

YOUNG, VAN ASSENDERP & VARNADOE, P. A.  
ATTORNEYS AT LAW

REPLY TO:

R. BRUCE ANDERSON  
TASHA O. BUFORD  
DAVID B. ERWIN  
DAVID P. HOPSTETTER\*  
C. LAURENCE KEESEY  
ANDREW I. SOLIS  
KENZA VAN ASSENDERP  
GEORGE L. VARNADOE  
ROY C. YOUNG  
  
\*BOARD CERTIFIED REAL ESTATE LAWYER  
  
WILLIAM J. ROBERTS  
OF COUNSEL

May 8, 1997

990556-WS

GALLIE'S HALL  
225 SOUTH ADAMS STREET, SUITE 200  
POST OFFICE BOX 1833  
TALLAHASSEE, FLORIDA 32302-1833  
TELEPHONE (904) 222-7206  
TELECOMER (904) 561-6834  
  
SUNTRUST BUILDING  
801 LAUREL OAK DRIVE, SUITE 300  
POST OFFICE BOX 7907  
NAPLES, FLORIDA 34101-7907  
TELEPHONE (941) 597-2814  
TELECOMER (941) 597-1060

Check received with firm and  
immediately with the amount  
to the bank. The check  
to the bank who forwarded check:  
Initials of person who forwarded check:

Ms. Blanca Bayo  
Director, Records and Reporting  
Florida Public Service Commission  
2540 S. Sumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Petition for Approval of the Transfer of Controlling  
Stock Interest in Indiantown Company, Inc.

Dear Ms. Bayo:

Enclosed please find the original and five copies of the  
Petition for Approval of the Transfer of Controlling Stock  
Interest in a corporation holding the water and wastewater assets  
from Indiantown Company, Inc. to Postco, Inc., along with the  
stock purchase agreement and a detailed explanation of the  
transaction. Notice will be sent to the Board of County Commis-  
sioners of Martin County, other governmental agencies, nearby  
utilities, the Office of Public Counsel and subscribers. When  
notice has been accomplished, affidavits will be filed as late  
filed exhibits, as permitted.

Enclosed are two checks in the amount of \$1,500 each for the  
filing fee for the water system and the wastewater system.

Please note that the stock purchase agreement has not been  
signed by all of those who must sign. Some of the signing is  
taking place outside of the United States, and when the executed  
agreement is available, it will be filed.

Thank you for your attention to this filing. This is a  
relatively complicated transfer proceeding. If we have missed  
complying with one of the Commission's rules, or if something is  
not clear, we expect to supplement this filing and/or give an  
adequate explanation. As you can see, due to our desire to give

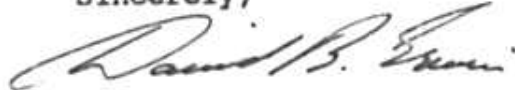
DOCUMENT NUMBER-DATE  
04662 MAY-95  
FPSC-RECORDS/REPORTING

Ms. Blanca Bayo  
May 8, 1997  
Page Two

you a comprehensive picture from the outset, we have attached an exhibit which explains the transaction.

Please call me if you have questions.

Sincerely,



David B. Erwin

DBE:akh  
Enclosures  
cc: Robert M. Post, Jr.

tih\its\bayo.M08

- B) The name, address and telephone number of the person to contact concerning this application:

David B. Erwin  
Name (904) 222-7206  
Phone No.

---

225 S. Adams Street, Suite 200  
Street address

---

Tallahassee, Florida 32301  
City State Zip Code

- C) The full name (as it appears on the certificate), address and telephone number of the buyer:

Postco, Inc.  
Name of utility

---

( 561 ) 597-3113 ( 561 ) 597-2115  
Phone No. Fax No.

---

15925 S. W. Warfield Blvd.  
Office street address

---

Indiantown, Florida 34956  
City State Zip Code

---

P. O. Box 277, Indiantown, Florida 34956  
Mailing address if different from street address

---

Internet address if applicable

- D) The name(s) and address(es) of all of the buyer's corporate officers, directors, partners and any other person(s) who will own an interest in the utility.

Robert M. Post, Jr.  
\_\_\_\_\_  
15925 S. W. Warfield Blvd.  
\_\_\_\_\_  
Indiantown, Florida 34956  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PART III NOTICE OF ACTUAL APPLICATION

- A) Exhibit LATE FILED - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:
- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
  - (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
  - (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
  - (4) the regional planning council;
  - (5) the Office of Public Counsel;
  - (6) the Public Service Commission's Director of Records and Reporting;
  - (7) the appropriate regional office of the Department of Environmental Protection; and
  - (8) the appropriate water management district. Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- B) Exhibit LATE FILED - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- C) Exhibit LATE FILED - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

PART VI AFFIDAVIT

I ROBERT M. POST, JR. (applicant) do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitute a complete statement of the matter to which it relates.

BY: *Robert M Post Jr*  
Applicant's Signature  
ROBERT M. POST, JR.  
Applicant's Name (Typed)  
PRESIDENT  
Applicant's Title \*

Subscribed and sworn to before me this 7th of May 1997.

*Joan Shevlin*  
Notary Public



STATE OF FLORIDA  
My Comm. Exp. 10/24/2000  
Bonded By Service Ins  
No. CC595681  
 Personally Known  Other I.D.

- \* If the applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If the applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

**APPLICATION FOR TRANSFER OF MAJORITY ORGANIZATIONAL CONTROL**

(Pursuant to Section 367.071, Florida Statutes)

TO: Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

The undersigned hereby makes application for the transfer of the majority organizational control of INDIANTOWN COMPANY, INC.  
a utility operating under Water Certificate No. 387-W and/or Wastewater Certificate No. 331-S located in Martin County, Florida, and submits the following information:

**PART I APPLICANT INFORMATION**

A) The full name (as it appears on the certificate), address and telephone number of the seller:

Indiantown Company, Inc.  
Name of utility  
( 561 ) 597-2121 ( 561 ) 597-2110  
Phone No. Fax No.  
West Farms Road  
Office street address  
Indiantown Florida 34956  
City State Zip Code  
P. O. Box 397, Indiantown, Florida 34956  
Mailing address if different from street address  
Internet address if applicable

PSC/WAW 15 (Rev. 8/95)

DOCUMENT NUMBER-DATE

04662 MAY-95

FPSC-RECORDS/REPORTING

- B) The name, address and telephone number of the person to contact concerning this application:

David B. Erwin (904) 222-7206  
Name Phone No.

225 S. Adams Street, Suite 200  
Street address

Tallahassee, Florida 32301  
City State Zip Code

- C) The full name (as it appears on the certificate), address and telephone number of the buyer:

Postco, Inc.  
Name of utility

( 561 ) 597-3113 ( 561 ) 597-2115  
Phone No. Fax No.

15925 S. W. Warfield Blvd.  
Office street address

Indiantown, Florida 34956  
City State Zip Code

P. O. Box 277, Indiantown, Florida 34956  
Mailing address if different from street address

Internet address if applicable

- D) The name(s) and address(es) of all of the buyer's corporate officers, directors, partners and any other person(s) who will own an interest in the utility.

Robert M. Post, Jr.  
15925 S. W. Warfield Blvd.  
Indiantown, Florida 34956

PART II FINANCIAL AND TECHNICAL INFORMATION

- A) Exhibit   A   - A statement by the buyer indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.
- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.
- None
- 
- C) Exhibit   B   - A copy of the purchase agreement.
- D) Exhibit   N/A   - A statement of how the buyer is financing the purchase. Robert M. Post, Jr. is paying cash for the stock being purchased.
- E) Exhibit   N/A   - A list of all entities, including affiliate which have provided or will provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility. There is no financing.
- F) Exhibit   A   - 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 DEP.

If the system is in need of repair or improvement, has any outstanding Notice of Violation(s) of any standard(s) set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violations, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost.



**PART III NOTICE OF ACTUAL APPLICATION**

- A) Exhibit LATE FILED - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:
- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
  - (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
  - (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
  - (4) the regional planning council;
  - (5) the Office of Public Counsel;
  - (6) the Public Service Commission's Director of Records and Reporting;
  - (7) the appropriate regional office of the Department of Environmental Protection; and
  - (8) the appropriate water management district. Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- B) Exhibit LATE FILED - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- C) Exhibit LATE FILED - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

**PART IV FILING FEE**

Indicate the filing fee enclosed with the application:

\$ 1,500.00 (for water) \$ 1,500.00 (for wastewater).

**Note:** Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be \$750.
- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be \$1,500.
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be \$2,250.
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be \$3,000.

**PART V OTHER**

- A) Exhibit A - Evidence that the utility owns the land where the utility treatment facilities are located. If the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.
- B) Exhibit A - The original and two copies of revised tariff sheet(s) reflecting the change in ownership. **Sample tariff sheets are attached.** There will be no change of name, and no tariff sheets will be filed.
- C) Exhibit C - The utility's current certificate(s). If not available, an explanation of the steps taken to obtain the certificate(s).

PART VI AFFIDAVIT

I ROBERT M. POST, JR. (applicant) do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitute a complete statement of the matter to which it relates.

BY: *Robert M. Post, Jr.*  
Applicant's Signature  
ROBERT M. POST, JR.  
Applicant's Name (Typed)  
PRESIDENT  
Applicant's Title \*

Subscribed and sworn to before me this 7th of May 1997.

