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE	<i>Louis Morrison</i>

CONDITIONS

This Company binds the kind(s) of insurance stipulated on the reverse side. The Insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

Applicable in California

When this form is used to provide insurance in the amount of one million dollars (\$1,000,000) or more, the title of the form is changed from "Insurance Binder" to "Cover Note".

Applicable in Colorado

With respect to binders issued to renters of residential premises, home owners, condo unit owners and mobile home owners, the insurer has thirty (30) business days, commencing from the effective date of coverage, to evaluate the issuance of the insurance policy.

Applicable in Delaware

The mortgagee or Obligee of any mortgage or other instrument given for the purpose of creating a lien on real property shall accept as evidence of insurance a written binder issued by an authorized insurer or its agent if the binder includes or is accompanied by: the name and address of the borrower; the name and address of the lender as loss payee; a description of the insured real property; a provision that the binder may not be canceled within the term of the binder unless the lender and the insured borrower receive written notice of the cancellation at least ten (10) days prior to the cancellation; except in the case of a renewal of a policy subsequent to the closing of the loan, a paid receipt of the full amount of the applicable premium, and the amount of insurance coverage.

Chapter 21 Title 25 Paragraph 2119

Applicable in Florida

Except for Auto Insurance coverage, no notice of cancellation or nonrenewal of a binder is required unless the duration of the binder exceeds 60 days. For auto insurance, the insurer must give 5 days prior notice, unless the binder is replaced by a policy or another binder in the same company.

Applicable in Nevada

Any person who refuses to accept a binder which provides coverage of less than \$1,000,000.00 when proof is required: (A) Shall be fined not more than \$500.00, and (B) is liable to the party presenting the binder as proof of insurance for actual damages sustained therefrom.

Applicable in the Virgin Islands

This binder is effective for only ninety (90) days. Within thirty (30) days of receipt of this binder, you should request an insurance policy or certificate (if applicable) from your agent and/or insurance company.

Carolyn Bailey

From: Troy Rendell <trendell@uswatercorp.net>
Sent: Saturday, September 28, 2019 11:06 AM
To: Carolyn Bailey
Subject: FW: Duval Waterworks, Inc.
Attachments: Confirmation of Coverage - Duval Waterworks, Inc 9-30-19.pdf

From: Hal Morrison [mailto:halmorrison@hotmail.com]
Sent: Friday, September 27, 2019 8:38 PM
To: Joe Gabay
Cc: Troy Rendell
Subject: Duval Waterworks, Inc.

Policy No: PHPK2041990, PHUB694914
Term: 9/30/19-9/30/20

Good Evening Joe,

Attached is the confirmation of insurance coverage for Duval Waterworks, Inc. effective 9/30/19.

Please let me know if you have any questions and thanks again for the opportunity to assist you with your insurance coverage.

Regards,

Lou Morrison
C&C Consultants

P.O. Box 701340
St. Cloud, FL 34770-1340
Phone: 888-494-9844
Fax: 407-809-5283

Invoice

Invoice Date
09/27/2019

Invoice Number
2405

DUVAL WATERWORKS, INC.
MR. JOE GABAY
4939 CROSS BAYOU BLVD
NEW PORT RICHEY, FL 34852

C & C CONSULTANTS
P.O. BOX 701340
ST. CLOUD, FL
34770-1340
888-494-9844

Insurance Company	Policy Number	Effective	Expires
PHILADELPHIA INDEMNITY	PHPK2041990	09/30/2019	09/30/2020

Invoice Description	Premium
COMMERCIAL PACKAGE POLICY	1,500.00

Description of other charges, payments, etc. applied against this invoice	Amount
STATE SURCHARGE	4.14
POLICY FEE	200.00
TERRORISM COVERAGE DECLINED	
Balance	1,704.14

LESSOR ESTOPPEL AND RATIFICATION
OF
UTILITY GROUND LEASE AGREEMENT

1. Regency Mall Realty LLC, a Florida limited liability company, as to an undivided 45% interest, and Regency CH LLC, a New York limited liability company, as to an undivided 45% interest, and Regency Nassim LLC, a New York limited liability company, as to an undivided 10% interest, as tenants in common, are the current fee owners and successor landlord/lessors (collectively, "Landlord") under that certain Lease dated May 21, 1992 ("Lease") by and between RS Properties, Inc., a Delaware corporation, as initial landlord, and Regency Utilities, Inc., a Florida corporation, as tenant ("Tenant"), covering those certain premises commonly known and designated as 25,913 square feet, more or less, in Jacksonville, Duval County, Florida for certain Water Treatment System Facilities and Sewer Collection Facilities serving the Regency Square Mall area, together with an appurtenant easement for landscaping around the exterior perimeter as more fully described in said Lease (the "Premises").
2. The Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect except as indicated below (if none, state "none"). The Lease is valid and in full force and effect on the date hereof. The Lease, as modified by the amendments or assignments listed below, if any, represents the entire agreement between the Landlord and the Tenant with respect to the Premises.

Amendments: Consent to Assignment or Sublease as of April 6, 2001

3. The Tenant is not entitled to, and has made no agreement(s) with the Landlord or its agents or employees concerning free rent, partial rent, rebate of rent payments, credit or offset or reduction in rent, or any other type of rental concession including, without limitation, lease support payments or lease buy-outs, except as expressly set forth in the Lease and except as indicated below (if none, state "none").

Concessions: None

4. The Tenant has accepted and now occupies the Premises and is open for business. Pursuant to Article 3 of said Lease, the Lease term began on September 17, 1991.
5. The Tenant has paid rent for the Premises for the period up to and including September 16, 2090. No such rent (not including security deposits) has been paid more than one (1) month in advance of its due date, except as indicated below (if none, state "none").
Amount of monthly rent: \$None.
Advance rents prepaid: Total rent prepaid through September 16, 2090.
The Tenant's security deposit is \$N/A.
6. No event has occurred and no condition exists which, with the giving of notice or the lapse of time or both, will constitute a default by Landlord or, to Landlord's best knowledge, by the Tenant, under the Lease. To the best knowledge of Landlord, the Tenant has no existing defenses or offsets against the enforcement of the Lease by the Landlord.
7. The Lease contains, and the Tenant has, no outstanding options, rights of first refusal or

rights of first offer to purchase the Premises or any part thereof or all or any part of the real property of which the Premises are a part.

8. No actions, whether voluntary or otherwise, are pending against the Landlord under the bankruptcy laws of the United States or any state thereof.
9. To the Landlord's best knowledge, the Tenant has not sublet the Premises to any sublessee and has not assigned any of its rights under the Lease, except as indicated below (**if none, state "none"**). The Lease is fully assignable to Duval Waterworks, Inc., a Florida corporation, as Lessee, as Permitted Assignee as such term is defined in the Lease.
10. To the best knowledge of the Landlord, the Premises have not been used by Tenant and Tenant does not plan to use the Premises for any activities which, directly or indirectly, involve the use, generation, treatment, storage, transportation or disposal of any petroleum product or any toxic or hazardous chemical, material, substance, pollutant or waste in violation of applicable law.
11. The Landlord has not received any written notice from any governmental authority of violation of any federal, state, county or local statutes, laws, rules or regulations of any governmental authorities relating to environmental, health or safety matters and, to Landlord's best knowledge, there are no writs, injunctions, decrees, orders or judgments outstanding or lawsuits, claims, proceedings or investigations pending or threatened, relating to Tenant's use, maintenance or operation of the Premises.
12. The undersigned is authorized to execute this Estoppel Certificate on behalf of the Landlord.
13. The undersigned hereby ratifies and confirms the above described Lease Agreement in its entirety. This instrument may be executed in counterparts by the parties hereto and when taken together the counterparts shall constitute one and the same original.

Dated: _____

LANDLORD or its authorized agent

First Witness
printed name:

Second Witness
printed name:


Name: Igal Namdar
Title: Member
Authorized signatory on behalf of
Regency Mall Realty LLC

(Corporate Seal)

NOTE: Two different witnesses are required as to each signing party.

Dated: _____

LANDLORD or its authorized agent

First Witness
printed name:

Name:
Title:
Authorized signatory

Second Witness
printed name:

Name:
Title:
(Corporate Seal)

NOTE: Two *different* witnesses are required as to each signing party.



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Detail By Document Number](#) /

Detail by Entity Name

Florida Limited Liability Company

REGENCY MALL REALTY LLC

Filing Information

Document Number L14000019894
FEI/EIN Number 46-4767947
Date Filed 02/04/2014
State FL
Status ACTIVE
Last Event REINSTATEMENT
Event Date Filed 09/30/2015

Principal Address

C/O NAMDAR REALTY GROUP
 150 GREAT NECK ROAD, SUITE 304
 GREAT NECK, NY 11021

Mailing Address

C/O NAMDAR REALTY GROUP
 150 GREAT NECK ROAD, SUITE 304
 GREAT NECK, NY 11021

Registered Agent Name & Address

BLUMBERGEXCELSIOR CORPORATE SERVICES, INC.
 155 OFFICE PLAZA DRIVE
 1ST FLOOR
 TALLAHASSEE, FL 32301

Name Changed: 09/30/2015

Authorized Person(s) Detail

Name & Address

Title MEMBER

NAMDAR, IGAL
 150 GREAT NECK ROAD, SUITE 304
 GREAT NECK, NY 11021

Annual Reports

Report Year	Filed Date
2017	03/15/2017

2018 01/17/2018
2019 02/07/2019

Document Images

<u>02/07/2019 – ANNUAL REPORT</u>	View image in PDF format
<u>01/17/2018 – ANNUAL REPORT</u>	View image in PDF format
<u>03/15/2017 – ANNUAL REPORT</u>	View image in PDF format
<u>08/30/2016 – ANNUAL REPORT</u>	View image in PDF format
<u>09/30/2015 – REINSTATEMENT</u>	View image in PDF format
<u>02/04/2014 – Florida Limited Liability</u>	View image in PDF format

From:

Division of Corporations

L14000019894

#402 P.001/003

Page 1 of 1

Florida Department of State
Division of Corporations
Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H14000027245 3)))



H140000272453ABCZ

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850) 617-6383

From:

Account Name : BLUMBERG/EXCELSIOR CORPORATE SERVICES, INC.
Account Number : 075350000353
Phone : (800) 221-2972
Fax Number : (888) 692-9256

Enter the email address for this business entity to be used for future annual report mailings. Enter only one email address please.

Email Address: _____

RECEIVED

14 FEB -4 PM 1:52

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FLORIDA LIMITED LIABILITY CO.
Regency Mall Realty LLC

Certificate of Status	0
Certified Copy	0
Page Count	01
Estimated Charge	\$125.00

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

2014 FEB -4 A 9: 16

FILED

Electronic Filing Menu

Corporate Filing Menu

Help

B. BOSTICK

FEB - 5 2014

EXAMINER
2/4/2014

From:

02/04/2014 09:39

#402 P.002/003

ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY

ARTICLE I - Name:

The name of the Limited Liability Company is:

Regency Mall Realty LLC

(Must end with the words "Limited Liability Company, "L.L.C.," or "LLC.")

ARTICLE II - Address:

The mailing address and street address of the principal office of the Limited Liability Company is:

Principal Office Address:

Mailing Address:

c/o Namdar Realty Group, 150 Great Neck Road

Suite 204

Great Neck, NY 11021

c/o Namdar Realty Group, 150 Great Neck Road

Suite 204

Great Neck, NY 11021

ARTICLE III - Registered Agent, Registered Office, & Registered Agent's Signature:

(The Limited Liability Company cannot serve as its own Registered Agent. You must designate an individual or another business entity with an active Florida registration.)

The name and the Florida street address of the registered agent are:

BLUMBERGEXCELSIOR CORPORATE SERVICES, INC.

Name

155 Office Plaza Drive, 1st Fl.

Florida street address (P.O. Box **NOT** acceptable)

TALLAHASSEE

City

FL 32301

Zip

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in

Chapter 605, F.S.

Asst. Secretary, Zeina Hassoun

Zeina Hassoun
Registered Agent's Signature (REQUIRED)

(CONTINUED)

Page 1 of 2

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

2014 FEB -4 A 9:16

FILED

From:

ARTICLE IV.

The name and address of each person authorized to manage and control the Limited Liability Company:

Title:
"AMBR" = Authorized Member
"MGR" = Manager
AMBR

Name and Address:

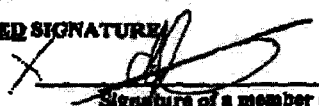
Legal Name:
180 Great Neck Road, Suite 304
Great Neck, NY 11021

(Use attachment if necessary)

ARTICLE V: Effective date, if other than the date of filing: _____ (OPTIONAL)
(If an effective date is listed, the date must be specific and cannot be more than five business days prior to or 90 days after the date of filing.)

ARTICLE VI: Other provisions, if any.

REQUIRED SIGNATURE



Signature of a member or an authorized representative of a member.
(In accordance with section 605.0203 (1) (b), Florida Statutes, the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true. I am aware that any false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.)

Legal Name:
Typed or printed name of signer

Filing Fees:
\$125.00 Filing Fee for Articles of Organization and Designation of Registered Agent
\$ 30.00 Certified Copy (Optional)
\$ 5.00 Certificate of Status (Optional)

FILED
2014 FEB -11 A 9:16
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT C

Provisions regarding the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of utility, and leases.

The seller (Regency) retained customer deposits. The customer deposits will be applied to the customers' remaining final balance and any credits will be refunded back to customers. There are no developer agreements or customer advances. Buyer assumed no debt from Seller. However, the land lease was assigned to the Buyer as part of the closing process. See attached APA and closing documents.