*Joan Shevlin*  
Notary Public



My Comm. Exp. 10/24/2000  
Bonded By Service Int  
No. CC595681  
 Personally Known  Other I.D.

- \* If the applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If the applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

## EXHIBIT A

1. The common stock of Indiantown Company, Inc. (to be changed to the name CFC Parent, Inc.) is owned by two U.S. corporations and two individuals who are foreign nationals. Robert M. Post, Jr. has managed the business affairs of Indiantown Company, Inc., and its subsidiaries for the last six years. Before Robert M. Post, Jr., his father, Robert M. Post, Sr., managed the business affairs of Indiantown Company, Inc. and its subsidiaries, Indiantown Telephone System, Inc. (Telco) and Arrow Communications, Inc. (Arrow). It has always been generally assumed, even by most FPSC staff, that Indiantown Company, Inc., Telco and Arrow were owned by the Posts, due to operational and management control by the Posts, even though the Posts had no actual ownership.

2. In addition to common stock, Indiantown Company, Inc. has authorized 20,000 shares of 6% non-cumulative, \$100 a share par value, preferred stock, of which 12,335 shares are outstanding and owned by one of the two corporate owners of common stock of Indiantown Company, Inc., but this preferred stock will have been redeemed before acquisition of common stock of the Indiantown Company, Inc. subsidiary for which approval is sought herein.

3. Indiantown Company, Inc. operates several businesses; the one involved in this application is a Commission regulated water and wastewater utility. Indiantown Company, Inc. also owns the stock of Arrow Communications, Inc. which has ALEC, IXC and pay telephone certificates and the stock of Indiantown Telephone

System, Inc., which is a LEC with a pay telephone certificate and an application pending for an ALEC certificate. Approval to transfer these other certificates is being sought in separate transfer petitions, which are being filed contemporaneously with the filing of this petition. Indiantown Company, Inc., also operates several businesses which are non-regulated by the FPSC.

4. Indiantown Company, Inc. is subject to the provisions of Section 367.071, F.S., and is required to obtain approval for any transfer of its certificate or facilities or majority organizational control. In this case, in order to accomplish the desired result, several steps are required, and the Joint Petitioners seek approval of each of those steps, as follows:

a. Indiantown Company, Inc. will change its name to CFC Parent, Inc. (CFC Parent).

b. CFC Parent will form and own all of the stock of two (2) new companies. The first such company will be named ICO Enterprises, Inc. Postco has been sold the right to use the name "Indiantown Company", and ICO Enterprises will change its name to Indiantown Company, Inc. The other new subsidiary to be formed will be named ICO Sanitation, Inc. (ICO Sanitation).

c. CFC Parent will transfer all of the water and wastewater assets to the newly formed company, ICO Enterprises, Inc., in a tax free exchange in such a way that all assets will maintain their same valuation. The remaining assets of CFC Parent, which relate to the provision of garbage/refuse services, will be transferred to ICO Sanitation, Inc.

d. Robert M. Post, Jr., has formed a new corporation, named Postco, Inc. (Postco), which will purchase the stock of ICO Enterprises, Inc., and ICO Sanitation, Inc., from CFC Parent, Inc. After changing the name of ICO Enterprises, Inc., to Indiantown Company, water and wastewater service can continue to be provided under the same name, at the same rates, by the same management. Although there will be a new legal entity and a new owner, the management will be the same, and nothing will change from the standpoint of the customers; there will be a seamless transfer.

a. The owner of all of the issued and outstanding shares of common stock of Postco is Robert M. Post, Jr., who is also the sole Director. Officers have not been chosen yet. Postco will purchase all of the common stock of ICO Enterprises, Inc., and ICO Sanitation, Inc., owned by CFC Parent for a cash purchase price of \$2,480,000, which is the amount allocated to the ICO Enterprises, Inc., and ICO Sanitation, Inc., purchase from a total purchase price of \$7 million cash to be paid to CFC Parent for the common stock of ICO Enterprises, Inc., ICO Sanitation, Inc., and the common stock of two other companies, Arrow Communications, Inc. and Indiantown Telephone System, Inc. The amount allocated to the ICO Enterprises, Inc., purchase is \$1,280,000.

b. The source of money to acquire the common stock of ICO Enterprises, Inc., and ICO Sanitation, Inc., and the other companies by Postco will be from a cash contribution by Robert M.

Post, Jr.

6. The Joint Petitioners submit that the proposed sale is in the public interest for the following reasons:

a. ICO Enterprises, Inc., under the name of Indiantown Company, Inc., will continue to furnish water and wastewater service pursuant to authority granted by the Commission and under the same tariffs now on file with and approved by the Commission. The company will have the same name as the previous service provider, after exercising its right to use the name "Indiantown Company", and the company will continue to be managed and operated by the same people who are presently accomplishing the job in an acceptable manner. The combining of ownership and management is in the public interest and will permit faster response to decisions relating to capital expenditures and policy matters.

b. The new corporate owner of the stock of ICO Enterprises, Inc., has sufficient capital to assure the continued availability of adequate and reliable water and wastewater service to the customers of ICO Enterprises, Inc., and the new corporate owner is totally owned by the present Manager and President of the present Indiantown Company, Inc. For the first time, after approval of this transfer, ownership and management of the water and wastewater utilities will be the same.

c. The buyer does not propose or seek approval of an acquisition adjustment in connection with the purchase of the stock of ICO Enterprises, Inc.

d. Buyer does not own any other water or wastewater utilities.

e. Buyer has not found it necessary to investigate the condition of the utility systems being acquired since the Buyer is the current manager of the systems and is well aware of the condition of each system. The systems are in satisfactory condition. There are no outstanding violations, and there are no outstanding consent orders with the DEP. The systems are not in need of any repairs or improvements which are not planned or under construction.

f. ICO Enterprises, Inc., owns the land upon which treatment facilities are located, and Buyer will have the same ownership rights.

g. Buyer will fulfill all commitments, obligations and representations of the Seller with regard to utility matters. All relationships with customers and developers with regard to matters such as customer deposits and developer agreements will remain as they were before this transfer proceeding.



## SUBSIDIARY STOCK PURCHASE AGREEMENT

THIS SUBSIDIARY STOCK PURCHASE AGREEMENT ("Agreement") is entered into as of the \_\_\_\_ day of February \_\_, 1997, by and among Postco, Inc., a Florida corporation ("Postco"), Indiantown Company, Inc., a Florida corporation, the name of which is to be changed to CFC Parent, Inc. ("CFC Parent"), Yves Jacques Rey-Millet, and Paul Vernay, an individual residing in Geneva, Switzerland ("Representative"), in his capacity as the legal representative and guardian and on behalf of Christian Rey-Millet.

### R E C I T A L S

WHEREAS, Yves Jacques Rey-Millet and Christian Rey-Millet (the "Shareholders") own directly or indirectly 100% of the issued and outstanding stock of CFC Parent; and

WHEREAS, Shareholders plan to cause CFC Parent to contribute to ICO Enterprises, Inc., a Florida corporation ("ICO Enterprises") and ICO Sanitation, Inc., a Florida corporation to be formed ("ICO Sanitation"), all of its assets, other than its capital stock in Arrow Communications, Inc., a Florida corporation ("Arrow"), its capital stock in Indiantown Telephone System, Inc., a Florida corporation, ("Telco"), its capital stock in ICO Enterprises and ICO Sanitation, and its capital stock in Central Florida Cellular Telephone Company, Inc., a Florida corporation ("CFCTC"), and except for certain real estate to be redeemed by certain of the CFC Parent shareholders in exchange for a portion of the CFC Parent capital stock; and

WHEREAS, Postco desires to purchase from CFC Parent all of the issued and outstanding capital stock of ICO Enterprises, ICO Sanitation, Arrow and Telco (ICO Enterprises, ICO Sanitation, Arrow and Telco being collectively referred to as the "Subsidiaries"); and

WHEREAS, Shareholders desire to cause CFC Parent to sell to Postco all of the issued and outstanding capital stock of ICO Enterprises, ICO Sanitation, Arrow and Telco (the capital stock of each respective Subsidiary being referred to as the "ICO Enterprises Shares," the "ICO Sanitation Shares," the "Arrow Shares" and the "Telco Shares"); and

WHEREAS, after the transactions contemplated by this agreement, the assets of CFC Parent will consist of only capital stock in CFCTC and \$7,000,000 in cash.

(iv) a certificate or certificates representing the ICO Sanitation Shares registered in the name of CFC Parent duly endorsed for transfer to Postco;

(v) the certificates to be delivered by or on behalf of CFC Parent under Sections 7.1 and 7.2;

(vi) an opinion of counsel in the form attached hereto as Exhibit A;

(vii) certificates of good standing of CFC Parent, Telco, Arrow and ICO Enterprises and ICO Sanitation issued by the Secretary of State of the State of Florida shortly prior to the Closing Date;

(viii) a copy of the Articles of Incorporation of each of Telco, Arrow and ICO Enterprises and ICO Sanitation certified by the Secretary of State of the State of Florida shortly prior to the Closing Date;

(ix) a certified copy of resolutions of the Board of Directors and Shareholders of CFC Parent authorizing the sale of the Subsidiaries;

(x) a resignation from each of the directors and officers of the Subsidiaries;

(xi) minute book, stock transfer book, corporate seal and other corporate records of each of the Subsidiaries;

(xii) such further instruments and documents, in form and content reasonably satisfactory to Postco, as may be necessary or appropriate to consummate more effectively the transactions contemplated by this Agreement.

(b) Postco shall deliver or cause to be delivered to CFC Parent:

(i) immediately available funds in the amount of Seven Million Dollars (\$7,000,000);

(ii) the certificates to be delivered by or on behalf of Postco under Sections 6.1 and 6.2;

(iii) an opinion of counsel in the form attached hereto as Exhibit B;

(iv) such further instruments and documents, in form and content reasonably satisfactory to CFC Parent, as may be

necessary or appropriate to consummate more effectively the transactions contemplated by this Agreement.

3. NO REPRESENTATIONS OR WARRANTIES FROM CFC PARENT.

POSTCO ACKNOWLEDGES AND AGREES THAT IT IS RECEIVING NO REPRESENTATIONS OR WARRANTIES WHATSOEVER FROM CFC PARENT CONCERNING THE SUBSIDIARIES, THE ASSETS, LIABILITIES, BUSINESSES AND PROSPECTS OF THE SUBSIDIARIES, THE TELCO SHARES, THE ARROW SHARES, THE ICO ENTERPRISES SHARES OR THE ICO SANITATION SHARES, OR CONCERNING ANY OF THE TRANSACTIONS OR MATTERS CONTEMPLATED BY THIS AGREEMENT. THE TELCO SHARES, THE ARROW SHARES, THE ICO ENTERPRISES SHARES AND THE ICO SANITATION SHARES ARE BEING SOLD BY CFC PARENT ON AN "AS-IS, WHERE-IS" BASIS, SUBJECT TO ALL EXISTING LIENS, CLAIMS AND ENCUMBRANCES OF EVERY KIND AND NATURE WHATSOEVER. CFC PARENT HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USE OR OTHERWISE AND, EXCEPT AS EXPRESSLY PROVIDED HEREIN, NO OTHER WARRANTIES ARE INTENDED OR SHALL BE IMPLIED HEREBY. POSTCO IS RELYING SOLELY ON THE REPRESENTATIONS, WARRANTIES AND INDEMNIFICATIONS OF THE SHAREHOLDERS FOR ALL TRANSACTIONS OR MATTERS CONTEMPLATED BY THIS AGREEMENT.

4. Representations and Warranties of the Shareholders.

In consideration of the mutual agreements and covenants in this Agreement, the Shareholders represent and warrant to Postco as follows:

4.1 Organization and Good Standing. Each of the Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, is qualified and in good standing as a foreign corporation in all states and jurisdictions wherein the nature of the business transacted or the nature of the property owned or leased makes such qualification necessary or where such qualification is necessary to consummate the transactions contemplated by this Agreement, except in each case where the failure to be so qualified would not have a material adverse effect on its ability to perform its obligations hereunder, and is authorized to own and operate its properties and assets and conduct its business as now being conducted.

4.2 Authority; Enforceability.

(a) CFC Parent has all corporate right, power and authority to enter into and deliver this Agreement and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by CFC Parent has been duly and validly authorized. The Representative is the duly authorized

legal representative and guardian of Christian Rey-Millet and has full power and authority to enter into this Agreement on behalf of Christian Rey-Millet without any further approvals.

(b) This Agreement constitutes the legal, valid and binding obligation of CFC Parent enforceable in accordance with its terms.

#### 4.3 Capital Structure of the Subsidiaries.

(a) Telco has authorized capital stock consisting of \_\_\_\_\_, of which only the Telco Shares are outstanding. Attached hereto as Schedule 4.3 is a true and correct list of the Shareholders including the number of Telco Shares held of record. There is no other issued class of capital stock, warrant, option or agreement to issue or sell any shares of capital stock of Telco; and there are no outstanding securities convertible into or exchangeable for capital stock of Telco. True and complete copies of the articles of incorporation and all amendments thereto, of the By-laws, as amended to date, and of the stock ledger of Telco have been delivered to Postco.

(b) Arrow has authorized capital stock consisting of \_\_\_\_\_, of which only the Arrow Shares are outstanding. Attached hereto as Schedule 4.3 is a true and correct list of the Shareholders including the number of Arrow Shares held of record. There is no other issued class of capital stock, warrant, option or agreement to issue or sell any shares of capital stock of Arrow; and there are no outstanding securities convertible into or exchangeable for capital stock of Arrow. True and complete copies of the articles of incorporation and all amendments thereto, of the By-laws, as amended to date, and of the stock ledger of Arrow have been delivered to Postco.

(c) ICO Enterprises has authorized capital stock consisting of Ten Thousand (10,000) shares of common stock, of which only the ICO Enterprises Shares are outstanding. Attached hereto as Schedule 4.3 is a true and correct list of the Shareholders including the number of ICO Enterprises Shares held of record. There is no other issued class of capital stock, warrant, option or agreement to issue or sell any shares of capital stock of ICO Enterprises; and there are no outstanding securities convertible into or exchangeable for capital stock of ICO Enterprises. True and complete copies of the articles of incorporation and all amendments thereto, of the By-laws, as amended to date, and of the stock ledger of ICO Enterprises have been delivered to Postco.

(d) ICO Sanitation has authorized capital stock consisting of Ten Thousand (10,000) shares of common stock, of

which only the ICO Sanitation Shares are outstanding. Attached hereto as Schedule 4.3 is a true and correct list of the Shareholders including the number of ICO Sanitation Shares held of record. There is no other issued class of capital stock, warrant, option or agreement to issue or sell any shares of capital stock of ICO Sanitation; and there are no outstanding securities convertible into or exchangeable for capital stock of ICO Sanitation. True and complete copies of the articles of incorporation and all amendments thereto, of the By-laws, as amended to date, and of the stock ledger of ICO Sanitation have been delivered to Postco.

4.4 Good Title. CFC Parent has, and on the Closing Date, Postco will acquire, good and marketable title to the Telco Shares, the Arrow Shares and the ICO Enterprises Shares and the ICO Sanitation Shares free and clear of all liens, claims, encumbrances or other restrictions of any kind, except for this Agreement.

4.5 Financial Statements. Schedule 4.5 contains (a) the reviewed balance sheets of Telco and Arrow as of December 31, 1995 and the related statements of income and cash flows for the year then ended, together with the appropriate notes to such financial statements and the accountant's review report thereon of Chazotte, Lefanto & Co., P.A., and (b) the unaudited balance sheet (the "Balance Sheet") of the Subsidiaries as of December 31, 1996 (the "Balance Sheet Date") and the related statements of income and cash flows for the year then ended. Except as set forth therein or in the notes thereto, such balance sheets and statements of income and cash flow, have been prepared in conformity with generally accepted accounting principles consistently applied, and present fairly the financial position and results of operations and cash flow of the Subsidiaries as of their respective dates and for the respective periods covered thereby.

4.6 Operations Since Balance Sheet Date. Except as contemplated by this Agreement:

(a) there has been: (i) no material adverse change in the assets, business, operations, liabilities, profits, prospects or condition (financial or otherwise) of any of the Subsidiaries, and no fact or condition exists or is contemplated or threatened which might reasonably be expected to cause such a change in the future; and (ii) no damage, destruction, loss or claim, whether or not covered by insurance, or condemnation or other taking adversely affecting any of the assets, business, operations, condition or prospects of any of the Subsidiaries; and

(b) Each of the Subsidiaries have conducted their respective businesses only in the ordinary course and in conformity with past practice and, without limiting the generality of the foregoing, have not: (i) made any change in the accounting

principles and practices used by the Subsidiaries from those applied in the preparation of the Balance Sheets and the related statements of income and cash flow for the period ended on the Balance Sheet Date; or (ii) entered into or become committed to enter into any other material transaction except as set forth on Schedule 4.6.

4.7 Litigation. Except as disclosed on Schedule 4.7:

(a) There is no suit, proceeding, action, claim, judgment, consent decree, injunction, or any other judicial or administrative mandate outstanding against any of the Subsidiaries, affecting their respective assets, liabilities, financial condition, results of operations or business.

(b) None of the Subsidiaries is engaged in or, to the knowledge of CFC Parent, threatened with any legal action or other proceeding before any court or administrative agency and, to the knowledge of CFC Parent, there is no reasonable basis for any as yet unasserted claim or action from any act or omission by any of the Subsidiaries, or any of their respective officers, directors, agents or employees.

(c) None of the Subsidiaries has violated or has any liability under any applicable federal, state or local statutes, regulations, rules, ordinances and other laws applicable to the Subsidiaries, including, without limitation, all laws and regulations in respect of the protection of the environment, the regulation of the disposal of hazardous waste and hazardous waste products, and health and safety-related laws, regulations, rules and ordinances.

(d) No investigation of or claim against any of the Subsidiaries, or any of their respective officers or directors is pending or, to the knowledge of CFC Parent, has been threatened by any governmental body or agency.

(e) No litigation has been brought or, to the knowledge of CFC Parent, threatened or is known to be contemplated regarding the transactions contemplated by this Agreement.