EXHIBIT D
Rule 25-30.037 (2)(1)

(1) A detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided; and,

2. A list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements;

The systems were purchased with 100% Shareholder's cash (equity). The utility, Duval Waterworks, Inc. was incorporated in the State of Florida on August 30, 2019, as such there are no financial statements of the utility. There are no other "entities" upon which the applicant is relying to provide funding to the buyer. The financial statements would be the individual shareholder's personal financial information. The financial statements for owners greater than 10% ownership interest will be supplied under separate cover letter requesting confidential treatment of such information.

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

To demonstrate the technical ability of the buyer to provide service, the buyer shall provide:

- 1. An explanation of the buyer's experience in the water or wastewater industry; and,**
- 2. The buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities;**

The President has been in the water and wastewater utility management, operations and maintenance related industry for over thirty (30) years bringing a level of Florida specific expertise that is not typical to private utility ownership within the State.

Gary Deremer – President: Over 30 years of Florida related water and wastewater industry experience; previous FPSC regulated 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

Duval Waterworks, Inc. has secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Through U.S. Water Services Corporation, Mr. Deremer has controlled service delivery to more than 1,000 facilities within the State of Florida, including billing/collection and customer service, providing water service to more than 1,000,000 customers daily.

Currently, the shareholder of Duval Waterworks, Inc. is also majority shareholder in the following utilities:

<u>Utility</u>	<u>Certificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S
HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S

Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W
Black Bear Waterworks, Inc.	654-W
Pine Harbour Waterworks, Inc.	450-W
Merritt Island Utility Company	137-S
Seminole Waterworks, Inc.	672-W
Gator Waterworks, Inc.	555-W

In each of these orders approving the above transfers, the Commission specifically found that the transfers were in the public interest and also determined that the buyers had demonstrated the technical and financial ability to provide service to the existing service territory.

In addition, the shareholder currently has a application for transfer of certificate pending before the Commission in Docket No. 20160058-SU, North Charlotte Waterworks, Inc. and Docket No. 20190170-WS – Royal Waterworks, Inc.

Thus, based on the above this transfer is in the public interest; the buyer has both the technical and financial ability to provide service.

The buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

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

A legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.;

Legal Description for the Water and Wastewater Systems in Duval County

Water and Wastewater Service Territory
Duval County

Township 2 South, Range 27 East
Sections 13 and 24

A part of Sections 13 and 24, Township 2 South, Range 27 East, Duval County, Florida, more particularly described as follows: Commence at the Northeasterly corner of said Section 24; thence South 89°41'10" West, along the Northerly line of said Section 24, 1150.02 feet to the Westerly right of way line of Monument Road (as established for a width of 100 feet) and the POINT OF BEGINNING; thence South 00°18'50" East, along said Westerly right of way line, 431.02 feet to its intersection with the Northerly right of way line of the Arlington Expressway; thence South 83°17'50" West, along said Northerly right of way line, 690.41 feet to the point of a curve to the right, said curve being concave Northerly and having a radius of 5679.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 1574.52 feet; thence continue along said right of way line North 00°18'50" West, 33.45 feet to a curve concave Northeasterly and having a radius of 5646.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 556.44 feet to the point of a compound curve to the right, said curve being concave Northeasterly and having a radius of 4366.66 feet; thence continue along said Northerly right of way of line along and around said curve an arc distance of 879.22 feet; thence North 64°05'10" West, 98.48 feet; thence North 10°28'24" East, 136.95 feet to its intersection with a curve concave Southeasterly and having a radius of 1527.02 feet; thence Northeasterly along and around said curve an arc distance of 773.14 feet; thence North 45°24'31" East, 263.23 feet to its intersection with the Southerly right of way line of Regency Square Boulevard; thence North 89°45'21" East, along said Southerly right of way line, 1737.82 feet; thence South 01°31'15" East, 325.58 feet; Thence North 89°41'10" East, 1383.45 feet to its intersection with the aforementioned Westerly right of way line of Monument Road; thence South 00°10'50" East, along said Westerly right of way, 690 feet to the POINT OF BEGINNING.

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

Provide a statement explaining why the transfer is in the public interest.

The director and majority shareholder has been in the water and wastewater utility management, operations and maintenance related industry for over thirty (30) years bringing a level of Florida specific expertise that is not typical to private utility ownership within the State.

Gary Deremer – President: Over 30 years of Florida related water and wastewater industry experience; previous FPSC regulated 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

Duval Waterworks, Inc. has secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Through U.S. Water Services Corporation, Mr. Deremer has controlled service delivery to more than 1,000 facilities within the State of Florida during their careers, including billing/collection and customer service, providing water service to more than 1,000,000 customers daily.

Currently, the shareholder of Duval Waterworks, Inc. is also majority shareholder in the following utilities:

<u>Utility</u>	<u>Certificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S
HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W
Black Bear Waterworks, Inc.	654-W
Pine Harbour Waterworks, Inc.	450-W

Merritt Island Utility Company	137-S
Seminole Waterworks, Inc.	672-W
Gator Waterworks, Inc.	555-W

In each of these orders approving the above transfers, the Commission specifically found that the transfers were in the public interest and also determined that the buyers had demonstrated the technical and financial ability to provide service to the existing service territory.

In addition, the shareholder currently has a application for transfer of certificate pending before the Commission in Docket No. 20160058-SU, North Charlotte Waterworks, Inc. and Docket No. 20190170-WS – Royal Waterworks, Inc.

Duval Waterworks, Inc. is a Florida corporation authorized to do business in Florida as of August 30, 2019. Duval Waterworks has both the technical and financial wherewithal to continue quality water and wastewater service to its customers. The purchasing utility has both the technical and financial ability to make necessary repair and improvements to the water and wastewater systems and ensure the financial viability on an ongoing basis.

Thus, based on the above this transfer is in the public interest; the buyer has both the technical and financial ability to continue to provide quality water service to its customers.

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

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 (DEP) or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements that have been identified, the governmental authority that required the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements.

After reasonable investigation, the system being acquired appears to currently be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP). This utility is a consecutive system for both water and wastewater. No FDEP permits were obtainable since the utility does not have either a water or wastewater treatment plant.

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

Documentation of the utility's right to access and continued use of the land upon which the utility treatment facilities are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided that the applicant files a recorded copy within the time required in the order granting the transfer.

There are no utility treatment facilities.

See Exhibit B – Closing Documents and Assignment of Easements and Land Lease. There are no utility treatment facilities since both the water and wastewater systems are consecutive systems. The fire protection pumping system and storage tank are the subject of the land lease.

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

A copy of the utility's current permits from the DEP and the water management district.

This utility is a consecutive system for both water and wastewater. No FDEP permits were obtainable since the utility does not have either a water or wastewater treatment plant. However see Exhibit B – request for transfer of CUP 96069.



St. Johns River Water Management District

Ann B. Shortelle, Ph.D., Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at www.sjrwmd.com.

October 2, 2019

William Troy Rendell
Duval Waterworks, Inc.
4939 Cross Bayou Blvd
New Port Richey, FL 34652-3434

SUBJECT: Transfer of a Consumptive Use Permit, Permit Number 96069-2
Regency Utilities

Dear Sir/Madam:

The District received a request to transfer the attached permit to Duval Waterworks, Inc.. In support of this request, the District received sufficient documentation of the transfer of ownership or control of the real property associated with the Consumptive Use Permit (CUP) and documentation from Duval Waterworks, Inc. accepting this permit and all of the listed conditions.

This permit is hereby transferred to

Duval Waterworks, Inc.
4939 Cross Bayou Blvd
New Port Richey, FL 34652-3434.

The enclosed permit is a legal document and should be kept with other important records. Please read the permit and conditions carefully because the referenced conditions may require submittal of additional information. Where possible, please submit all information required to comply with permit conditions electronically at www.sjrwmd.com/permitting via the District's e-Permitting portal.

If you have any questions concerning the permit, please contact Edmund Ulrich, in the Jacksonville Service Center at (904) 448-7928.

Sincerely,

A handwritten signature in black ink that reads "Rich Burklew".

Richard Burklew, Bureau Chief
Water Use Regulation

GOVERNING BOARD

Douglas Burnett, CHAIRMAN
ST. AUGUSTINE

Ron Howse, TREASURER
COCOA

Douglas C. Boumique
VERO BEACH

Daniel Davis
JACKSONVILLE

Susan Dolan
SANFORD

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

PERMIT NO.: 96069-2

TRANSFER PERMIT ISSUED: October 2, 2019

PROJECT NAME: Regency Utilities

A PERMIT AUTHORIZING:

The District authorizes, as limited by the attached conditions, the use of 5.59 million gallons per day (mgd) of groundwater from the Floridan aquifer for essential use (fire protection) only.

LOCATION:

SECTION(S):
13

TOWNSHIP(S):
2S

RANGE(S):
27E

ISSUED TO:

Duval Waterworks, Inc.
4939 Cross Bayou Blvd
New Port Richey, FL 34652-3434

The permittee agrees to hold and save the St. Johns River Water Management District and its successors harmless from any and all damages, claims, or liabilities which may arise from permit issuance. Said application, including all plans and specifications attached thereto, is by reference made a part hereof.

This permit does not convey to the permittee any property rights nor any rights or privileges other than those specified herein, nor relieve the permittee from complying with any applicable local government, state, or federal law, rule, or ordinance.

This permit may be revoked, modified or transferred at any time pursuant to the appropriate provisions of Chapter 373, Florida Statutes and 40C-1, Florida Administrative Code.

PERMIT IS CONDITIONED UPON:

See conditions on attached "Exhibit A", dated October 2, 2019

AUTHORIZED BY: St. Johns River Water Management District
Division of Regulatory Services

By:



Richard Burklew
Bureau Chief

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 96069-2
Regency Utilities
PERMIT TRANSFER ISSUED October 02, 2019

1. District Authorized staff, upon proper identification, will have permission to enter, inspect and observe permitted and related facilities in order to determine compliance with the approved plans, specifications and conditions of this permit.
2. Nothing in this permit should be construed to limit the authority of the St. Johns River Water Management District to declare a water shortage and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate a plan for implementation during periods of water shortage, pursuant to Section 373.246, Florida Statutes. In the event a water shortage, is declared by the District Governing Board, the permittee must adhere to the water shortage restriction as specified by the District, even though the specified water shortage restrictions may be inconsistent with the terms and conditions of this permit.
3. Prior to the construction, modification, or abandonment of a well, the permittee must obtain a Water Well Construction Permit from the St. Johns River Water Management District, or the appropriate local government pursuant to Chapter 40C-3, Florida Administrative Code. Construction, modification, or abandonment of a well will require modification of the consumptive use permit when such construction, modification or abandonment is other than that specified and described on the consumptive use permit application form.
4. Leaking or inoperative well casings, valves, or controls must be repaired or replaced as required to eliminate the leak or make the system fully operational.
5. Legal uses of water existing at the time of the permit application may not be interfered with by the consumptive use. If unanticipated interference occurs, the District may revoke the permit in whole or in part to curtail or abate the interference unless the permittee mitigates for the interference. In those cases where other permit holders are identified by the District as also contributing to the interference, the permittee may choose to mitigate in a cooperative effort with these other permittees. The permittee must submit a mitigation plan to the District for approval prior to implementing such mitigation.
6. Off-site land uses existing at the time of permit application may not be significantly adversely impacted as a result of the consumptive use. If unanticipated significant adverse impacts occur, the District shall revoke the permit in whole or in part to curtail or abate the adverse impacts, unless the impacts can be mitigated by the permittee.
7. The District must be notified, in writing, within 30 days of any sale, conveyance, or other transfer of a well or facility from which the permitted consumptive use is made or within 30 days of any transfer of ownership or control of the real property at which the permitted consumptive use is located. All transfers of ownership or transfers of permits are subject to the provisions of section 40C-1.612, Florida Administrative Code.
8. A District-issued identification tag shall be prominently displayed at each withdrawal site by permanently affixing such tag to the pump, headgate, valve or other withdrawal facility as provided by Section 40C-2.401, Florida Administrative Code. Permittee shall notify the District in the event that a replacement tag is needed.
9. District authorized staff, upon proper identification, shall have permission to inspect and observe dewatering operations in order to determine compliance with this permit.

10. All submittals made to demonstrate compliance with this permit must include the CUP number 96069-2 plainly labeled on the submittal. Submittal should be made on-line at www.sjrwmd.com/permitting whenever possible.
11. The permit will expire November 11, 2024.
12. Maximum daily withdrawals for any firefighting use (essential use) shall not exceed 5.590 million gallons per day (mgd).
13. Wells number 1 (Station ID 6027), 2 (Station ID 6028), 3 (Station ID 6029), and 4 (Station ID 6030), as listed on the application, must remain as a dedicated fire protection source for the duration of this permit. The use of water from wells number 1 (Station ID 6027), 2 (Station ID 6028), 3 (Station ID 6029), and 4 (Station ID 6030), for any use other than fire protection is not authorized under this permit.
14. A District issued identification tag shall be prominently on wells number 1 (Station ID 6027), 2 (Station ID 6028), 3 (Station ID 6029), and 4 (Station ID 6030), as listed on the application, for the duration of this permit.
15. Leaking or inoperative well casings, valves, or controls must be repaired or replaced as required to eliminate all leaks or to make the system fully operational.
16. The permittee must mitigate any adverse impact caused by withdrawals permitted herein on adjacent land uses or legal uses of water existing at the time of permit application. Adverse impacts include but are not limited to:
 - a) Reductions of well water levels resulting in a reduction of 10% in the ability of an adjacent well to produce water;
 - b) Reductions of water levels in an adjacent surface water body resulting in a significant impairment of the use of water in that water body;
 - c) Saline water intrusion;
 - d) Change in water quality resulting in either impairment or loss of use of a well or water body;
 - e) Land collapse or subsidence caused by a reduction in water levels; and
 - f) Damage to crops and other types of vegetation.