4.8 Conflict with Other Agreements; Approvals. Subject to the receipt of the consents and approvals listed on Schedule 4.8, the execution and delivery of this Agreement by CFC Parent, the consummation of the transactions contemplated hereby and the compliance with the terms and provisions hereof by CFC Parent will not (a) result in any violation of, or be in conflict with, or result in a breach of a material term, condition or provision of, or constitute a material default under (i) the articles of incorporation or by-laws of CFC Parent or the Subsidiaries, (ii)

any law, statute, rule or regulation applicable to CFC Parent or any of the Subsidiaries, (iii) any material agreement, contract or commitment to which CFC Parent or any of the Subsidiaries is a party or is subject, or (iv) any judgment, order, injunction, decree or ruling of any court or governmental authority to which CFC Parent or any of the Subsidiaries is a party or subject; or (b) cause the acceleration of the maturity of indebtedness of CFC Parent or any of the Subsidiaries, or create or impose any lien, claim or encumbrance on the Telco Shares, the Arrow Shares, the ICO Enterprises Shares, or the ICO Sanitation Shares or the assets of Subsidiaries. The execution, delivery and performance of this Agreement by CFC Parent do not require any authorization, consent, approval, exemption or other action by any court, administrative or governmental body or third party which has not been obtained, or any notice to or filing with any court, administrative or governmental body or third party which has not been given or done, except for the consents and approvals listed on Schedule 4.8.

4.9 Availability of Assets; Legality of Use. Except as set forth in Schedule 4.9, the assets owned or leased by each of the Subsidiaries constitute all the assets and properties used in, or necessary for, the operation of the business of such Subsidiary and are in good condition (subject to normal wear and tear) and serviceable condition and are suitable for the uses for which intended. Such assets and their use conform in all material respects to all applicable building, zoning, fire, environmental, health, safety and other laws or ordinances or regulations (including, without limitation, all laws and regulations in respect of the protection of the environment and the regulation of the disposal of hazardous waste and hazardous products), and no notice of any violation of any such law, ordinance or regulation has been received by any of the Subsidiaries.

4.10 Assets, Liabilities and Claims of Subsidiaries. Except for this Agreement, on the Closing Date, there will be no mortgages, liens, claims or encumbrances of any nature whatsoever affecting the Telco Shares, the Arrow Shares, the ICO Enterprises Shares and the ICO Sanitation Shares. The obligations of the parties hereto with respect to liabilities for Taxes are described in Section 12.

4.11 Title to Property. Except for assets presently titled in the name of CFC Parent to be transferred to ICO Enterprises and ICO Sanitation, each of the Subsidiaries has good and marketable title to all of its assets reflected on the Balance Sheet of such Subsidiary, and all of the assets thereafter acquired by it, except to the extent that such assets have been disposed of for fair value in the ordinary course of its business consistent with past practice or as permitted by the express terms of this Agreement, subject to no mortgage, lien, security interest or other

encumbrance or adverse interest of any kind except (a) as set forth in Schedule 4.11 or (b) any lien for current taxes which are not yet due and payable.

#### 4.12 Accounts Receivable; Inventories.

(a) All customer accounts receivable of the Subsidiaries have arisen from bona fide transactions by the Subsidiaries in the ordinary course of the business. All accounts receivable reflected on the Balance Sheets are or will be collectible in the ordinary course of business at the aggregate recorded accounts thereof, net of any applicable allowance for doubtful accounts.

(b) The inventories of each of the Subsidiaries (including raw materials, supplies, work-in-process, finished goods and other materials) are in good, merchantable and useable condition and are reflected in the Balance Sheets in accordance with generally accepted accounting principles on a consistent basis at the lower of cost or market value.

4.13 Real Estate. Schedule 4.13 contains a list of (a) each lease or agreement under which each of the Subsidiaries is a lessee of, or holds or operates, any real estate owned by any third party and (b) each parcel of real estate owned by each of the Subsidiaries and each contract or agreement for the purchase, sale or lease of real estate. Except as disclosed in such Schedule, each of the leases and agreements described therein (x) is in good standing and in full force and effect and is the valid and binding obligation of each of the Subsidiaries and the other parties thereto in accordance with its respective terms, and (y) will continue in effect after the Closing Date without the consent, approval or act of, or making of any filing with, any other party. None of the Subsidiaries is in default in any material respect under any of such leases or agreements, none of the Subsidiaries has received any notice of default thereunder which has not been cured and no other party to any such lease or agreement is in material default thereunder. Except as described in such Schedule, each of the Subsidiaries has the right to quiet enjoyment of all such real property described in such Schedule for the full term of each such lease or similar agreement relating thereto, including any related renewal option, and the leasehold or other interest of the Subsidiaries in such real property is not subject or subordinate to any security interest, lien, claim, pledge, mortgage, encumbrance or charge of any kind except for liens for taxes not yet due and payable and, in the case of real estate owned by any Subsidiary, except for such easements, restrictions, defects in title, covenants and similar charges as do not render title to the property unmarketable or uninsurable or detract from or



interfere in material respect with the existing use of the property subject thereto.

4.14 No Undisclosed Liabilities. Except as set forth in Schedule 4.14, none of the Subsidiaries is subject to any liability (including unasserted claims, whether known or unknown), whether absolute, contingent, accrued or otherwise, which is not shown or which is in excess of amounts shown or reserved for in the Balance Sheets, other than liabilities of the same nature as those set forth in the Balance Sheets and the notes thereto and reasonably incurred after the Balance Sheet Date in the ordinary course of business consistent with past practice.

4.15 Status of Contracts, Leases. Each of the contracts, leases and other agreements of the Subsidiaries constitutes a legal, valid and binding obligation of the parties thereto and is in full force and effect, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting enforcement of creditors' rights and the application of general principles of equity. None of the Subsidiaries nor any other party to such contracts, leases or agreements is in breach or default, or, to the knowledge of the Shareholders or CFC Parent, alleged to be in breach or default, of any of such contracts, leases and agreements, and, to the knowledge of Shareholders and CFC Parent, no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would constitute a breach or default thereunder. Except as disclosed on Schedule 4.15 hereto, and except for this Agreement (and any agreement contemplated hereby), none of the Subsidiaries is a party to or subject to any of the following, whether written or oral:

(a) any contract, commitment or agreement which involves aggregate expenditures by any of the Subsidiaries after the date of this Agreement of more than \$25,000;

(b) any contract or agreement not made in the lawful or ordinary course of business; or

(c) any contract whatsoever that is material to the financial condition, results of operations or business prospects of any of the Subsidiaries.

4.16 Employees and Employee Agreements and Plans.

(a) The Subsidiaries employ fewer than 50 Employees in the aggregate. Neither CFC Parent nor any of the Subsidiaries is required to take any action under The Workers Adjustment and Retraining Notification Act, 102 Stat. 890, 29 U.S.C. Sec. 2102 et.

seq. (1988) in connection with the transactions contemplated by this Agreement.

(b) The Subsidiaries have no agreements with Employees and no stock option, retirement, welfare, benefit or other plans or arrangements covering any of the Employees except as set forth on Schedule 4.16(b). All contributions required to have been made as of the date hereof to any benefit plans listed on such Schedule have been made by the Subsidiaries and the Subsidiaries have no liabilities associated with such agreements or plans except as are reflected on the Balance Sheets.

(c) Except as set forth in Schedule 4.16(c), no Employees are covered by any collective bargaining or employment agreement. None of the Subsidiaries is a party to, affected by, or, to the knowledge of the Shareholders or Seller, threatened with any dispute or controversy with respect to, any collective bargaining agreement, any unionizing activity or organization or election efforts.

4.17 Insurance. Each of the Subsidiaries has properly maintained all policies of fire, casualty, liability and other forms of insurance in the types and amounts customarily maintained in connection with the ownership of assets and the operation of businesses similar to the business of such Subsidiary in accordance with standard industry practice. CFC Parent shall cause the Subsidiaries to continue to maintain such insurance in the same types and amounts in full force and effect until the day after the Closing Date.

4.18 Patents and Trademarks. None of the Subsidiaries requires any license or agreement to utilize the know-how, methods and techniques and marks, names and other identifying characteristics presently employed by it in the ownership of its assets and operation of its business. None of the Subsidiaries has any ownership of, or any other interest in, any United States or foreign trademarks, patents, service marks, copyrights, applications for any of the foregoing, or any inventions as to which no patent application has been filed. None of the Subsidiaries has received any notice alleging that it has infringed upon or misappropriated or invaded any patent, trademark or other proprietary right of any other person, corporation or entity in connection with its ownership or operation of its assets or its business and CFC Parent has no reason to believe that any such infringement or misappropriation has occurred.

4.19 Permits, Licenses and Franchises. The permits, licenses and franchises listed in Schedule 4.19 (the "Permits") constitute all permits, licenses and franchises required for the ownership of the assets and operation of the business of each of

the Subsidiaries; each Permit is fully paid for and in full force and effect and will continue in full force and effect after the Closing Date; none of the Subsidiaries is in default under the terms of any Permit; and no term or condition of any Permit has been violated.

4.20 No Finder. Neither CFC Parent nor any of the Subsidiaries, nor any party acting on behalf of the Subsidiaries or CFC Parent, is or will become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated hereby, except as provided in Schedule 4.20.

4.21 Sale of Tradename. As part of the consideration for this transaction, Postco is acquiring all rights to the use of the name "Indiantown Company." Indiantown Company, Inc. shall amend its articles of incorporation to change its name to CFC Parent, Inc. The Shareholders acknowledge and agree that ICO Enterprises may amend its articles of incorporation to change its name to Indiantown Company, Inc.