STATION INFORMATION:**Well Information:** (ESS=Fire Protection, AS= Pond Augmentation)

PUMP NAME	GRS I.D.	Casing Size	Casing Depth / Total Depth	Pump Capacity	Status	TYPE USE
1	6027	12 x 8	600/1016	551	Existing	ESS
2	6028	8 x 6	600/750	331	Existing	ESS
3	6029	16 x 10	600/1300	1500	Existing	ESS
4	6030	16 x 12	585/795	1500	Existing	ESS

PERMIT DURATION: The applicant has requested a 20-year permit. Section 6.5.1, A.H., states that when requested by an applicant, a consumptive use permit shall have a duration of 20 years provided that the applicant provides reasonable assurance that the proposed use meets the conditions for issuance in section 40C-2.301, F.A.C., and the criteria in part II, A.H., for the requested 20-year permit duration. Staff has concluded that the applicant has met the above requirements and is therefore recommending issuance of a 20-year permit.

RECOMMENDATION: Staff have concluded that the proposed use, as limited by the attached permit conditions, is reasonable-beneficial, will not cause or contribute to interference with existing legal uses, and is consistent with the public interest. Staff, therefore, recommends approval of this application.

General Conditions: 1-8

OTHER CONDITIONS:

1. All submittals made to demonstrate compliance with this permit must include the CUP number 22-031-96069-1 plainly labeled.
2. This permit shall expire 20 years from the date of receipt of the completed permit application.
3. District authorized staff, upon proper identification, shall have permission to inspect and observe dewatering operations in order to determine compliance with this permit.
4. A District issued identification tag shall be prominently on wells number 1 (GRS ID 6027), 2 (GRS ID 6028), 3 (GRS ID 6029), and 4 (GRS ID 6030), as listed on the application, for the duration of this permit.
5. Wells number 1 (GRS ID 6027), 2 (GRS ID 6028), 3 (GRS ID 6029), and 4 (GRS ID 6030), as listed on the application, must remain as a dedicated fire protection source for the duration of this permit. The use of water from wells number 1 (GRS ID 6027), 2 (GRS ID 6028), 3 (GRS ID 6029), and 4 (GRS ID 6030), for any use other than fire protection is not authorized under this permit.

6. Maximum daily withdrawals for any fire fighting use (essential use) shall not exceed 5.590 million gallons per day (MGD).
7. Leaking or inoperative well casings, valves, or controls must be repaired or replaced as required to eliminate all leaks or to make the system fully operational.
8. The permittee must mitigate any adverse impact caused by withdrawals permitted herein on adjacent land uses or legal uses of water existing at the time of permit application. Adverse impacts include but are not limited to:
 - a) Reductions of well water levels resulting in a reduction of 10% in the ability of an adjacent well to produce water;
 - b) Reductions of water levels in an adjacent surface water body resulting in a significant impairment of the use of water in that water body;
 - c) Saline water intrusion;
 - d) Change in water quality resulting in either impairment or loss of use of a well or water body;
 - e) Land collapse or subsidence caused by a reduction in water levels; and
 - f) Damage to crops and other types of vegetation.

REVIEWER: Jay C. Lawrence

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

A copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report.

Not applicable. There are no surveys and/or inspection reports since there are no water or wastewater utility treatment facilities.

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

A copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.

Not applicable. There are no correspondence with DEP or health department.
Both the water and wastewater systems are consecutive systems.

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

A copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

Not applicable. Water is supplied by Jacksonville Electric Authority (JEA).

EXHIBIT N
Rule 25-30.037(2)(u)

Tariff sheets reflecting any changes resulting from the transfer. Form PSC 1010 (12/15), entitled "Water Tariff" and Form PSC 1011 (12/15), entitled "Wastewater Tariff," which are incorporated by reference in Rule 25-30.033, F.A.C., are example tariffs that may be completed by the applicant and included in the application.

See Attached.

WATER TARIFF

DUVAL WATERWORKS, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

DUVAL WATERWORKS, INC.
NAME OF COMPANY

4939 CROSS BAYOU BLVD.
NEW PORT RICHEY, FL 34652
(ADDRESS OF COMPANY)

(727) 848-8292
(888) 228-2134

(Business & Emergency Telephone Numbers)

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

TABLE OF CONTENTS

	Sheet Number	
Communities Served Listing	Error!	Reference
source not found.		
Description of Territory Served	3.0	
Index of		
Rates and Charges Schedules	Error!	Reference
source not found.		
Rules and Regulations	7.0	
Service Availability Policy and Charges	Error!	Reference
source not found.		
Standard Forms	Error!	Reference
	source not found.	
Technical Terms and Abbreviations	Error!	Reference
source not found.		
Territory Authority	Error!	Reference
source not found.		

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

Assignment and Assumption of Utility Ground Lease Agreement

Exhibit "A"
(Copy of Utility Ground Lease Agreement)

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 641-W

COUNTY - DUVAL

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-2008-0611-PAA- WS	September 22,2008	20080113-WS	Original

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

DESCRIPTION OF TERRITORY SERVED

**Water and Wastewater Service Territory
Duval County**

**Township 2 South, Range 27 East
Sections 13 and 24**

A part of Sections 13 and 24, Township 2 South, Range 27 East, Duval County, Florida, more particularly described as follows: Commence at the Northeasterly corner of said Section 24; thence South 89°41'10" West, along the Northerly line of said Section 24, 1150.02 feet to the Westerly right of way line of Monument Road (as established for a width of 100 feet) and the POINT OF BEGINNING; thence South 00°18'50" East, along said Westerly right of way line, 431.02 feet to its intersection with the Northerly right of way line of the Arlington Expressway; thence South 83°17'50" West, along said Northerly right of way line, 690.41 feet to the point of a curve to the right, said curve being concave Northerly and having a radius of 5679.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 1574.52 feet; thence continue along said right of way line North 00°18'50" West, 33.45 feet to a curve concave Northeasterly and having a radius of 5646.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 556.44 feet to the point of a compound curve to the right, said curve being concave Northeasterly and having a radius of 4366.66 feet; thence continue along said Northerly right of way of line along and around said curve an arc distance of 879.22 feet; thence North 64°05'10" West, 98.48 feet; thence North 10°28'24" East, 136.95 feet to its intersection with a curve concave Southeasterly and having a radius of 1527.02 feet; thence Northeasterly along and around said curve an arc distance of 773.14 feet; thence North 45°24'31" East, 263.23 feet to its intersection with the Southerly right of way line of Regency Square Boulevard; thence North 89°45'21" East, along said Southerly right of way line, 1737.82 feet; thence South 01°31'15" East, 325.58 feet; Thence North 89°41'10" East, 1383.45 feet to its intersection with the aforementioned Westerly right of way line of Monument Road; thence South 00°10'50" East, along said Westerly right of way, 690 feet to the POINT OF BEGINNING.

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
Duval	Regency Square Mall	GS	12.0

EFFECTIVE DATE -

TYPE OF FILING - Transfer

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 DUVAL Waterworks, Inc.
- 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, Service 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)

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. **Error! Reference source not found.**)

- 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.

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises	9.0	14.0
Adjustment of Bills	10.0	22.0
Adjustment of Bills for Meter Error.....	10.0	23.0
All Water Through Meter	10.0	21.0
Application	7.0	3.0
Applications by Agents	7.0	4.0
Change of Customer's Installation.....	8.0	11.0
Continuity of Service.....	8.0	9.0
Customer Billing.....	9.0	16.0
Delinquent Bills	7.0	8.0
Extensions	7.0	6.0
Filing of Contracts.....	10.0	25.0
General Information	7.0	1.0
Inspection of Customer's Installation.....	9.0	13.0
Limitation of Use	8.0	10.0
Meter Accuracy Requirements	10.0	24.0
Meters.....	10.0	20.0
Payment of Water and Wastewater Service Bills Concurrently.....	10.0	18.0

(Continued to Sheet No. **Error! Reference source not found.**)

GARY DEREMER
 ISSUING OFFICER

PRESIDENT
 TITLE

(Continued from Sheet No. **Error! Reference source not found.**)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Tariff Dispute	7.0	2.0
Protection of Company's Property	8.0	12.0
Refusal or Discontinuance of Service.....	7.0	5.0
Right-of-way or Easements	9.0	15.0
Termination of Service.....	9.0	17.0
Type and Maintenance	7.0	7.0
Unauthorized Connections - Water	10.0	19.0

GARY DEREMER
ISSUING OFFICER
PRESIDENT
TITLE

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 TARIFF DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall be resolved pursuant to Rule 25-22.032, Florida Administrative Code.
- 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. **Error! Reference source not found.**)

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(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, remetering, 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 remetering.)

- 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)

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. **Error! Reference source not found.**)

- 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. **Error! Reference source not found.**)

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. **Error! Reference source not found.**)

- 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.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
found. Customer Deposits.....	Error! Reference source not
found. General Service, GS.....	Error! Reference source not
found. Meter Test Deposit.....	Error! Reference source not
found. Miscellaneous Service Charges.....	Error! Reference source not
found. Residential Service, RS.....	Error! Reference source not

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

GENERAL SERVICE

RATE SCHEDULE GS

- 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 Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD -
- RATE -

<u>Meter Sizes</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 31.41
3/4"	\$ 47.12
1"	\$ 78.53
1 1/2"	\$ 157.05
2"	\$ 251.28
3"	\$ 502.56
4"	\$ 785.25
6"	\$1,570.50
Charge per 1,000 gallons	\$ 3.08

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE 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 Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - N/A

RATE - N/A

MINIMUM CHARGE - N/A

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

PRIVATE FIRE PROTECTION

RATE SCHEDULE PFP

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For private fire protection to customers.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD -

RATE -

Private Fire Protection:

5/8" x 3/4"	\$ 2.62
3/4"	\$ 3.93
1"	\$ 6.54
1 1/2"	\$ 13.09
2"	\$ 20.94
3"	\$ 41.88
4"	\$ 65.44
6"	\$130.88

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT

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.

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"	N/A	\$263.00
All Others	N/A	2 x average bill

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.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a).

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 met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

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 DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

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 DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

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.

LATE PAYMENT CHARGE - This charge may be levied when payment has not been made within 21 days after the bill has been mailed or presented.

RETURN CHECK CHARGE - This charge may be levied pursuant to Section 68.065, Florida Statutes, when a customer pays by check and that check is dishonored by the customer's banking institution.

CONVENIENCE CHARGE - This charge may be levied when a customer opts to pay their utility bill by debit/credit card either online or by telephone.

(Continued to Sheet No. 18.1)

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(Continued from Sheet No. 17.0)

Water Miscellaneous Service Charges

	Normal Hours	After Hours
Initial Connection Fee	\$30.00	\$40.00
Normal Reconnection Fee	\$30.00	\$40.00
Violation Reconnection Fee	\$30.00	\$40.00
Premises Visit Fee	\$30.00	\$30.00
Late Payment Charge	\$6.50	
Non-Sufficient Funds (NSF) Charge	Pursuant to Section 68.065(2), F.S.	
Convenience Charge	\$ 2.60	

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF SERVICE AVAILABILITY POLICY AND CHARGES

<u>Description</u>	<u>Sheet Number</u>
Schedule of Charges.....	Error! Reference source not found.
Service Availability Policy.....	20.0

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

SERVICE AVAILABILITY POLICY

The Utility is built-out and does not have a Commission approved service availability policy.

SERVICE AVAILABILITY CHARGES

Not Applicable – the Utility is built out and does not have Commission approved service availability charges.

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF SERVICE AVAILABILITY POLICY AND CHARGES

<u>Description</u>	<u>Sheet Number</u>
Schedule of Charges.....	20.0
Service Availability Policy.....	19.0

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

SERVICE AVAILABILITY POLICY

The Utility is built-out and does not have a Commission approved service availability policy.

SERVICE AVAILABILITY CHARGES

Not Applicable – the Utility is built out and does not have Commission approved service availability charges.

EFFECTIVE DATE -

TYPE OF FILING – Transfer

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WATER SERVICE	23.0
COPY OF CUSTOMER'S BILL	24.0

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

APPLICATION FOR WATER SERVICE

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

COPY OF CUSTOMER'S BILL

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

WASTEWATER TARIFF

DUVAL WATERWORKS, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WASTEWATER TARIFF

DUVAL WATERWORKS, INC.
NAME OF COMPANY

4939 Cross Bayou Blvd.

New Port Richey, FL 34652
(ADDRESS OF COMPANY)

(727) 848-8292
(Business & Emergency Telephone Numbers)

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

WASTEWATER TARIFF

TABLE OF CONTENTS

	<u>Sheet Number</u>
Communities Served Listing.....	4.0
Description of Territory Served.....	3.1
Index of	
Rates and Charges Schedules.....	11.0
Rules and Regulations	6.0
Service Availability Policy.....	18.0
Standard Forms.....	20.0
Technical Terms and Abbreviations.....	5.0
Territory Authority.....	3.0

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 551-S

COUNTY - DUVAL

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-2008-0611-PAA- WS	September 22,2008	20080113-WS	Original

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

DESCRIPTION OF TERRITORY SERVED

**Water and Wastewater Service Territory
Duval County**

**Township 2 South, Range 27 East
Sections 13 and 24**

A part of Sections 13 and 24, Township 2 South, Range 27 East, Duval County, Florida, more particularly described as follows: Commence at the Northeasterly corner of said Section 24; thence South 89°41'10" West, along the Northerly line of said Section 24, 1150.02 feet to the Westerly right of way line of Monument Road (as established for a width of 100 feet) and the POINT OF BEGINNING; thence South 00°18'50" East, along said Westerly right of way line, 431.02 feet to its intersection with the Northerly right of way line of the Arlington Expressway; thence South 83°17'50" West, along said Northerly right of way line, 690.41 feet to the point of a curve to the right, said curve being concave Northerly and having a radius of 5679.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 1574.52 feet; thence continue along said right of way line North 00°18'50" West, 33.45 feet to a curve concave Northeasterly and having a radius of 5646.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 556.44 feet to the point of a compound curve to the right, said curve being concave Northeasterly and having a radius of 4366.66 feet; thence continue along said Northerly right of way of line along and around said curve an arc distance of 879.22 feet; thence North 64°05'10" West, 98.48 feet; thence North 10°28'24" East, 136.95 feet to its intersection with a curve concave Southeasterly and having a radius of 1527.02 feet; thence Northeasterly along and around said curve an arc distance of 773.14 feet; thence North 45°24'31" East, 263.23 feet to its intersection with the Southerly right of way line of Regency Square Boulevard; thence North 89°45'21" East, along said Southerly right of way line, 1737.82 feet; thence South 01°31'15" East, 325.58 feet; Thence North 89°41'10" East, 1383.45 feet to its intersection with the aforementioned Westerly right of way line of Monument Road; thence South 00°10'50" East, along said Westerly right of way, 690 feet to the POINT OF BEGINNING.

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
Duval	Regency Square Mall	GS	12.0

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 wastewater consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide wastewater 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 wastewater 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 DUVAL WATERWORKS, INC.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive wastewater service from the Company and who is liable for the payment of that wastewater 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 disposing of wastewater located on 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 wastewater service from individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for wastewater service which is applied to the Customer's water 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, "Service" shall be construed to include, in addition to all wastewater service required by the Customer, the readiness and ability on the part of the Company to furnish wastewater service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.
- 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.

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises	9.0	12.0
Adjustment of Bills	10.0	20.0
Application	7.0	3.0
Applications by Agents	7.0	4.0
Change of Customer's Installation.....	8.0	10.0
Continuity of Service.....	8.0	8.0
Customer Billing	9.0	15.0
Delinquent Bills	10.0	17.0
Evidence of Consumption	10.0	22.0
Extensions	7.0	6.0
Filing of Contracts.....	10.0	21.0
General Information.....	7.0	1.0
Inspection of Customer's Installation.....	8.0	11.0
Limitation of Use.....	8.0	9.0
Payment of Water and Wastewater Service Bills Concurrently	9.0	16.0
Protection of Company's Property.....	9.0	13.0
Refusal or Discontinuance of Service	7.0	5.0
Right-of-way or Easements	9.0	14.0
Tariff Dispute	7.0	2.0
Termination of Service.....	10.0	18.0
Type and Maintenance	7.0	7.0
Unauthorized Connections – Wastewater	10.0	19.0

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 wastewater service.

The Company shall provide wastewater 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 TARIFF DISPUTE – Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall be resolved pursuant to Rule 25-22.032, Florida Administrative Code.

- 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 wastewater 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 wastewater 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 wastewater service. The Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.

(Continued to Sheet No. 8.0)

(Continued from Sheet No. 7.0)

- 8.0 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 wastewater service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous wastewater 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.

- 9.0 LIMITATION OF USE - Wastewater service purchased from the Company shall be used by the Customer only for the purposes specified in the application for wastewater service. Wastewater service shall be rendered to the Customer for the Customer's own use and shall be collected directly into the Company's main wastewater lines.

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 wastewater service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's wastewater service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for wastewater 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 remetering.)

- 10.0 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 change resulting from a violation of this Rule.

- 11.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's wastewater 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 wastewater 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 wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

(Continued to Sheet No. 9.0)

(Continued from Sheet No. 8.0)

- 12.0 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.
- 13.0 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.
- 14.0 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 wastewater service.
- 15.0 CUSTOMER BILLING - Bills for wastewater 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 utility 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 utility 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.

- 16.0 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 wastewater service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any water service bill rendered by the Company.

(Continued to Sheet No. 10.0)

(Continued from Sheet No. 9.0)

- 17.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, wastewater 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.
- 18.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where wastewater 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.
- 19.0 UNAUTHORIZED CONNECTIONS - WASTEWATER - Any unauthorized connections to the Customer's wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule or, if wastewater service is measured by water consumption and a meter error is determined, the amount may be credited or billed to the Customer as the case may be, pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 21.0 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.
- 22.0 EVIDENCE OF CONSUMPTION - The initiation or continuation or resumption of water service to the Customer's premises shall constitute the initiation or continuation or resumption of wastewater service to the Customer's premises regardless of occupancy.

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Customer Deposits	14.0
General Service, GS.....	12.0
Bulk Service, BS.....	13.1
Miscellaneous Service Charges	15.0
Residential Service, RS.....	13.0

GENERAL SERVICE
RATE SCHEDULE (GS)

AVAILABILITY – Available throughout the area served by the Company.
APPLICABILITY – For wastewater service to all Customers for which no other schedule applies.
LIMITATIONS – Subject to all of the 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"	\$ 26.54
3/4"	\$ 39.81
1"	\$ 66.35
1-1/2"	\$ 132.70
2"	\$ 212.32
3"	\$ 424.64
4"	\$ 663.50
Charge per 1,000 gallons	\$ 7.04

MINIMUM CHARGE – Base Facility Charge

TERMS OF PAYMENT – Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for wastewater service, service may then be discontinued.

EFFECTIVE DATE –

TYPE OF FILING – Transfer of Certificate

RESIDENTIAL SERVICE

RATE SCHEDULE (RS)

- AVAILABILITY – Available throughout the area served by the Company.
- APPLICABILITY – For wastewater service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS – Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD – N/A
- RATE – N/A
- MINIMUM CHARGE – N/A
- TERMS OF PAYMENT – Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE –

TYPE OF FILING – Transfer of Certificate

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering wastewater 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.

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

	<u>Residential Service</u>	<u>General Service</u>
5/8" x 3/4"	N/A	\$158.00
All Others	N/A	2 x average bill

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.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customer's once 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 met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

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 of Certificate

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

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.

Wastewater Miscellaneous Service Charges

	Normal Hours	After Hours
Initial Connection Fee	\$30.00	\$40.00
Normal Reconnection Fee	\$30.00	\$40.00
Violation Reconnection Fee	\$30.00	\$40.00
Premises Visit Fee	\$30.00	\$40.00
Late Payment Charge	\$6.50	
Non-Sufficient Funds (NSF) Charge	Pursuant to Section 68.065(2), F.S.	
Convenience Charge	\$ 2.60	

EFFECTIVE DATE –

TYPE OF FILING – Transfer of Certificate

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF SERVICE AVAILABILITY POLICY AND CHARGES

<u>Description</u>	<u>Sheet Number</u>
Schedule of Charges.....	18.0
Service Availability Policy.....	17.0

SERVICE AVAILABILITY POLICY

The Utility is built-out and does not have a Commission approved service availability policy.

SERVICE AVAILABILITY CHARGES

Not Applicable – the Utility is built out and does not have Commission approved service availability charges.

EFFECTIVE DATE –

TYPE OF FILING – Transfer of Certificate

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WASTEWATER SERVICE	20.0
COPY OF CUSTOMER'S BILL	21.0

DUVAL WATERWORKS, INC.
WASTEWATER TARIFF

ORIGINAL SHEET NO. 20.0

APPLICATION FOR WASTEWATER SERVICE

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

DUVAL WATERWORKS, INC.
WASTEWATER TARIFF

ORIGINAL SHEET NO. 21.0

COPY OF CUSTOMER'S BILL

WS-15-0098

GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

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

The proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and the order number. In addition, provide a schedule of all subsequent changes to rate base.

The net book value was last established for Regency Utilities, Inc. in Order No. PSC-12-0436-P AA-WS, issued August 24, 2012.

Based on the 2018 Annual Report and financial records of Regency the proposed net book value of the water and wastewater systems as of September 30, 2019 are shown on the Attached Schedules.

Duval Waterworks
Net Book Value - September 30, 2019

Water:

Plant in Service - 2018 Annual Report	\$	882,880.00
Remove Organization Costs	\$	(25,000.00)
Land	\$	285,386.00
Net	\$	<u>1,143,266.00</u>

Additions:

			<u>Account</u>	<u>Depreciation</u>
Invoice 25481 - WW Gay Booked to Account 231 Expense				
Repair to pump house - Structure and Improvements	5/31/2018	\$ 2,145.00	304	3.1%
Invoice 1035 - Larry Petterson to Account 231 Expense				
Repair to pump house - Structure and Improvements	4/2/2018	\$ 1,450.00	304	3.1%
Invoice 22218 - WW Gay Booked to Act 231 Expense				
Repair 2" Leak	8/6/2018	\$ 5,609.27	331	2.33%
Invoice 23170 - WW Gay Booked to Act 231 Expense				
Replace valve and sensing line	8/8/2018	\$ 1,371.00	309	2.86%
Invoice 306399 - WW Gay Booked to Act 231 Expense				
Repair of 2" water main	2/20/2019	\$ 1,171.64	331	2.33%
Invoice 22044 - WW Gay - Booked to Expense				
Repack fire pump, replace swing switch	3/26/2019	\$ 3,992.70	311	5.00%
Invoice 307975 - WW Gay booked to Expense				
Repair water break in parking lot	6/5/2019	\$ 2,373.70	331	2.33%
Invoice 25482 - WW Gay booked to Expense				
Replace fire pump controller	6/7/2019	\$ 26,000.00	311	5.00%
Invoice 12099 - Larry Petterson booked to Expense				
2 Water break repairs	2/1/2019	\$ 2,000.00	331	2.33%
Plant in Service		\$ 1,189,379.31		
Accumulated Depreciation - 2018 Annual Report		\$ (1,051,242.00)		
Remove Organization Costs		\$ 6,875.00		
Net		\$ (1,044,367.00)		
Additional Nine Months	\$ 29,406.89	9	\$ (22,055.17)	

Additions for Items Listed Above:

304	\$	(67.03)
304	\$	(45.31)
331	\$	(130.45)
309	\$	(39.17)
331	\$	(13.62)
311	\$	(83.18)
331	\$	(13.80)
311	\$	(325.00)
331	\$	(46.51)
Accumulated Depreciation	\$	(1,067,186.25)
CIAC	\$	(21,980.00)
Accumulated Amort - CIAC	\$	21,980.00
Water Net Book Value	\$	<u>122,193.06</u>

Duval Waterworks
Net Book Value - September 30, 2019

Wastewater:

Plant in Service - 2018 Annual Report			\$ 62,315.00
Remove Organization Costs			\$ (25,000.00)
Net			\$ 37,315.00
Accumulated Depreciation - 2018 Annual Report			\$ (42,686.00)
Remove Organization Costs			\$ 25,000.00
Net			\$ (17,686.00)
Additional Nine Month	\$ 862.11	9	\$ (646.58)
CIAC			\$ (30,260.00)
Accum Amort			\$ 30,260.00
Wastewater Net Book Value			<u>\$ 18,982.42</u>

11:37 AM

07/31/19

Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of December 31, 2018

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Fire Protection Services								
Bill	01/02/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Jan...	231 - Account...	737.00		0.00
Bill	02/05/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Feb...	231 - Account...	737.00		737.00
Bill	03/01/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Mar...	231 - Account...	737.00		1,474.00
Bill	04/03/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Apr...	231 - Account...	737.00		2,211.00
Bill	05/01/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests May...	231 - Account...	737.00		2,948.00
Bill	05/09/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Operated Jockey Pump through 2 cycles and ch...	231 - Account...	170.00		3,685.00
Bill	05/31/2018	25481...	W.W. Gay Fire & Integrated Systems, Inc.	Repair and maintenance in Pump House. Pum...	231 - Account...	2,145.00		3,855.00
Bill	06/01/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Jun...	231 - Account...	737.00		6,000.00
Bill	07/02/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests July...	231 - Account...	737.00		6,737.00
Bill	08/01/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Aug...	231 - Account...	737.00		7,474.00
Bill	09/04/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Sep...	231 - Account...	737.00		8,211.00
Bill	09/10/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Annual Billing for Pump Test and Hydrant Maint...	231 - Account...	1,128.00		9,348.00
Bill	10/01/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Oct...	231 - Account...	737.00		10,085.00
Bill	11/01/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Nov...	231 - Account...	737.00		10,822.00
Bill	12/04/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Monthly Billing for Weekly Pump Run Tests Dec...	231 - Account...	737.00		11,559.00
Total Fire Protection Services						12,287.00	0.00	12,287.00
Meter Reading								
Bill	01/29/2018	01.29....	Lane Moon	Meter Reading, pickup and drop off book	231 - Account...	380.00		0.00
Bill	02/26/2018	02.26....	Lane Moon	Meter Reading, pickup and drop off book	231 - Account...	380.00		380.00
Bill	03/26/2018	03.26....	Lane Moon	Meter Reading, pickup and drop off book, 1 turn...	231 - Account...	430.00		760.00
Bill	04/25/2018	04.25....	Lane Moon	Meter Reading, pickup and drop off book, Turn ...	231 - Account...	580.00		1,190.00
Bill	05/29/2018	05.25....	Lane Moon	Meter Reading, pickup and drop off book	231 - Account...	380.00		1,770.00
Bill	06/26/2018	06.26....	Lane Moon	Meter Reading, pickup and drop off book	231 - Account...	380.00		2,150.00
Bill	07/26/2018	07.26....	Lane Moon	Meter Reading, pickup and drop off book, turn o...	231 - Account...	455.00		2,530.00
Bill	08/28/2018	08.26....	Lane Moon	Meter Reading, pickup and drop off book, turn o...	231 - Account...	480.00		2,985.00
Bill	10/01/2018	09.29....	Lane Moon	Meter Reading, pickup and drop off book, turn o...	231 - Account...	480.00		3,465.00
Bill	10/30/2018	10.28....	Lane Moon	Meter Reading, pickup and drop off book	231 - Account...	380.00		3,945.00
Bill	11/28/2018	11.25....	Lane Moon	Meter Reading, pickup and drop off book, Turn ...	231 - Account...	430.00		4,325.00
Bill	12/24/2018	12.26....	Lane Moon	Meter Reading, pickup and drop off book, Turn ...	231 - Account...	430.00		4,755.00
Total Meter Reading						5,185.00	0.00	5,185.00
Alarm System								
Bill	01/23/2018	stmt e...	AT&T	01/23/18-02/22/2018 service dates	231 - Account...	186.65		0.00
Bill	02/23/2018	stmt e...	AT&T	02/23/18-03/22/18 service dates	231 - Account...	175.53		186.65
Bill	03/23/2018	stmt e...	AT&T	03/23/18-04/22/18 service dates	231 - Account...	175.53		362.18
Bill	04/23/2018	stmt e...	AT&T	04/23/18-05/22/18 service dates	231 - Account...	175.31		537.71
Bill	05/23/2018	stmt e...	AT&T	05/23/18-06/22/18 service dates	231 - Account...	175.41		713.02
Bill	06/23/2018	stmt e...	AT&T	06/23/18-07/22/18 service dates	231 - Account...	175.41		888.43
Bill	07/23/2018	stmt e...	AT&T	07/23/18-08/22/18 service dates	231 - Account...	186.57		1,063.84
Bill	08/23/2018	stmt e...	AT&T	08/23/18-09/22/18 service dates	231 - Account...	181.88		1,250.41
Bill	09/23/2018	stmt e...	AT&T	09/23/18-10/22/18 service dates	231 - Account...	181.88		1,432.29
Bill	10/23/2018	stmt e...	AT&T	10/23/18-11/22/18 service dates	231 - Account...	182.06		1,614.17
Bill	11/23/2018	stmt e...	AT&T	11/23/18-12/22/18 service dates	231 - Account...	181.98		1,796.23
Bill	12/23/2018	stmt e...	AT&T	12/23/18-01/22/19 service dates	231 - Account...	181.98		1,978.21
Total Alarm System						2,160.19	0.00	2,160.19