4.22 Completeness of Representations and Warranties. No representation or warranty of CFC Parent in this Agreement or any written statement or certificate furnished or to be furnished to Postco by CFC Parent pursuant to this Agreement contains or will contain any untrue statement of a material fact, and such representations and warranties taken as a whole do not omit any statement necessary in order to make any material statement contained herein or therein, not misleading. The copies of all documents furnished by CFC Parent to Postco in connection with this Agreement or pursuant hereto are true, correct and complete.

5. Representations and Warranties of Postco.

In consideration of the mutual agreements and covenants in this Agreement, Postco agrees with and represents and warrants to Shareholders and CFC Parent as follows:

5.1 Authority. Postco has all right, power and authority to enter into and deliver this Agreement and perform its obligations under this Agreement. This Agreement constitutes the legal, valid and binding obligation of Postco enforceable in accordance with its terms.

5.2 Litigation. No litigation has been brought or, to the knowledge of Postco, threatened or is known to be contemplated regarding the transactions contemplated by this Agreement.

5.3 Conflict with Other Agreements; Approvals. Subject to the receipt of the consents and approvals listed on Schedule 5.3, the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the terms and provisions hereof by Postco will not (a) result in any violation of, or be in conflict with, or result in a breach of a material term, condition or provision of, or constitute a material default under (i) any law, statute, rule or regulation applicable to Postco, (iii) any material agreement, contract or commitment to which Postco is a party or is subject or (iv) any judgment, order, injunction, decree or ruling of any court or governmental authority to which Postco is a party or subject; or (b) cause the acceleration of the maturity of any indebtedness of Postco or create or impose any lien, claim or encumbrance on the assets of Postco. The execution, delivery and performance of this Agreement by Postco do not require any authorization, consent, approval, exemption, or other action by any court, administrative or governmental body or third party which has not been obtained, or any notice to or filing with any court, administrative or governmental body or third party which has not been given or done, except for the consents and approvals listed on Schedule 5.3.

5.4 No Finder. Neither Postco nor any party acting on behalf of Postco has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated herein, except as provided in Schedule 5.4.

5.5 Completeness of Representations and Warranties. No representation or warranty of Postco in this Agreement or any written statement or certificate furnished or to be furnished to CFC Parent by Postco pursuant to this Agreement contains or will contain any untrue statement of a material fact, and such representations and warranties taken as a whole do not omit any statement necessary in order to make any material statement contained herein or therein, not misleading. The copies of all documents furnished by Postco to CFC Parent in connection with this Agreement or pursuant hereto are true, correct and complete.

#### 6. Conditions to Closing of Shareholders and CFC Parent.

Unless waived by Shareholders and CFC Parent, the obligations of Shareholders and CFC Parent hereunder to consummate the transactions contemplated by this Agreement at the Closing, are subject to each of the following conditions:

6.1 Compliance with Terms and Provisions. As of the Closing, all the terms and conditions of this Agreement to be complied with, performed or caused to be fulfilled by Postco at or before the Closing shall have been complied with, performed or

caused to be fulfilled in all material respects, and Postco shall have delivered to Shareholders and CFC Parent a certificate, signed by him, dated the Closing Date, to such effect.

6.2 Representations and Warranties. The representations and warranties made by Postco herein shall be true and correct in all material respects at and as of the Closing as though made at and as of the Closing, and Postco shall have delivered to Shareholders and CFC Parent a certificate, signed by it, dated the Closing Date, to such effect.

6.3 Governmental Approval; Third Party Consents. If required, all statutory waiting periods shall have expired or shall have been terminated and all approvals and authorizations of all governmental authorities and all consents or releases of third parties as may be necessary or appropriate in connection with the transactions contemplated by this Agreement shall have been received.

6.4 Opinion of Counsel to Postco. Postco shall have caused to be delivered to Shareholders and CFC Parent an opinion of counsel, dated the Closing Date, in substantially the form attached hereto as Exhibit A.

6.5 Litigation. No suit or proceeding shall, at the Closing Date, be pending or threatened before any court, governmental agency, bureau, board, arbitration panel, or other authority in which the transactions contemplated by this Agreement are sought to be restrained or in connection with which damages or other relief relating to such transactions is sought.

## 7. Conditions to Closing of Postco.

Unless waived by Postco, the obligations of Postco hereunder to consummate the transactions contemplated by this Agreement at the Closing, are subject to the following conditions:

7.1 Compliance with Terms and Provisions. As of the Closing, all the terms and conditions of this Agreement to be complied with, performed or caused to be fulfilled by Shareholders at or before the Closing, shall have been complied with, performed or caused to be fulfilled in all material respects, and CFC Parent shall have delivered a certificate or certificates to Postco, signed by or on behalf of Shareholders by a duly authorized person, dated the Closing Date, to such effect.

7.2 Representations and Warranties. The representations and warranties made by Shareholders in this Agreement shall be true and correct in all material respects at and as of the Closing as though made at and as of the Closing, and

Shareholders shall have delivered a certificate or certificates to Postco, signed by or on behalf of Shareholders by a duly authorized person, dated the Closing Date, to such effect.

7.3 Governmental Approval; Third Party Consents. If required, all statutory waiting periods required shall have expired or shall have been terminated, all approvals and authorizations of all governmental authorities as may be necessary or appropriate in connection with the transactions contemplated by this Agreement shall have been received and shall have become Final Orders, and all consents and releases of third parties as may be necessary or appropriate in connection with the transactions contemplated by this Agreement shall have been received. As used herein, "Final Order" means an order which is no longer subject to reconsideration on appeal, whether judicial, administrative or other.

7.4 Opinion of Counsel to Shareholders and CFC Parent. Shareholders shall have caused to be delivered to Postco an opinion of counsel, dated the Closing Date, in substantially the form attached hereto as Exhibit B.

7.5 Litigation. No suit or proceeding shall, at the Closing Date, be pending or threatened before any court, governmental agency, bureau, board, arbitration panel, or other authority in which the transactions contemplated by this Agreement are sought to be restrained or in connection with which damages or other relief relating to such transactions is sought.

7.6 Approvals by CFC Parent Board and Shareholders. The Board of Directors and Shareholders of CFC Parent shall have approved the transactions contemplated by this Agreement.

7.7 No Material Adverse Change. Except as contemplated by this Agreement, there shall not have occurred any material adverse change in the assets, liabilities, business, properties, profits, prospects or condition of any of the Subsidiaries.

7.8 Capitalization of ICO Enterprises and ICO Sanitation. Shareholders shall have caused CFC Parent to contribute to ICO Enterprises and ICO Sanitation all of its assets other than its capital stock in Arrow, its capital stock in Telco, its capital stock in ICO Enterprises and ICO Sanitation, and its capital stock in CFCTC, and except for certain real estate to be conveyed or distributed to the CFC Parent shareholders. The assets to be contributed to ICO Enterprises and ICO Sanitation include all operating assets of the water, waste water and solid waste collection utility operations of CFC Parent.

8. Covenants of Shareholders.

8.1 No Change in Representations and Warranties. Between the date hereof and the Closing Date, except with the prior written consent of Postco, Shareholders shall not and shall not permit CFC Parent to take any action or omit to take any action which would cause any of its representations and warranties contained herein not to be true at and as of the Closing Date.

8.2 Cooperate in Obtaining Any Approvals. Shareholders shall, and shall cause CFC Parent and the Subsidiaries to, execute and file or join in the execution and filing of any application or other document which may be reasonably necessary to obtain the authorization, approval or consent of any governmental body or third party which may be required in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby on the Closing Date.

8.3 Satisfaction of Conditions. Shareholders shall, and shall cause CFC Parent to, use their best efforts to cause each of the conditions identified in Section 6 to be satisfied on or prior to the Closing Date.

8.4 Books and Records. Between the date hereof and the Closing Date, Shareholders shall cause CFC Parent to provide Postco with such information and permit such access to the books and records of the Subsidiaries as Postco may reasonably request, and to make the books and records of the Subsidiaries available for inspection at their places of business during reasonable business hours to the authorized representatives of Postco and its Affiliates for any purpose relating to the transactions contemplated by this Agreement.

8.5 Affirmative Covenants. Except as otherwise contemplated by this Agreement, or with the consent of Postco, Shareholders agree that CFC Parent and each of the Subsidiaries:

(a) shall maintain in full force and effect the existence, rights and franchises and other rights owned or possessed by CFC Parent and each of the Subsidiaries in its state of incorporation or organization and all other states, if any, where it is qualified to do business or where the nature of its business or the ownership of properties require it to be qualified, and shall promptly and timely prepare and file all annual reports and franchise tax returns and pay all franchise taxes and other taxes and assessments, if any, required to maintain the existence and all other rights and franchises of CFC Parent and each of the Subsidiaries;

(b) shall keep true records and books of account in which full, true and correct entries will be made of all dealings or transactions by or with CFC Parent and each of the Subsidiaries in accordance with generally accepted accounting principles applied on a consistent basis;

(c) shall duly observe all laws and requirements of governmental authorities unless contested in good faith by appropriate proceedings with the consent of Postco;

(d) shall promptly pay and discharge, or cause to be paid and discharged, when due and payable, all Taxes unless contested in good faith by appropriate proceedings with the consent of Postco;

(e) shall promptly pay or perform, or cause to be paid or performed, when due or in conformity with customary trade terms or agreements, all obligations and indebtedness of CFC Parent and each of the Subsidiaries, if such obligations and indebtedness are not being contested in good faith by appropriate proceedings with the consent of Postco;

(f) shall at all times comply with the provisions of all contracts and leases to which CFC Parent and each of the Subsidiaries is a party, unless contested in good faith by appropriate proceedings with the consent of Postco; and

(g) shall operate in the ordinary course of business consistent with past practices.

8.6 Negative Covenants. Except as otherwise contemplated by this Agreement, or with the consent of Postco, Shareholders agree that, between the date of its acquisition of CFC Parent and the Closing Date, Shareholders shall not, and shall not permit CFC Parent or any Affiliate, director, officer, employee or agent thereof to:

(a) amend or repeal the Articles of Incorporation of CFC Parent or any of the Subsidiaries;

(b) cause or permit the merger, consolidation or other reorganization or recapitalization of any of the Subsidiaries;

(c) cause or permit the liquidation or dissolution of any of the Subsidiaries;

(d) cause or permit any stock splits, reverse stock splits, redemption or reclassification of the capital stock of any of the Subsidiaries;



(e) create or permit to be created any class or series of capital stock or other equity security of any of the Subsidiaries other than the existing capital stock and equity securities;

(f) cause or permit any of the Subsidiaries to issue any capital stock or other equity security, including any option or right to acquire an equity security;

(g) cause or permit any of the Subsidiaries to declare any dividends or to make any distributions;

(h) cause or permit CFC Parent or any of the Subsidiaries to make any change in the business or the operations of any of the Subsidiaries;

(i) cause or permit any of the Subsidiaries to make any capital expenditure or enter into any contract or commitment therefor;

(j) cause or permit any of the Subsidiaries to enter into any lease, option, contract, agreement, undertaking or commitment;

(k) cause or permit any of the Subsidiaries to sell, lease, transfer or otherwise dispose of, or mortgage or pledge, or impose or suffer to be imposed any encumbrance on, any of the assets or properties of any of the Subsidiaries; or

(l) cause or permit any of the Subsidiaries to create, incur or assume, or agree to create, incur or assume, any indebtedness for borrowed money or any liabilities (other than Tax liabilities, as described in Section 12).

8.7 No-Shop Covenant. Shareholders agree that they will not, and will not permit CFC Parent to, take any action, directly or indirectly, to either solicit or respond in any other fashion to, indications of interest in, or offers for, the transfer of the Telco Shares, the Arrow Shares, the ICO Enterprises Shares or the ICO Sanitation Shares or of any other interest in any of the Subsidiaries to anyone other than Postco as contemplated hereby.

## 9. Covenants of Postco.

9.1 No Change in Representations and Warranties. Between the date hereof and the Closing Date, except with the prior written consent of Shareholders and CFC Parent, Postco shall not take any action or omit to take any action which would cause any of

his representations and warranties contained herein not to be true at and as if made as of the Closing Date.

9.2 Cooperation in Obtaining Any Approvals. Postco shall execute and file or join in the execution and filing of any application or other document which may be reasonably necessary in order to obtain the authorization, approval or consent of any governmental body or third party which may be required in connection with the execution of this Agreement or the consummation of the transactions contemplated on the Closing Date.

9.3 Satisfaction of Conditions. Postco shall use its best efforts to cause each of the conditions identified in Section 6 to be satisfied on or prior to the Closing Date.

9.4 No Registration of Shares. Postco acknowledges that the Telco Shares, the Arrow Shares, the ICO Enterprises Shares and the ICO Sanitation Shares to be acquired by Postco under this Agreement have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws, if any, and agrees, if the Closing takes place, that neither such Telco Shares, Arrow Shares, ICO Enterprises Shares nor the ICO Sanitation Shares, nor any interest therein will be sold, transferred or otherwise disposed of in the absence of such registration or an opinion of counsel to the effect that such sale, transfer or other disposition may be made lawfully without such registration.

## 10. Confidentiality.

Each of the parties hereto shall treat this Agreement and the transactions contemplated by this Agreement in strict confidence and shall not make disclosure or public announcement thereof not required by law without the prior written consent of the other party hereto, except to third parties and governmental authorities whose consent or approval is required. Any information not of a public nature furnished to, or obtained by, any party from any other party or any of its respective officers, employees, attorneys, accountants, lenders, investors or authorized representatives, as a result of investigations by any party or otherwise furnished by one party to another in connection with the transactions contemplated hereby, shall be treated and kept as confidential information except as may be required by law to be disclosed, for a period of three years following the Closing Date. In the event that the transactions contemplated by this Agreement are not consummated, each of the parties hereto agrees to return to the other parties all written information and copies thereof furnished to it and each such party agrees to preserve and protect the confidential information and not to use such confidential information, or permit any such confidential information to be made

available to third party parties, except to the extent contemplated hereby or as otherwise required by law. Nothing herein shall be deemed to prohibit any disclosures required to enable a party to enforce the terms of this Agreement.

11. Survival of Representations and Warranties.

The covenants, representations and warranties contained herein shall survive for the applicable statute of limitations, including any extensions thereof by consent or waiver, except that the covenants, representations and warranties contained in Section 4.4 and Section 13 shall survive the Closing and never expire.

12. Indemnification.

12.1 By Shareholders. The Shareholders, jointly and severally, agree to indemnify and hold harmless Postco, and its officers, directors, agents and employees, successors and assigns from and against, and to pay, (a) any and all liabilities, losses, costs and damages (collectively, "Loss"), and (b) any and all reasonable attorneys' and accountants' fees and expenses, court costs and other reasonable out-of-pocket expenses (collectively, "Expense"), incurred or suffered directly or indirectly by Postco, or any of the Subsidiaries or their successors and assigns by reason of, in connection with or arising from (i) any breach of any warranty, or the inaccuracy of any representation, made by Shareholders in this Agreement or in any agreement, certificate or other document delivered by or on behalf of Shareholders or CFC Parent, (ii) the failure by Shareholders or CFC Parent to perform any of their agreements or undertakings made in this Agreement or in any agreement, certificate or other document referred to herein or (iii) any transactions, acts or omissions of Shareholders or CFC Parent at any time, whether before, on or after the Closing Date, or by any of the Subsidiaries on or prior to the Closing Date.

12.2 By Postco. Postco agrees to indemnify and hold harmless Shareholders, CFC Parent and their successors and assigns from and against, and to pay, (a) any and all Loss and (b) any and all Expense incurred or suffered directly or indirectly by Shareholders, CFC Parent or their successors and assigns by reason of, in connection with or arising from (i) any breach of any warranty, or the inaccuracy of any representation, made by Postco in this Agreement or in any agreement, certificate or other document referred to herein or delivered by or on behalf of Postco or (ii) the failure of Postco to perform any of its agreements and undertakings made by Postco in this Agreement or in any agreement, certificate, or other document referred to herein.

12.3 By Shareholders in favor of Robert M. Post, Jr. The Shareholders, jointly and severally, agree to indemnify and hold harmless Robert M. Post, Jr., his heirs, personal representatives, successors and assigns from and against, and to pay, (a) any and all Loss and (b) any and all Expense incurred or suffered directly or indirectly by Robert M. Post, Jr., his heirs, personal representatives, successors and assigns by reason of, in connection with or arising from (i) any breach of any warranty, or the inaccuracy of any representation, made by CFC Parent to United States Cellular Corporation in that certain Transaction Agreement dated \_\_\_\_\_ (the "Transaction Agreement"), by and between Robert M. Post, Jr., Postco, Inc., CFC Parent, Inc. and United States Cellular Corporation, (ii) the failure of CFC Parent to perform any of its agreements and undertakings made by CFC Parent in the Transaction Agreement or in any agreement, certificate, or other document referred to therein (iii) any breach of any warranty, or the inaccuracy of any representation, made by the Shareholders to United States Cellular Corporation in that certain Stock Purchase Agreement dated \_\_\_\_\_ (the "Stock Purchase Agreement"), by and between the Shareholders and United States Cellular Corporation, (iv) the failure of the Shareholders to perform any of their agreements and undertakings made by the Shareholders in the Stock Purchase Agreement or in any agreement, certificate, or other document referred to therein and (v) any Loss or Expense incurred by Robert M. Post, Jr. as a result of his making personal representations and warranties to United States Cellular Corporation and his giving of personal indemnifications in favor of United States Cellular Corporation in the Transaction Agreement and/or the Stock Purchase Agreement, specifically including, but not limited to matters relating to tax liabilities of CFC Parent and to environmental liabilities of CFC Parent.

### 13. Tax Liabilities.

13.1 Tax Returns. Shareholders shall file, or cause CFC Parent to file, when due all Tax Returns that are required to be filed by or with respect to CFC Parent for taxable years or periods ending on or before the Closing Date and shall remit any Taxes due in respect of such Tax Returns, and Postco shall file or cause to be filed when due all Tax Returns that are required to be filed by or with respect to the Subsidiaries for taxable years or periods ending after the Closing Date and shall remit any Taxes due in respect of such Tax Returns.

13.2 Assistance and Cooperation. After the Closing Date, each of Postco, Shareholders and CFC Parent shall:

(a) assist each other in preparing any Tax Returns which any other party is responsible for preparing and filing in accordance with this Section 13;

(b) cooperate fully in preparing for any audits of, or disputes with taxing authorities regarding, any Tax Returns of CFC Parent and the Subsidiaries;

(c) make available to each other and to any taxing authority as reasonably requested all information, records and documents relating to Taxes of CFC Parent and the Subsidiaries;

(d) provide timely notice to the other in writing of any pending or threatened Tax audits or assessments of CFC Parent or the Subsidiaries for taxable periods for which any other may have a liability under this Section 13; and

(e) furnish each other with copies of all correspondence received from any taxing authority in connection with any Tax audit or information request with respect to any such taxable period.