Regency Utilities, Inc.
General Ledger
 As of December 31, 2018

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Monitoring Service								0.00
Bill	01/15/2018	Feb 2...	Larry Peterson	Feb 2018	231 - Account...	400.00		400.00
Bill	02/02/2018	12020	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		450.00
Bill	02/15/2018	March...	Larry Peterson	March 2018	231 - Account...	400.00		850.00
Bill	03/06/2018	12027	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		900.00
Bill	03/15/2018		Larry Peterson	Dec 2012	231 - Account...	400.00		1,300.00
Bill	04/02/2018	1035	Larry Peterson	Repairs to pump house, plumbing, generator	231 - Account...	1,450.00		2,750.00
Bill	04/15/2018	May 2...	Larry Peterson	May 2018	231 - Account...	400.00		3,150.00
Bill	04/30/2018	May 2...	Larry Peterson	May 2018	231 - Account...	250.00		3,400.00
Bill	05/15/2018	June ...	Larry Peterson	Monitoring Service	231 - Account...	400.00		3,800.00
Bill	06/03/2018	12054	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		3,850.00
Bill	06/15/2018	July 2...	Larry Peterson	July 2018	231 - Account...	400.00		4,250.00
Bill	06/30/2018	165349	Sunshine State One Call of Florida Inc	Annual Assessment Billing and Tickets 2018-20...	231 - Account...	148.22		4,398.22
Bill	07/02/2018	12060	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		4,448.22
Bill	07/15/2018	August...	Larry Peterson	August 2018	231 - Account...	400.00		4,848.22
Bill	07/30/2018	12065	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		4,898.22
Bill	08/15/2018	Septe...	Larry Peterson	September 2018	231 - Account...	400.00		5,298.22
Bill	09/04/2018	12070	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		5,348.22
Bill	09/04/2018	12070	Larry Peterson	two meeetings with insurance agent	231 - Account...	250.00		5,598.22
Bill	09/15/2018	October...	Larry Peterson	October 2018	231 - Account...	400.00		5,998.22
Bill	10/04/2018	12068	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		6,048.22
Bill	10/15/2018	Nove...	Larry Peterson	November 2018	231 - Account...	400.00		6,448.22
Bill	11/02/2018	12082	Larry Peterson	811 Reports, fire extinguisher	231 - Account...	350.00		6,798.22
Bill	11/15/2018	Dece...	Larry Peterson	Dec 2018	231 - Account...	400.00		7,198.22
Bill	12/04/2018	12092	Larry Peterson	811 Sunshine Reports	231 - Account...	50.00		7,248.22
Bill	12/15/2018		Larry Peterson	Dec 2012	231 - Account...	400.00		7,648.22
Total Monitoring Service						7,648.22	0.00	7,648.22
Office Expense								0.00
General Journal	01/31/2018	627		I/C TRG - Office Services	Salaries	167.00		167.00
General Journal	01/31/2018	627		I/C TRG - Office Supplies	Salaries	46.00		213.00
General Journal	02/28/2018	628		I/C TRG - Office Services	Salaries	167.00		380.00
General Journal	02/28/2018	628		I/C TRG - Office Supplies	Salaries	46.00		426.00
General Journal	03/31/2018	629		I/C TRG - Office Services	Salaries	167.00		593.00
General Journal	03/31/2018	629		I/C TRG - Office Supplies	Salaries	46.00		639.00
General Journal	04/30/2018	630		I/C TRG - Office Services	Salaries	167.00		806.00
General Journal	04/30/2018	630		I/C TRG - Office Supplies	Salaries	46.00		852.00
General Journal	05/31/2018	631		I/C TRG - Office Services	Salaries	167.00		1,019.00
General Journal	05/31/2018	631		I/C TRG - Office Supplies	Salaries	46.00		1,065.00
General Journal	06/30/2018	632		I/C TRG - Office Services	Salaries	167.00		1,232.00
General Journal	06/30/2018	632		I/C TRG - Office Supplies	Salaries	46.00		1,278.00
General Journal	07/31/2018	633		I/C TRG - Office Services	Salaries	167.00		1,445.00
General Journal	07/31/2018	633		I/C TRG - Office Supplies	Salaries	46.00		1,491.00
General Journal	08/31/2018	634		I/C TRG - Office Services	Salaries	167.00		1,658.00
General Journal	08/31/2018	634		I/C TRG - Office Supplies	Salaries	46.00		1,704.00
General Journal	09/30/2018	635		I/C TRG - Office Services	Salaries	167.00		1,871.00
General Journal	09/30/2018	635		I/C TRG - Office Supplies	Salaries	46.00		1,917.00
General Journal	10/31/2018	636		I/C TRG - Office Services	Salaries	167.00		2,084.00
General Journal	10/31/2018	636		I/C TRG - Office Supplies	Salaries	46.00		2,130.00
General Journal	11/30/2018	637		I/C TRG - Office Services	Salaries	167.00		2,297.00
General Journal	11/30/2018	637		I/C TRG - Office Supplies	Salaries	46.00		2,343.00
General Journal	12/31/2018	638		I/C TRG - Office Services	Salaries	167.00		2,510.00
General Journal	12/31/2018	638		I/C TRG - Office Supplies	Salaries	46.00		2,556.00

11:37 AM

07/31/19

Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of December 31, 2018

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Rent								
								0.00
General Journal	01/31/2018	627		I/C TRG - Rent Expense	Salaries	2,024.00		2,024.00
General Journal	02/28/2018	628		I/C TRG - Rent Expense	Salaries	2,024.00		4,048.00
General Journal	03/31/2018	629		I/C TRG - Rent Expense	Salaries	2,024.00		6,072.00
General Journal	04/30/2018	630		I/C TRG - Rent Expense	Salaries	2,024.00		8,096.00
General Journal	05/31/2018	631		I/C TRG - Rent Expense	Salaries	2,024.00		10,120.00
General Journal	06/30/2018	632		I/C TRG - Rent Expense	Salaries	2,024.00		12,144.00
General Journal	07/31/2018	633		I/C TRG - Rent Expense	Salaries	2,024.00		14,168.00
General Journal	08/31/2018	634		I/C TRG - Rent Expense	Salaries	2,024.00		16,192.00
General Journal	09/30/2018	635		I/C TRG - Rent Expense	Salaries	2,024.00		18,216.00
General Journal	10/31/2018	636		I/C TRG - Rent Expense	Salaries	2,024.00		20,240.00
General Journal	11/30/2018	637		I/C TRG - Rent Expense	Salaries	2,024.00		22,264.00
General Journal	12/31/2018	638		I/C TRG - Rent Expense	Salaries	2,024.00		24,288.00
General Journal	12/31/2018	608		True up 2018 alloc I/C TRG Rent Expense	Salaries	672.00		24,960.00
Total Rent						24,960.00	0.00	24,960.00
Repairs								
Computer Repairs								
								0.00
General Journal	01/31/2018	627		I/C TRG - Computer Services	Salaries	125.00		125.00
General Journal	02/28/2018	628		I/C TRG - Computer Services	Salaries	125.00		250.00
General Journal	03/31/2018	629		I/C TRG - Computer Services	Salaries	125.00		375.00
General Journal	04/30/2018	630		I/C TRG - Computer Services	Salaries	125.00		500.00
General Journal	05/31/2018	631		I/C TRG - Computer Services	Salaries	125.00		625.00
General Journal	06/30/2018	632		I/C TRG - Computer Services	Salaries	125.00		750.00
General Journal	07/31/2018	633		I/C TRG - Computer Services	Salaries	125.00		875.00
General Journal	08/31/2018	634		I/C TRG - Computer Services	Salaries	125.00		1,000.00
General Journal	09/30/2018	635		I/C TRG - Computer Services	Salaries	125.00		1,125.00
General Journal	10/31/2018	636		I/C TRG - Computer Services	Salaries	125.00		1,250.00
General Journal	11/30/2018	637		I/C TRG - Computer Services	Salaries	125.00		1,375.00
General Journal	12/31/2018	638		I/C TRG - Computer Services	Salaries	125.00		1,500.00
General Journal	12/31/2018	608		True up 2018 alloc I/C TRG Computer Expense	Salaries	2,092.00		3,592.00
Total Computer Repairs						3,592.00	0.00	3,592.00
Equipment Repairs								
Bill	04/23/2018	03161...	Szoke Power Systems, Inc.	Repair damage caused by power surge on elect...	231 - Account...	4,398.74		4,398.74
Bill	06/03/2018	12054	Larry Peterson	fire alarm issues	231 - Account...	175.00		4,573.74
Bill	07/02/2018	12060	Larry Peterson	Testing Back-flow preventer	231 - Account...	150.00		4,723.74
Bill	07/30/2018	12065	Larry Peterson	Testing Back-flow preventer	231 - Account...	425.00		5,148.74
Bill	08/06/2018	22218...	W.W. Gay Fire & Integrated Systems, Inc.	Repaired 2 inch underground leak on discharge...	231 - Account...	5,609.27		10,758.01
Bill	08/08/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.	Replace valve and sensing line for 6". Blackflo...	231 - Account...	1,371.00		12,129.01
Bill	09/04/2018	12070	Larry Peterson	pipe break at pump house	231 - Account...	4,650.00		16,779.01
Total Equipment Repairs						16,779.01	0.00	16,779.01
Total Repairs						20,371.01	0.00	20,371.01
Taxes								
Other								
Bill	07/17/2018	2018-...	Michael Corrigan, Tax Collector	2018-19 Business Tax	231 - Account...	787.50		787.50
Total Other						787.50	0.00	787.50

1:53 PM
 07/31/19
 Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of June 30, 2019

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Equipment Repairs								
Bill	01/22/2019	22025...	W.W. Gay Fire & Integrated Systems, Inc.	01/18/2019 - off hours labor for possible undergr...	231 - Account...	1,116.00		0.00
Bill	02/20/2019	306399	W.W. Gay Fire & Integrated Systems, Inc.	1/19/2019 - Repaired 2 domestic cold watermai...	231 - Account...	1,171.64		1,116.00
Bill	02/20/2019	306399	W.W. Gay Mechanical Contractor Inc	1/19/2019 - Repaired 2 domestic cold watermai...	231 - Account...	1,171.64		2,287.64
Deposit	02/27/2019	7007	W.W. Gay Fire & Integrated Systems, Inc.	payment refund - inv 220259-1 / 231699-Feb	Checking - W...		1,853.00	3,459.28
Bill	03/21/2019	307975	W.W. Gay Fire & Integrated Systems, Inc.	1/24/19 Repaired Leak in Parking Lot	231 - Account...	0.00		1,606.28
Bill	03/26/2019	22044...	W.W. Gay Fire & Integrated Systems, Inc.	2/25/2019 Repacked fire pump, replaced swing ...	231 - Account...	3,992.70		1,606.28
Deposit	03/29/2019		W.W. Gay Fire & Integrated Systems, Inc.	WW Gay payment refund - inv306399	Checking - W...		1,171.64	5,598.98
Bill	04/09/2019	22025...	W.W. Gay Fire & Integrated Systems, Inc.	01/18/2019 - off hours labor for possible undergr...	231 - Account...	1,116.00		4,427.34
Bill	05/29/2019	05291...	Szoke Power Systems, Inc.	Inspect transfer switch	231 - Account...	532.26		5,543.34
Bill	06/05/2019	307975	W.W. Gay Mechanical Contractor Inc	1/24/19 Repaired leak in parking lot.	231 - Account...	2,373.70		6,075.60
Bill	06/07/2019	25482...	W.W. Gay Fire & Integrated Systems, Inc.	Replace fire pump controller	231 - Account...	26,000.00		8,449.30
Deposit	06/20/2019	10338...	Sedgwick Claims Management	Pump replacement	Checking - W...		23,500.00	34,449.30
Total Equipment Repairs						37,473.94	26,524.64	10,949.30
Pipes & Meters Repairs								
Bill	01/25/2019	1540	Tom's Asphalt Repairs, Inc.	Replace asphalt from water damage in parking lot	231 - Account...	750.00		0.00
Bill	02/01/2019	12099	Larry Peterson	2 Water breaks	231 - Account...	2,000.00		750.00
Total Pipes & Meters Repairs						2,750.00	0.00	2,750.00
Total Repairs						41,148.94	26,524.64	14,624.30
Taxes								
PSC Regulated Taxes								
Bill	02/22/2019	2018 ...	Florida Public Service Commission	2018 Small Wasterwater Assessment	231 - Account...	3,616.74		0.00
Bill	02/22/2019	2018 ...	Florida Public Service Commission	2018 Small Water Assessment	231 - Account...	7,032.00		0.00
Total PSC Regulated Taxes						10,648.74	0.00	10,648.74
Total Taxes						10,648.74	0.00	10,648.74
Telephone								
General Journal	01/31/2019	655		I/C TRG - Telephone Expense	Salaries	133.00		0.00
General Journal	02/28/2019	656		I/C TRG - Telephone Expense	Salaries	133.00		133.00
General Journal	03/30/2019	657		I/C TRG - Telephone Expense	Salaries	133.00		266.00
General Journal	04/30/2019	658		I/C TRG - Telephone Expense	Salaries	133.00		399.00
General Journal	05/31/2019	659		I/C TRG - Telephone Expense	Salaries	133.00		532.00
General Journal	06/29/2019	660		I/C TRG - Telephone Expense	Salaries	133.00		665.00
Total Telephone						798.00	0.00	798.00
TOTAL						581,923.65	581,923.65	0.00

Regency Utilities
 Depreciation Worksheet for 2018 PSC annual report

TAX DEPRECIATION

PSC DEPRECIATION

W-1 Water Assets	Cost	TAX DEPRECIATION			Depr Balance	PSC DEPRECIATION						
		Pr Yr Accum Depr	Cr Yr Tax Depr	Total Accum Depr		PSC Cost	PSC Rates	PSC Accum Depr 12/31/17	Cr Yr PSC Depr	Total PSC Accum Depr	Depr Balance	Mo Depr
304 - Structure and Imp						285,388	3.70%	(248,903)	(10,559.28)	(280,462)	24,924	(879.94)
307 - Wells						195,402	3.70%	(169,100)	(7,229.87)	(176,330)	19,072	(602.49)
309 - Supply Mains						16,090	3.13%	(10,471)	(503.62)	(10,974)	5,116	(41.97)
310 - Power Generation Equip						58,707	5.86%	(58,707)	-	(58,707)	-	-
311.1 - Pumping Equipment						185,199	6.67%	(185,199)	-	(185,199)	-	-
320 - Water Treatment Equip						15,818	5.88%	(15,818)	-	(15,818)	(0)	-
330 - Dist Reservoirs & Standpipes Pumping Equip						153,890	3.03%	(110,355)	(4,662.87)	(115,018)	38,872	(388.57)
						910,492		(799,553)	(22,955.64)	(822,509)	87,983	(1,912.97)
#331 Supply Mains	21,980	(16,858)	(440)	(17,298)	4,682	21,980	2.63%	(19,068)	(578.00)	(19,646)	2,334	(48.17)
#333 Services	148,540	(118,314)	(477)	(118,791)	29,749	148,540	2.86%	(135,707)	(4,248.24)	(139,956)	8,584	(354.02)
#334 Meters & Install	51,095	(29,612)	(1,102)	(30,714)	20,381	51,095	5.88%	(51,095)	-	(51,095)	-	-
#335 Hydrants	10,786	(10,784)	-	(10,784)	2	10,786	2.50%	(10,786)	-	(10,786)	-	-
#340 Office Equipment						373	6.67%	(373)	-	(373)	-	-
#301 Organization Cost						25,000	2.50%	(6,250)	(625.00)	(6,875)	18,125	(52.08)
Old Assets		0										
		(11,400)		(11,400)								
	232,401	(186,968)	(2,019)	(188,987)	54,814	257,774		(223,280)	(5,451.25)	(228,731)	29,043	(454.27)
Total Water Assets	232,401	(186,968)	(2,019)	(188,987)	54,814	1,168,266		(1,022,833)	(28,406.89)	(1,051,240)	117,026	(2,367.24)
	(W-1)	(W-2)	(W-2)	(W-2)		(W-1)		(W-2)	(W-2)	(W-2)		
S-1 Waste Water Assets												
#360 Sewers-Force	30,260	(28,415)	(618)	(29,033)	1,227	30,260	2.50%	(30,214)	(46.00)	(30,260)	-	(3.83)
#363 Svc to Customers	6,682	(4,974)	(267)	(5,241)	1,441	6,682	2.88%	(3,988)	(191.11)	(4,179)	2,503	(15.93)
#389 Office Equipment						373	6.67%	(373)	-	(373)	-	-
#351 Organization Cost Adjustment for 2013						25,000	2.50%	(6,250)	(625.00)	(6,875)	18,125	(52.08)
Total Waste Water Assets	36,942	(33,389)	(885)	(34,274)	2,668	62,315		(40,825)	(862.11)	(41,687)	20,628	(71.84)
	(S-1)	(S-2)	(S-2)	(S-2)				(S-2)	(S-2)	(S-2)		
TOTALS	269,343	(220,357)	(2,904)	(223,261)	57,482	1,230,581		(1,063,658)	(29,268.99)	(1,092,927)	137,654	(2,439.08)
	(F-4)			(F-4)		(S-1)		(S-2)	(S-2)	(S-2)	(F-4)	

Barniv L. ...

2-2

Assets per Tax Schedule

	Assets per Tax Schedule	Accum Depr per Tax Schedule
Fire Protection		
Water Assets	232,401	(188,987)
Sewer Assets	36,942	(34,274)
	<u>269,343</u>	<u>(223,261)</u>
SARC Asset Total	1,230,581	(1,092,927)
Variance	(981,238)	869,668
Fire Protection	910,492	(822,509)
Office Equip & Org Cost	50,746	(14,496)
#331 Supply Mains		(2,348)
#333 Services		(21,165)
#334 Meters & Install		(20,381)
Old Assets		11,400
#360 Sewers-Force		(1,227)
#363 Svc to Customers		1,062

29,270 Book
 2904 tax
 26,366 m-1

2018 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Code	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	WW GAY REWORK SERVICES IN EAST	03/30/93	150DE	20.00		16	136,612.		#333	200	136,612.	109,466.		0.	109,466.
2	BELK EXPANSION (1 FIRE 1/4")	05/03/99	SL	25.00		16	9,515.		} 148,540		9,515.	7,095.	477	381.	7,476.
3	MALL (AUNTI ANN) 3/4"	07/15/99	SL	25.00		16	937.				937.	684.		37.	721.
4	MALL (WILSONS LEATHER) 1" 2	11/24/99	SL	25.00		16	1,476.				1,476.	1,069.		59.	1,128.
5	METERS 0 1979 ADDITIONS	01/01/70	SL	50.00	MM	16	11,621.				11,621.	11,149.		232.	11,381.
6	TWO 530 METERS - DAVIS SUPPLY	01/01/72	SL	50.00	MM	16	71.				71.	59.		1.	60.
7	DAVIS METER - 1974 ADDITION	01/01/74	SL	50.00	MM	16	40.				40.	38.		1.	39.
8	DAVIS METER 1975 ADDITION	01/01/75	SL	50.00	MM	16	107.				107.	90.		2.	92.
9	DAVIS METER - 1977 ADDITION	01/01/77	SL	40.00	MM	16	284.				284.	283.		0.	283.
10	INTERSTATE METER - 2"	01/01/78	SL	40.00	MM	16	363.				363.	362.		0.	362.
11	METER CONTRIBUTIONS	07/01/81	SL	15.00		16	1,799.				1,799.	1,799.		0.	1,799.
12	CIAD ADDED BACK IN PRIOR LENSECRAFTERS - NEW 1 1/2 METER	12/31/82	SL	5.00		16	11,746.				11,746.	11,746.		0.	11,746.
13	MAISON BLANCHE - REPLACE 1 1/2 " METER	09/14/88	150DE	20.00		16	430.				430.	363.		0.	363.
14	WALGREENS NEW 1/1/2 " METER	12/31/88	150DE	20.00		16	413.				413.	350.		0.	350.
15	NICKLES AND DIMES NEW 5/8" METER	03/09/89	150DE	20.00		16	408.				408.	340.		0.	340.
16	TAPE WORLD 5/8 " METER	04/18/89	150DE	20.00		16	31.				31.	25.		0.	25.
17	CHICK-FIL-A	07/27/89	150DE	20.00		16	62.				62.	51.		0.	51.
18		10/22/89	150DE	5.00		16	127.				127.			0.	

IN. 10/1/18

2018 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

OTHER

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
19	STATE FARM UNIT	10/01/89	150DB	20.00		16	66.				66.	54.		0.	54.
20	D ALTOS PIZZA	01/30/90	150DB	20.00		16	48.				48.	40.		0.	40.
21	BODY SHOP INSTALL	01/30/90	150DB	20.00		16	10.				10.	6.		0.	6.
22	ST. VINCENTS AMBULATORY 1" METER	03/06/90	150DB	20.00		16	107.				107.	88.		0.	88.
23	MCDONALDS 1 1/2 " METER	05/16/90	150DB	20.00		16	256.				256.	210.		0.	210.
24	PICADILY 1 1/2 " METER	08/20/90	150DB	20.00		16	605.				605.	497.		0.	497.
25	PEKING ENTREE 5/8"	09/28/90	150DB	20.00		16	38.				38.	32.		0.	32.
26	HAR BLOCK 5/8"	12/04/90	150DB	20.00		16	41.				41.	35.		0.	35.
27	LIMITED DANCE 1"	12/04/90	150DB	20.00		16	68.				68.	55.		0.	55.
28	UNKNOWN NAME	06/08/92	200DB	7.00		16	48.				48.	33.		0.	33.
29	ATRIUM II CONSTRUCTION 5/8"	12/07/94	200DB	7.00		16	40.				40.	16.		0.	16.
30	2001 ADDITIONS	06/30/01	SL	25.00		16	18,060.				18,060.	11,387.		722.	12,109.
31	MOORE PIPE & SPRINKLER	08/31/79	SL	50.00		16	16,103.				16,103.	12,345.		322.	12,667.
32	MOORE PIPE & SPRINKLER	09/01/79	SL	50.00		16	5,877.				5,877.	4,513.		118.	4,631.
33	BELK EXPANSION	05/03/99	SL	25.00		16	6,682.				6,682.	4,974.		267.	5,241.
34	SHOPPING CENTER	01/01/72	SL	49.00		16	30,260.				30,260.	28,415.		618.	29,033.
35	25 WATER METERS	11/22/08	SL	25.00		16	2,850.				2,850.	1,036.		114.	1,150.
36	3" WATER METER	08/12/09	SL	25.00		16	740.				740.	252.		30.	282.

#331 supply main sewer assets

440 ✓

Regency Utilities, Inc.
Balance Sheet
 As of December 31, 2018

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
Checking - Wells Fargo	40,825.73
Total Checking/Savings	40,825.73
Accounts Receivable	
141 - Accounts Receivable	8,552.62
Total Accounts Receivable	8,552.62
Total Current Assets	49,378.35
Fixed Assets	
Utility Plant in Service	
Water Assets	
301 - Organization	25,000.00
304 - Structure and Improvements	285,386.00
307 - Wells	195,402.00
309 - Supply Mains	16,090.00
310 - Power Generation Equipment	58,707.00
311 - Pumping Equipment	185,199.00
320 - Water Treatment Equipment	15,818.00
330 - Dist Reservoirs & Standpipes	153,890.00
331 - Trans & Dist Mains	21,980.00
333 - Services	148,540.00
334 - Meters & Installation	51,095.00
335 - Hydrants	10,786.00
340 - Office Equipment	373.00
Total Water Assets	1,168,266.00
Water Depreciation	
301.2 - Accum Depr - Organization	-6,875.00
304.2 - Accum Depr-Structures & Imp	-260,466.00
307.2 - Accum Depr - Wells	-176,331.00
309.2 - Accum Depr - Supply Mains	-10,973.00
310.2 - Accum Depr - Power Gen. Equip	-58,707.00
311.2 - Accum Depr - Pumping Equip	-185,199.00
320.2 - Accum Depr - Water Treat Equip	-15,818.00
330.2 - Accum Depr - Distr Reservoirs	-115,019.00
331.2 - Accum Depr - Trans & Distr Main	-19,646.00
333.2 - Accum Depr - Services	-139,954.00
334.2 - Accum Depr - Meters & Install	-51,095.00
335.2 - Accum Depr - Hydrants	-10,786.00
340.2 - Accum Depr - Office Equip	-373.00
Total Water Depreciation	-1,051,242.00
Waste Water Assets	
351 - Organization	25,000.00
361 - Collection Sewers - Gravity	30,260.00
363 - Services to Customers	6,682.00
390 - Office Equipment	373.00
Total Waste Water Assets	62,315.00