13.3 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" of any particular person or entity shall mean any other person or entity controlling, controlled by or under common control with such particular person or entity.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Tax" (and, with correlative meaning, "Taxes" and "Taxable") shall mean: (i) any federal, state, local or foreign net income, gross income, gross receipts, windfall profit, severance, property, production, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add-on minimum, ad valorem, transfer, stamp or environmental tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest, penalty or addition to tax or additional amount imposed by any governmental authority; (ii) any liability of CFC Parent, its Affiliates or successors or assigns as withholding agent with respect to, or for any failure to make withholdings in respect of, amounts described in clause (i); and (iii) any liability of payment of amounts with respect to payments of a type described in clause (i) as a result of being a member of an affiliated, consolidated, combined or unitary group, or as a result of any obligation of CFC Parent or any Affiliate thereof under any Tax Sharing Arrangement or Tax indemnity arrangement.

"Tax Return" shall mean any return, report or similar statement required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return and declaration of estimated Tax.

"Tax Sharing Arrangement" shall mean any written or unwritten agreement or arrangement for the allocation or payment of Tax liabilities or payment for Tax benefits with respect to a consolidated, combined or unitary Tax Return, which Tax Return includes CFC Parent and any other person prior to and including the Closing Date.

"CFC Parent Group" shall mean any "affiliated group" (as defined in Section 1504(a) of the Code without regard to the limitations contained in Section 1504(b) of the Code) that includes CFC Parent prior to the Closing Date.

#### 14. Environmental Matters.

14.1 Representations of Shareholders. Except as set forth in Schedule 14, the Shareholders hereby represent and warrant to Postco that:

(a) The past and present operations of the business of CFC Parent and the Subsidiaries have complied and are in compliance with all applicable Environmental Laws.

(b) CFC Parent and the Subsidiaries have obtained all environmental, health and safety Permits necessary for the operation of its business, and all such Permits are in good standing and CFC Parent and the Subsidiaries are in compliance with all terms and conditions of such permits.

(c) None of CFC Parent or the Subsidiaries, nor any of the Properties or its past or present operations, is subject to any ongoing investigation by, order from or agreement with any Person (including without limitation any prior owner or operator of any Property) respecting (i) any Environmental Law, (ii) any Remedial Action or (iii) any claim of Losses and Expenses arising from the Release or threatened Release of a Contaminant into the environment.

(d) Neither CFC Parent nor any Subsidiary is subject to any judicial or administrative proceeding, order, judgment, decree or settlement alleging or addressing a violation of or liability under any Environmental Law.

- (e) Neither the Company nor any Subsidiary has:
- (i) reported a Release of a hazardous substance pursuant to Section 103 (a) of CERCLA, or any state equivalent;
  - (ii) filed a notice pursuant to Section 103(c) of CERCLA;
  - (iii) filed notice pursuant to Section 3010 of RCRA, indicating the generation hazardous waste, as that term is defined under 40 CFR Part 261 or any state equivalent; or
  - (iv) filed any notice under any applicable Environmental Law reporting a substantial violation of any applicable Environmental Law.
- (f) There is not now, nor to the best knowledge of the Shareholders has there ever been, on or in any Property.
- (i) any treatment, recycling, storage or disposal of any hazardous waste, as that term is defined under 40 CFR Part 261 or any state equivalent that requires or required a Permit pursuant to Section 3005 of RCRA; or
  - (ii) any underground storage tank or surface impoundment or landfill or waste pile.
- (g) There is not now on or in any Property any polychlorinated biphenyl (PCB) used in pigments, hydraulic oils, electrical transformers or other equipment.
- (h) Neither CFC Parent nor any Subsidiary has received any notice or claim to the effect that it is or may be liable to any Person as a result of the Release or threatened Release of a Contaminant into the environment on any Property or generated by CFC Parent or any Subsidiary.
- (i) No Property has been listed or, to the best knowledge of the Shareholders, proposed for listing on the National Priorities List pursuant to CERCLA, on the Comprehensive Environmental Response, Compensation and Liability Information System List or any state list of sites requiring Remedial Action.
- (j) Neither CFC Parent nor any Subsidiary has sent or arranged for the transport of any Contaminant to any site listed on the National Priorities List pursuant to CERCLA or that otherwise could give rise to liability on the part of the Company for Remedial Action, Losses or Expenses.

(k) No Environmental Encumbrance has attached to any Property.

(l) Any asbestos-containing material which is on or part of any Property (excluding any raw materials used in the manufacture of products or products themselves) is in good repair according to the current standards and practices governing such material, and its presence or condition does not violate any currently applicable Environmental Law.

#### 14.2 Environmental Indemnification.

(a) Notwithstanding any other provision of this Agreement, the Shareholders agree to retain responsibility for, defend and satisfy, and to indemnify and hold harmless each of Robert M. Post, Jr., Postco and its Affiliates (including the Subsidiaries after the Closing Date), and their respective shareholders, officers, directors, employees, attorneys, consultants and agents (collectively, the "Environmental Indemnitees") against, any Losses and Expenses arising out of, related to, or in connection with any of the following:

(i) any violation or alleged violation of any Environmental Law regarding any Property or any past or present operations of CFC Parent, the Subsidiaries or their predecessors in interest at or prior to the Closing Date;

(ii) any transport, treatment, recycling, storage, disposal or arrangement therefor of any Contaminant generated by CFC Parent, the Subsidiaries or their predecessors in interest at or prior to the Closing Date at, to or from any facility owned or operated by another Person, including but not limited to the Release or threatened Release of any Contaminant from such facility;

(iii) any Release or threatened Release of any Contaminant at, to or from any Property or any predecessor in interest of CFC Parent or the Subsidiaries at or prior to the Closing Date;

(iv) any Remedial Action or corrective action (as the latter term is used in Sections 3004(u) and 3004(v) of RCRA) arising out of, related to, or in connection with any Property or any past or present operations of CFC Parent, the Subsidiaries or their predecessors in interest and resulting from any act or event occurring at or prior to the Closing Date; and

(v) any exposure, at or prior to the Closing Date, to any products, raw materials or Contaminants manufactured,



generated, handled, processed, stored or used at any Property or as part of any past or present operations of CFC Parent or any Subsidiary that causes or contributes to any disease, injury or illness to any Person, regardless of the time between exposure and the manifestation of such disease, injury or illness or whether the operations of CFC Parent and its Subsidiaries were in compliance with Environmental Law at the time of such exposure.

(b) Postco's receipt of any information, including, without limitation, any disclosure made by the Shareholders on Schedule 14, shall not relieve Shareholders of their obligations under this Section 14. All rights of the Environmental Indemnities under this Section 14 are freely assignable and shall inure to the benefit of any assignee or successor, including but not limited to any subsequent purchaser of Postco, any Subsidiary or any Property and to any lender to an Environmental Indemnitee or any such purchaser.

#### 14.3 Closing Condition.

(a) Postco's investigation into environmental, health or safety obligations or liabilities to which either CFC Parent or any of the Subsidiaries may be subject, as well as the other environmental information provided by the Shareholders, shall have demonstrated to Postco's satisfaction that (i) the operations of CFC Parent and the Subsidiaries comply with all applicable Environmental Laws; (ii) the operations of CFC Parent and the Shareholders are not the subject of any federal or state investigation evaluating whether any Remedial Action, involving a material expenditure, is needed to respond to a release of any Contaminant into the environment; (iii) none of the Properties contain any PCBs, asbestos, or asbestos-containing materials except in form and condition satisfactory to Postco; and (iv) neither CFC Parent nor any Subsidiary has any contingent liability deemed material by Postco in connection with (A) any past or present treatment, storage, recycling, disposal or release or threatened release, at any location, of any Contaminant or (B) compliance with existing or proposed Environmental Laws. Neither the written report of the environmental investigation nor any other information which may become available to Postco shall disclose any environmental, health or safety obligations or liabilities which, Postco deems likely to have a material adverse effect on the property, operations or condition (financial or otherwise) of CFC Parent or any of the Subsidiaries.

(b) The Shareholders also shall have demonstrated to Postco's satisfaction that any applicable environmental transfer or disclosure law has or shall be complied within all respects.

14.4 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et. seq., any amendments thereto, any successor statutes, and any regulations promulgated thereunder.

"Contaminant" means any waste, pollutant, hazardous or toxic substance or waste, petroleum, petroleum-based substance or waste, special waste, or any constituent of any such substance or waste.

"Environmental Encumbrance" means an Encumbrance in favor of any Governmental Body for (i) any liability under any Environmental Law, or (ii) damages arising from, or costs incurred by such Governmental Body in response to, a Release or threatened Release of a Contaminant into the environment.

"Environmental Law" means all Requirements of Laws derived from or relating to all federal, state and local laws or regulations relating to or addressing the environment, health or safety, including but not limited to CERCLA, OSHA and RCRA and any state equivalent thereof.

"Governmental Body" means any foreign, federal, state, local or other governmental authority or regulatory body.

"OSHA" means the Occupational Safety and Health Act, 29 U.S.C. §§651, et. seq., any amendment thereto, any successor statute and any regulations promulgated thereunder.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or Governmental Body.