11:38 AM
07/31/19
Accrual Basis

Regency Utilities, Inc.
Balance Sheet
As of December 31, 2018

	<u>Dec 31, 18</u>
Waste Water Depreciation	
351.2 · Accum Depr - Organization	-6,875.00
361.2 · Accum Depr - Coll Sewers Grav	-30,260.00
363.2 · Accum Depr - Services to Cust	-4,178.00
390.2 · Accum Depr - Office Equip	-373.00
	<hr/>
Total Waste Water Depreciation	-41,686.00
	<hr/>
Total Utility Plant in Service	137,653.00
	<hr/>
Total Fixed Assets	137,653.00
	<hr/>
TOTAL ASSETS	187,031.35
	<hr/> <hr/>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 · Accounts Payable	9,819.85
	<hr/>
Total Accounts Payable	9,819.85
	<hr/>
Other Current Liabilities	
Intercompany - TRG	874,512.81
	<hr/>
Total Other Current Liabilities	874,512.81
	<hr/>
Total Current Liabilities	884,332.66
	<hr/>
Long Term Liabilities	
CIAC - Water	
CIAC - Water	21,980.00
CIAC Amort - Water	-21,980.00
	<hr/>
Total CIAC - Water	0.00
	<hr/>
CIAC - Wastewater	
CIAC - Sewer	30,260.00
CIAC Amort - Wastewater	-30,260.00
	<hr/>
Total CIAC - Wastewater	0.00
	<hr/>
235 · Customer Deposits	6,396.44
	<hr/>
Total Long Term Liabilities	6,396.44
	<hr/>
Total Liabilities	890,729.10
	<hr/>
Equity	
300 · PSC SARC Adjustment	-112,347.52
201 · Capital Stock	500.00
211 · APIC	1,480,300.00
211.1 · APIC - FPA	482,233.00
215 · Distributions	-3,865,872.57
215.1 · Retained Earnings	1,390,268.87
Net Income	-78,779.53
	<hr/>
Total Equity	-703,697.75
	<hr/>
TOTAL LIABILITIES & EQUITY	187,031.35
	<hr/> <hr/>

1:52 PM

07/31/19

Accrual Basis

Regency Utilities, Inc.
Balance Sheet
As of June 30, 2019

	Jun 30, 19
ASSETS	
Current Assets	
Checking/Savings	
Checking - Wells Fargo	49,088.34
Total Checking/Savings	49,088.34
Accounts Receivable	
141 - Accounts Receivable	5,922.08
Total Accounts Receivable	5,922.08
Total Current Assets	55,010.42
Fixed Assets	
Utility Plant in Service	
Water Assets	
301 - Organization	25,000.00
304 - Structure and Improvements	285,386.00
307 - Wells	195,402.00
309 - Supply Mains	16,090.00
310 - Power Generation Equipment	58,707.00
311 - Pumping Equipment	185,199.00
320 - Water Treatment Equipment	15,818.00
330 - Dist Reservoirs & Standpipes	153,890.00
331 - Trans & Dist Mains	21,980.00
333 - Services	148,540.00
334 - Meters & Installation	51,095.00
335 - Hydrants	10,786.00
340 - Office Equipment	373.00
Total Water Assets	1,168,266.00
Water Depreciation	
301.2 - Accum Depr - Organization	-6,875.00
304.2 - Accum Depr - Structures & Imp	-260,466.00
307.2 - Accum Depr - Wells	-176,331.00
309.2 - Accum Depr - Supply Mains	-10,973.00
310.2 - Accum Depr - Power Gen. Equip	-58,707.00
311.2 - Accum Depr - Pumping Equip	-185,199.00
320.2 - Accum Depr - Water Treat Equip	-15,818.00
330.2 - Accum Depr - Distr Reservoirs	-115,019.00
331.2 - Accum Depr - Trans & Distr Main	-19,646.00
333.2 - Accum Depr - Services	-139,954.00
334.2 - Accum Depr - Meters & Install	-51,095.00
335.2 - Accum Depr - Hydrants	-10,786.00
340.2 - Accum Depr - Office Equip	-373.00
Total Water Depreciation	-1,051,242.00
Waste Water Assets	
351 - Organization	25,000.00
361 - Collection Sewers - Gravity	30,260.00
363 - Services to Customers	6,682.00
390 - Office Equipment	373.00
Total Waste Water Assets	62,315.00

1:52 PM
07/31/19
Accrual Basis

Regency Utilities, Inc.
Balance Sheet
As of June 30, 2019

	<u>Jun 30, 19</u>
Waste Water Depreciation	
351.2 · Accum Depr - Organization	-6,875.00
361.2 · Accum Depr - Coll Sewers Grav	-30,260.00
363.2 · Accum Depr - Services to Cust	-4,178.00
390.2 · Accum Depr - Office Equip	-373.00
Total Waste Water Depreciation	<u>-41,686.00</u>
Total Utility Plant In Service	<u>137,653.00</u>
Total Fixed Assets	<u>137,653.00</u>
TOTAL ASSETS	<u><u>192,663.42</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 · Accounts Payable	12,631.22
Total Accounts Payable	<u>12,631.22</u>
Other Current Liabilities	
Intercompany - TRG	903,355.87
Total Other Current Liabilities	<u>903,355.87</u>
Total Current Liabilities	<u>915,987.09</u>
Long Term Liabilities	
CIAC - Water	
CIAC - Water	21,980.00
CIAC Amort - Water	-21,980.00
Total CIAC - Water	<u>0.00</u>
CIAC - Wastewater	
CIAC - Sewer	30,260.00
CIAC Amort - Wastewater	-30,260.00
Total CIAC - Wastewater	<u>0.00</u>
235 · Customer Deposits	7,183.59
Total Long Term Liabilities	<u>7,183.59</u>
Total Liabilities	<u>923,170.68</u>
Equity	
300 · PSC SARC Adjustment	-112,347.52
201 · Capital Stock	500.00
211 · APIC	1,480,300.00
211.1 · APIC - FPA	482,233.00
215 · Distributions	-3,865,872.57
215.1 · Retained Earnings	1,311,489.34
Net Income	-26,809.51
Total Equity	<u>-730,507.26</u>
TOTAL LIABILITIES & EQUITY	<u><u>192,663.42</u></u>

11:37 AM

07/31/19

Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of December 31, 2018

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Deposit	11/29/2018		QuikWater	Deposit	Checking - W...		390.99	8,172.66
General Journal	12/01/2018	621	QuikWater	Dec 2018 QW Revenue - Nov 2018 readings	-SPLIT-	19,178.05		27,350.71
Deposit	12/04/2018		QuikWater	Deposit	Checking - W...		301.74	27,048.97
Deposit	12/10/2018		QuikWater	Deposit	Checking - W...		1,482.79	25,566.18
Deposit	12/11/2018		QuikWater	Deposit	Checking - W...		2,648.76	22,917.42
Deposit	12/12/2018		QuikWater	Deposit	Checking - W...		972.82	21,944.60
Deposit	12/14/2018		QuikWater	Deposit	Checking - W...		1,735.17	20,209.43
Deposit	12/17/2018		QuikWater	Deposit	Checking - W...		10,204.31	10,005.12
Deposit	12/19/2018		QuikWater	Deposit	Checking - W...		1,328.03	8,677.09
Deposit	12/26/2018		QuikWater	Deposit	Checking - W...		124.47	8,552.62
Total 141 - Accounts Receivable						250,969.08	246,659.59	8,552.62
Utility Plant in Service								166,923.00
Water Assets								1,168,266.00
301 - Organization								25,000.00
Total 301 - Organization								25,000.00
304 - Structure and Improvements								285,386.00
Total 304 - Structure and Improvements								285,386.00
307 - Wells								195,402.00
Total 307 - Wells								195,402.00
309 - Supply Mains								16,090.00
Total 309 - Supply Mains								16,090.00
310 - Power Generation Equipment								58,707.00
Total 310 - Power Generation Equipment								58,707.00
311 - Pumping Equipment								185,199.00
Total 311 - Pumping Equipment								185,199.00
320 - Water Treatment Equipment								15,818.00
Total 320 - Water Treatment Equipment								15,818.00
330 - Dist Reservoirs & Standpipes								153,890.00
Total 330 - Dist Reservoirs & Standpipes								153,890.00
331 - Trans & Dist Mains								21,980.00
Total 331 - Trans & Dist Mains								21,980.00
333 - Services								148,540.00
Total 333 - Services								148,540.00
334 - Meters & Installation								51,095.00
Total 334 - Meters & Installation								51,095.00
335 - Hydrants								10,786.00
Total 335 - Hydrants								10,786.00
340 - Office Equipment								373.00
Total 340 - Office Equipment								373.00
Total Water Assets								1,168,266.00

11:37 AM
 07/31/19
 Accrual Basis

Regency Utilities, Inc.
 General Ledger
 As of December 31, 2018

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Water Depreciation								-1,022,834.00
301.2 · Accum Depr - Organization								-6,250.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		625.00	-6,875.00
Total 301.2 · Accum Depr - Organization						0.00	625.00	-6,875.00
304.2 · Accum Depr-Structures & Imp								-249,906.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		10,560.00	-260,466.00
Total 304.2 · Accum Depr-Structures & Imp						0.00	10,560.00	-260,466.00
307.2 · Accum Depr - Wells								-169,101.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		7,230.00	-176,331.00
Total 307.2 · Accum Depr - Wells						0.00	7,230.00	-176,331.00
309.2 · Accum Depr - Supply Mains								-10,469.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		504.00	-10,973.00
Total 309.2 · Accum Depr - Supply Mains						0.00	504.00	-10,973.00
310.2 · Accum Depr - Power Gen. Equip								-58,707.00
Total 310.2 · Accum Depr - Power Gen. Equip								-58,707.00
311.2 · Accum Depr - Pumping Equip								-185,199.00
Total 311.2 · Accum Depr - Pumping Equip								-185,199.00
320.2 · Accum Depr - Water Treat Equip								-15,818.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...	0.00		-15,818.00
Total 320.2 · Accum Depr - Water Treat Equip						0.00	0.00	-15,818.00
330.2 · Accum Depr - Distr Reservoirs								-110,356.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		4,663.00	-115,019.00
Total 330.2 · Accum Depr - Distr Reservoirs						0.00	4,663.00	-115,019.00
331.2 · Accum Depr - Trans & Distr Main								-19,068.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		578.00	-19,646.00
Total 331.2 · Accum Depr - Trans & Distr Main						0.00	578.00	-19,646.00
333.2 · Accum Depr - Services								-135,706.00
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Water Assets	Fire Protection...		4,248.00	-139,954.00
Total 333.2 · Accum Depr - Services						0.00	4,248.00	-139,954.00
334.2 · Accum Depr - Meters & Install								-51,095.00
Total 334.2 · Accum Depr - Meters & Install								-51,095.00
335.2 · Accum Depr - Hydrants								-10,786.00
Total 335.2 · Accum Depr - Hydrants								-10,786.00
340.2 · Accum Depr - Office Equip								-373.00
Total 340.2 · Accum Depr - Office Equip								-373.00
Total Water Depreciation						0.00	28,408.00	-1,051,242.00

11:37 AM
07/31/19
Accrual Basis

Regency Utilities, Inc.
General Ledger
As of December 31, 2018

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance		
								62,315.00		
Waste Water Assets								25,000.00		
351 - Organization								25,000.00		
Total 351 - Organization										
361 - Collection Sewers - Gravity								30,260.00		
Total 361 - Collection Sewers - Gravity								30,260.00		
363 - Services to Customers								6,682.00		
Total 363 - Services to Customers								6,682.00		
390 - Office Equipment								373.00		
Total 390 - Office Equipment								373.00		
Total Waste Water Assets								62,315.00		
Waste Water Depreciation								-40,824.00		
351.2 - Accum Depr - Organization								-6,250.00		
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Sewer Assets	Fire Protection...		625.00	-6,875.00		
Total 351.2 - Accum Depr - Organization								0.00	625.00	-6,875.00
361.2 - Accum Depr - Coll Sewers Grav								-30,214.00		
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Sewer Assets	Fire Protection...		46.00	-30,260.00		
Total 361.2 - Accum Depr - Coll Sewers Grav								0.00	46.00	-30,260.00
363.2 - Accum Depr - Services to Cust								-3,987.00		
General Journal	12/31/2018	639		Record PSC Depreciation Expense-Sewer Assets	Fire Protection...		191.00	-4,178.00		
Total 363.2 - Accum Depr - Services to Cust								0.00	191.00	-4,178.00
390.2 - Accum Depr - Office Equip								-373.00		
Total 390.2 - Accum Depr - Office Equip								-373.00		
Total Waste Water Depreciation								0.00	862.00	-41,686.00
Total Utility Plant in Service								0.00	29,270.00	137,653.00
231 - Accounts Payable								-8,951.33		
Bill	01/01/2018	Dece...	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 122017	Accrued Publi...		1,336.78	-10,288.11		
Bill	01/02/2018	8328	Larry Peterson	Consulting Service	Consulting		200.00	-10,488.11		
Bill	01/02/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.		Fire Protection...		737.00	-11,225.11		
Bill Pmt -Check	01/09/2018	5007	AT&T	904.721.7042 042 0564	Checking - W...	158.01		-11,067.10		
Bill Pmt -Check	01/09/2018	5008	JEA	5817234200	Checking - W...	7,993.32		-3,073.78		
Bill Pmt -Check	01/09/2018	5009	Larry Peterson	Regency Utilities	Checking - W...	200.00		-2,873.78		
Bill Pmt -Check	01/09/2018	5010	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 122017	Checking - W...	1,336.78		-1,537.00		
Bill	01/15/2018	Feb 2...	Larry Peterson	Monitoring Service	Monitoring Ser...		400.00	-1,937.00		
Bill	01/23/2018	strnt e...	AT&T	90472170420564	Alarm System		186.65	-2,123.65		
Bill	01/29/2018	01.29...	Lane Moon		Meter Reading		380.00	-2,503.65		
Bill Pmt -Check	01/29/2018	5011	Lane Moon	Regency Utilities	Checking - W...	380.00		-2,123.65		
Bill Pmt -Check	01/30/2018	5012	Larry Peterson	Regency Utilities	Checking - W...	400.00		-1,723.65		
Bill	01/30/2018	Janua...	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 01202018	Accrued Publi...		1,262.19	-2,985.84		
Bill	01/31/2018	01.25...	JEA	Acct Number 5817234200	Utility Cost		6,696.12	-9,681.96		
Bill	02/02/2018	12020	Larry Peterson	Monitoring Service	Monitoring Ser...		50.00	-9,731.96		
Bill	02/05/2018	23170...	W.W. Gay Fire & Integrated Systems, Inc.		Fire Protection...		737.00	-10,468.96		
Bill Pmt -Check	02/06/2018	5013	AT&T	904.721.7042 042 0564	Checking - W...	186.65		-10,282.31		
Bill Pmt -Check	02/06/2018	5014	KPMG LLP	04297	Checking - W...	800.00		-9,482.31		
Bill Pmt -Check	02/06/2018	5015	Larry Peterson	Regency Utilities	Checking - W...	50.00		-9,432.31		
Bill Pmt -Check	02/06/2018	5016	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 01202018	Checking - W...	1,262.19		-8,170.12		

1:53 PM

07/31/19

Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of June 30, 2019

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Deposit	05/13/2019		QuikWater	Deposit	Checking - W...		3,425.74	19,994.49
Deposit	05/15/2019		QuikWater	Deposit	Checking - W...		1,251.55	18,742.94
Deposit	05/17/2019		QuikWater	Deposit	Checking - W...		2,693.49	16,049.45
Deposit	05/20/2019		QuikWater	Deposit	Checking - W...		1,086.18	14,963.27
Deposit	05/28/2019		QuikWater	Deposit	Checking - W...		9,405.89	5,557.38
General Journal	06/01/2019	653	QuikWater	June 2019 QW Revenue - May 2019 readings	-SPLIT-	21,856.92		27,414.30
Deposit	06/04/2019		QuikWater	Deposit	Checking - W...		361.09	27,053.21
Deposit	06/06/2019		QuikWater	Deposit	Checking - W...		258.73	26,794.48
Deposit	06/10/2019		QuikWater	Deposit	Checking - W...		2,187.54	24,606.94
Deposit	06/12/2019		QuikWater	Deposit	Checking - W...		1,360.10	23,246.84
Deposit	06/14/2019		QuikWater	Deposit	Checking - W...		12,209.24	11,037.60
Deposit	06/17/2019		QuikWater	Deposit	Checking - W...		3,146.68	7,890.92
Deposit	06/20/2019		QuikWater	Deposit	Checking - W...		706.53	7,184.39
Deposit	06/24/2019		QuikWater	Deposit	Checking - W...		625.68	6,558.71
Deposit	06/26/2019		QuikWater	Deposit	Checking - W...		211.61	6,347.10
Deposit	06/28/2019		QuikWater	Deposit	Checking - W...		425.02	5,922.08
Total 141 · Accounts Receivable						119,572.27	122,202.81	5,922.08
Utility Plant in Service								137,653.00
Water Assets								1,168,266.00
301 · Organization								25,000.00
Total 301 · Organization								25,000.00
304 · Structure and Improvements								285,386.00
Total 304 · Structure and Improvements								285,386.00
307 · Wells								195,402.00
Total 307 · Wells								195,402.00
309 · Supply Mains								16,090.00
Total 309 · Supply Mains								16,090.00
310 · Power Generation Equipment								58,707.00
Total 310 · Power Generation Equipment								58,707.00
311 · Pumping Equipment								185,199.00
Total 311 · Pumping Equipment								185,199.00
320 · Water Treatment Equipment								15,818.00
Total 320 · Water Treatment Equipment								15,818.00
330 · Dist Reservoirs & Standpipes								153,890.00
Total 330 · Dist Reservoirs & Standpipes								153,890.00
331 · Trans & Dist Mains								21,980.00
Total 331 · Trans & Dist Mains								21,980.00
333 · Services								148,540.00
Total 333 · Services								148,540.00
334 · Meters & Installation								51,095.00
Total 334 · Meters & Installation								51,095.00
335 · Hydrants								10,786.00
Total 335 · Hydrants								10,786.00

1:53 PM

07/31/19

Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of June 30, 2019

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
340 · Office Equipment								373.00
Total 340 · Office Equipment								373.00
Total Water Assets								1,168,266.00
Water Depreciation								-1,051,242.00
301.2 · Accum Depr - Organization								-6,875.00
Total 301.2 · Accum Depr - Organization								-6,875.00
304.2 · Accum Depr-Structures & Imp								-260,466.00
Total 304.2 · Accum Depr-Structures & Imp								-260,466.00
307.2 · Accum Depr - Wells								-176,331.00
Total 307.2 · Accum Depr - Wells								-176,331.00
309.2 · Accum Depr - Supply Mains								-10,973.00
Total 309.2 · Accum Depr - Supply Mains								-10,973.00
310.2 · Accum Depr - Power Gen. Equip								-58,707.00
Total 310.2 · Accum Depr - Power Gen. Equip								-58,707.00
311.2 · Accum Depr - Pumping Equip								-185,199.00
Total 311.2 · Accum Depr - Pumping Equip								-185,199.00
320.2 · Accum Depr - Water Treat Equip								-15,818.00
Total 320.2 · Accum Depr - Water Treat Equip								-15,818.00
330.2 · Accum Depr - Distr Reservoirs								-115,019.00
Total 330.2 · Accum Depr - Distr Reservoirs								-115,019.00
331.2 · Accum Depr - Trans & Distr Main								-19,646.00
Total 331.2 · Accum Depr - Trans & Distr Main								-19,646.00
333.2 · Accum Depr - Services								-139,954.00
Total 333.2 · Accum Depr - Services								-139,954.00
334.2 · Accum Depr - Meters & Install								-51,095.00
Total 334.2 · Accum Depr - Meters & Install								-51,095.00
335.2 · Accum Depr - Hydrants								-10,786.00
Total 335.2 · Accum Depr - Hydrants								-10,786.00
340.2 · Accum Depr - Office Equip								-373.00
Total 340.2 · Accum Depr - Office Equip								-373.00
Total Water Depreciation								-1,051,242.00
Waste Water Assets								62,315.00
351 · Organization								25,000.00
Total 351 · Organization								25,000.00
361 · Collection Sewers - Gravity								30,260.00
Total 361 · Collection Sewers - Gravity								30,260.00
363 · Services to Customers								6,682.00
Total 363 · Services to Customers								6,682.00

1:53 PM

07/31/19

Accrual Basis

Regency Utilities, Inc.
General Ledger
 As of June 30, 2019

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
390 - Office Equipment								373.00
Total 390 - Office Equipment								373.00
Total Waste Water Assets								62,315.00
Waste Water Depreciation								-41,686.00
351.2 - Accum Depr - Organization								-6,875.00
Total 351.2 - Accum Depr - Organization								-6,875.00
361.2 - Accum Depr - Coll Sewers Grav								-30,260.00
Total 361.2 - Accum Depr - Coll Sewers Grav								-30,260.00
363.2 - Accum Depr - Services to Cust								-4,178.00
Total 363.2 - Accum Depr - Services to Cust								-4,178.00
390.2 - Accum Depr - Office Equip								-373.00
Total 390.2 - Accum Depr - Office Equip								-373.00
Total Waste Water Depreciation								-41,686.00
Total Utility Plant in Service								137,653.00
231 - Accounts Payable								-9,819.85
Bill	01/01/2019	Dece...	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 122018	Accrued Publi...		1,165.54	-10,985.39
Bill	01/02/2019	12097	Larry Peterson		Monitoring Ser...		50.00	-11,035.39
Bill	01/02/2019	23169...	W.W. Gay Fire & Integrated Systems, Inc.		Fire Protection...		737.00	-11,772.39
Bill Pmt -Check	01/08/2019	5102	JEA	5817234200	Checking - W...	9,637.87		-2,134.52
Bill Pmt -Check	01/08/2019	5103	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 122018	Checking - W...	1,165.54		-968.98
Bill	01/15/2019		Larry Peterson	Monitoring Service	Monitoring Ser...		400.00	-1,368.98
Bill Pmt -Check	01/15/2019	5104	AT&T	904.721.7042 042 0564	Checking - W...	181.98		-1,187.00
Bill Pmt -Check	01/22/2019	7003	W.W. Gay Fire & Integrated Systems, Inc.	Regency Utilities	Checking - W...	737.00		-450.00
Bill Pmt -Check	01/22/2019	5105	Larry Peterson	Regency Utilities	Checking - W...	450.00		0.00
Bill	01/22/2019	22025...	W.W. Gay Fire & Integrated Systems, Inc.	Cust #04297	Equipment Re...		1,116.00	-1,116.00
Bill	01/23/2019	stmt e...	AT&T	90472170420564	Alarm System		223.76	-1,339.76
Bill	01/25/2019	1540	Tom's Asphalt Repairs, Inc.	Asphalt repair at Regency Mall	Pipes & Meter...		750.00	-2,089.76
Bill	01/27/2019	1.27.19	Lane Moon	January 2019	Meter Reading		480.00	-2,569.76
Bill	01/28/2019	01.28....	JEA	Acct Number 5817234200	Utility Cost		7,009.13	-9,578.89
Bill Pmt -Check	01/29/2019	5106	Lane Moon	Regency Utilities	Checking - W...	480.00		-9,098.89
Bill Pmt -Check	01/29/2019	5107	Tom's Asphalt Repairs, Inc.	Regency Group	Checking - W...	750.00		-8,348.89
Bill	01/31/2019	Janua...	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 012019	Accrued Publi...		1,137.84	-9,486.73
Bill	02/01/2019	23169...	W.W. Gay Fire & Integrated Systems, Inc.		Fire Protection...		737.00	-10,223.73
Bill	02/01/2019	12099	Larry Peterson	Monitoring Service	-SPLIT-		2,225.00	-12,448.73
Bill Pmt -Check	02/05/2019	5108	Michael Corrigan, Tax Collector (PST)	PST #732; Tax Period: 012019	Checking - W...	1,137.84		-11,310.89
Bill Pmt -Check	02/11/2019	7004	AT&T	904.721.7042 042 0564	Checking - W...	223.76		-11,087.13
Bill Pmt -Check	02/11/2019	7005	JEA	5817234200	Checking - W...	7,009.13		-4,078.00
Bill Pmt -Check	02/11/2019	7006	Larry Peterson	Regency Utilities	Checking - W...	2,225.00		-1,853.00
Bill Pmt -Check	02/11/2019	7007	W.W. Gay Fire & Integrated Systems, Inc.	Regency Utilities	Checking - W...	1,853.00		0.00
Bill	02/15/2019		Larry Peterson	Monitoring Service	Monitoring Ser...		400.00	-400.00
Bill	02/20/2019	306399	W.W. Gay Fire & Integrated Systems, Inc.	Cust #05280	Equipment Re...		1,171.64	-1,571.64
Bill	02/20/2019	306399	W.W. Gay Mechanical Contractor Inc	Cust #05280	Equipment Re...		1,171.64	-2,743.28
Bill	02/22/2019	2018 ...	Florida Public Service Commission	2018 WS919-18-S-0-R	PSC Regulate...		3,616.74	-6,360.02
Bill	02/22/2019	2018 ...	Florida Public Service Commission	2018 WS919-18-W-0-R	PSC Regulate...		7,032.00	-13,392.02
Bill	02/23/2019	stmt e...	AT&T	90472170420564	Alarm System		207.56	-13,599.58
Bill Pmt -Check	02/26/2019	5109	Florida Public Service Commission		Checking - W...	10,648.74		-2,950.84
Bill	02/26/2019	2.26.19	Lane Moon	February 2019	Meter Reading		580.00	-3,530.84
Bill Pmt -Check	02/26/2019	5110	Lane Moon	Regency Utilities	Checking - W...	580.00		-2,950.84
Bill	02/27/2019	02.25....	JEA	Acct Number 5817234200	Utility Cost		7,850.89	-10,801.73
Bill Pmt -Check	02/28/2019	7008	Larry Peterson	Regency Utilities	Checking - W...	400.00		-10,401.73

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

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

Duval has obtained the tax returns from 2016 – 2018.

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

A statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years.

Regency Utilities, Inc. will pay the outstanding regulatory assessment fees for the period January through September 2019.

Duval Waterworks, Inc. is responsible for the 2019 Annual Report for the period of ownership and RAFs from the date of closing and subsequent years.

EXHIBIT R
Rule 25-30.037(2)(v)

If the buyer owns other water or wastewater utilities that are regulated by the Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

Below is a listing of other water and wastewater utilities regulated by the PSC by the majority shareholder of Duval Waterworks, Inc.

<u>Utility</u>	<u>Certificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S
HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W
Black Bear Waterworks, Inc.	654-W
Pine Harbour Waterworks, Inc.	450-W
Merritt Island Utility Company	137-S
Seminole Waterworks, Inc.	672-W
Gator Waterworks, Inc.	555-W
North Charlotte Waterworks, Inc.	Pending – Docket No. 20160058-WS
Royal Waterworks, Inc.	Pending – Docket No. 20190170-WS

The majority shareholder is also the majority shareholder of US Water Services Corporation (USWSC). The economies of scale exist by a sharing of administrative costs USWSC through the operation, maintenance, customers service, and management contracts. These administrative costs include management of the utilities, accounting services, regulatory compliance, administrative, etc. These costs are spread or allocated over all the customers of the regulated utilities on an ERC basis. As more utilities are acquired and more customers are added, these costs are thereby reduced. This results in lower Contractual Service expenses for the newly acquired utilities, including Duval. This economies of scale is achieved by directly lowering these administrative costs to all customers through the USWSC contracts.

EXHIBIT S
Rule 25-30.030

Provide proof of noticing pursuant to Rule 25-30.030, FAC.

To be provided late-filed.

Duval Waterworks Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652-3434

The Bank of Tampa
83-868/831

2000

10/23/2019

PAY TO THE ORDER OF Florida Public Service Commission

\$ **1,500.00

One Thousand Five Hundred and 00/100 ***** DOLLARS

PROTECTED AGAINST FRAUD



Florida Public Service Commission



MEMO

Transfer Application Fee



Duval Waterworks Inc.

2000

Florida Public Service Commission

10/23/2019

Transfer Fee
Transfer Fee

750.00
750.00

Checking - Bank of Ta Transfer Application Fee

1,500.00

Check received with filing and forwarded
to Fiscal for deposit. Fiscal to forward
deposit information to Records.

Initials of person who forwarded check:

MS
10/24