"Property" means any real or personal property, plant, building, facility, structure, underground storage tank, equipment or unit, or other asset owned, leased or operated by CFC Parent or any subsidiary (including any surface water thereon or adjacent thereto and any soil or ground water thereunder, whether currently or at any previous time).

"RCRA" means the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et. seq., any successor statute, and any regulations promulgated thereunder.

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Contaminant into the indoor or outdoor

environment or into or out of any Property, including the movement of Contaminants through or in the air, soil, surface water, groundwater or any Property.

"Remedial Action" means actions required to (i) clean up, remove, treat or in any other way address Contaminants in the indoor or outdoor environment; (ii) prevent the Release or threatened Release or minimize the further Release of Contaminants or (iii) investigate and determine if a remedial response is needed and to design such a response and post-remedial investigation, monitoring, operation and maintenance and care.

"Requirements of Laws" means any foreign, federal, state and local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Body or common law.

15. Notices.

Any notice, instruction or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given to the parties hereto if delivered personally or mailed by first class mail, postage prepaid, registered or certified mail, return receipt requested, or sent by a reputable overnight carrier, or sent by telecopier with receipt confirmed by telephone, as follows:

(a) To Postco:

Mr. Robert M. Post, Jr.  
16001 S.W. Market Street  
Indiantown, Florida 34956  
Telecopy No: (561) 597-2115  
Telephone No: (561) 597-3113

With a copy to:

Gunster, Yoakley, Valdes-Fauli & Stewart, P.A.  
200 S.E. Monterey Commons Boulevard, Suite 200  
Stuart, Florida 34996  
Attn: Kenneth A. Norman, Esq.  
Telecopy No: (561) 288-0610  
Telephone No: (561) 288-1980

(b) To Shareholders or CFC Parent:

Mr. Thomas Beard  
5364 Appledoor Lane  
Tallahassee, Florida 32308  
Telecopy No: (904) 668-0275  
Telephone No: (904) 894-1361

With a copy to:

Michael L. Dale, Esq.  
5154 S.E. Federal Highway  
Stuart, Florida 34997  
Telecopy No: (561) 286-7403  
Telephone No: (561) 286-2323

16. Dispute Resolution.

16.1 Informal Dispute Resolution.

(a) Subject to Section 16.3, any dispute, controversy, claim or disagreement between or among any of the parties hereto arising from, relating to or in connection with this Agreement, any agreement, certificate or other document referred to herein or delivered in connection herewith, or the relationships of the parties hereunder or thereunder, including questions regarding the interpretation, meaning or performance of this Agreement, and including claims based on contract, tort, common law, equity, statute, regulation, order or otherwise ("Dispute") shall be resolved in accordance with this Section 16.

(b) Upon written request of any party, each party shall appoint a designated representative whose task it will be to meet for the purpose of endeavoring to resolve such Dispute ("Level 1 Review"). The designated representatives shall meet as often as the parties reasonably deem necessary to discuss the Dispute and negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding.

(c) If resolution of the Dispute cannot be resolved within thirty (30) days of the first Level 1 Review meeting ("Level 1 Termination Date"), the parties to the Dispute shall submit the Dispute to mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA") and shall bear equally the costs of the mediation. The parties will act in good faith to jointly appoint a mutually acceptable mediator, seeking assistance in such regard from the AAA within thirty (30) days of the Level 1 Termination Date. The parties agree to participate in good faith in the mediation and negotiations related

thereto for a period of thirty days commencing with the selection of the mediator and any extension of such period as mutually agreed to by the parties.

#### 16.2 Arbitration.

(a) If the parties cannot agree to a mediator within thirty (30) days of the Level 1 Termination Date or if the Dispute is not resolved within thirty days after the beginning of the mediation and any extension of such periods as mutually agreed to by the parties, the Dispute shall be submitted to, and finally determined by, binding arbitration in accordance with the following provisions of this Section 16.2, regardless of the amount in controversy or whether such Dispute would otherwise be considered justiciable or ripe for resolution by a court or arbitration panel.

(b) Any such arbitration shall be conducted by the AAA in accordance with its current Commercial Rules ("AAA Rules"), except to the extent that the AAA Rules conflict with the provisions of this Section 16, in which event the provisions of this Section 16 shall control.

(c) The arbitration panel (the "Panel") shall consist of three neutral arbitrators ("Arbitrators"), each of whom shall be an attorney having five or more years experience in the primary area of law as to which the dispute relates, and shall be appointed in accordance with the AAA Rules (the "Basic Qualifications").

(d) Should an Arbitrator refuse or be unable to proceed with arbitration proceedings as called for by this Section 16, a substitute Arbitrator possessing the Basic Qualifications shall be appointed by the AAA. If an Arbitrator is replaced after the arbitration hearing has commenced, then a rehearing shall take place in accordance with the provisions of this Section 16 and the AAA Rules.

(e) The arbitration shall be conducted in Fort Pierce, Florida or in such other location as the parties may designate by mutual written consent; provided, that the Panel may from time to time convene, carry on hearings, inspect property or documents and take evidence at any location which the Panel deems appropriate.

(f) The Panel may in its discretion order a pre-exchange of information including production of documents, exchange of summaries of testimony or exchange of statements of position, and shall schedule promptly all discovery and other procedural steps and otherwise assume case management initiative and control to effect an efficient and expeditious resolution of the Dispute.

(g) At any oral hearing of evidence in connection with any arbitration conducted pursuant to this Section 16, each party and its legal counsel shall have the right to examine its witnesses and to cross-examine the witnesses of the other party. No testimony of any witness shall be presented in written form unless the opposing parties shall have the opportunity to cross-examine such witness, except as the parties otherwise agree in writing and except under extraordinary circumstances where, in the opinion of the Panel, the interests of justice require a different procedure.

(h) Within thirty (30) days after the closing of the arbitration hearing, the Panel shall prepare and distribute to the parties a written award, setting forth the Panel's findings of facts and conclusions of law relating to the Dispute, including the reasons for the giving or denial of any requested remedy or relief. The Panel shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, and shall award interest on any monetary award from the date that the Loss or Expense was incurred by the successful party. In addition, the Panel shall have the authority to decide issues relating to the interpretation, meaning or performance of this Agreement, any agreement, certificate or other document referred to herein or delivered in connection herewith, or the relationships of the parties hereunder or thereunder, even if such decision would constitute an advisory opinion in a court proceeding or if the issues would otherwise not be ripe for resolution in a court proceeding, and any such decision shall bind the parties in their performance of this Agreement and such other documents.

(i) Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief or as otherwise provided in Section 16.3, no party nor any arbitrator shall disclose the existence, content or results of any arbitration conducted hereunder without the prior written consent of the other parties.

(j) To the extent that the relief or remedy granted in an award rendered by the Panel is relief or a remedy on which a court could enter judgment, a judgment upon the award rendered by the Panel may be entered in any court having jurisdiction thereof. otherwise, the award shall be binding on the parties in connection with their obligations under this Agreement and in any subsequent arbitration or judicial proceedings among any of the parties.

(k) The parties agree to share equally the cost of any arbitration, including the administrative fee, the compensation of the arbitrators and the costs of any neutral witnesses or proof produced at the direct request of the Panel.

(l) The parties shall each bear all their own costs and expenses of arbitration, including legal fees and expenses.

(m) Notwithstanding the choice of law provision set forth in Section 16.2, The Federal Arbitration Act, 9 U.S.C. Sections 1 to 14, except as modified hereby, shall govern the interpretation and enforcement of this Section 16.2.

16.3 Recourse to Courts and Other Remedies. Notwithstanding the Dispute resolution procedures contained in Sections 16.1 and 16.2, any party may apply to any court having jurisdiction (a) to enforce this agreement to arbitrate, (b) to seek provisional injunctive relief so as to maintain the status quo until the arbitration award is rendered or the Dispute is otherwise resolved, (c) to avoid the expiration of any applicable limitation period, (d) to preserve a superior position with respect to other creditors or (e) to challenge or vacate any final judgment, award or decision of the Panel that does not comport with the express provisions of Section 16.2.

16.4 Affiliates. Each party hereto agrees that for purposes of this Section 16, references to the parties shall also include their respective Affiliates, who shall be subject to the Dispute resolution procedures of this Section 16 to the same extent as the parties.

## 17. Miscellany.

17.1 Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. This Agreement may not be changed except in writing executed by the parties hereto.

### 17.2 Choice of Law and Forum; Waiver of Jury Trial.

(a) SUBJECT TO AND TO THE EXTENT NOT INCONSISTENT WITH SECTION 16, THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO CONFLICT-OF-LAW PRINCIPLES.

(b) Where federal subject matter jurisdiction exists over any action, suit or proceeding arising out of or in any way connected with this Agreement, each party hereto designates the United States District Court for the Southern District of Florida for the exclusive resolution of that dispute and submits to the jurisdiction of that court and hereby waives any and all objections such party may have as to venue in such court. Where federal subject matter jurisdiction does not exist over that action suit or

proceeding, each party hereto designates the appropriate state court located in the State of Florida for the exclusive resolution of that dispute and submits to the jurisdiction of that court and hereby waives any and all objections it may have as to venue in such court. In addition, each party hereby irrevocably consents to service of process by U.S. certified or registered mail, return receipt requested, if sent to the party or such party's representative identified in Section 15 and to the address specified in Section 15.

(c) EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING RELATING TO, WITH RESPECT TO, CONNECTED WITH OR IN ANY WAY ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTIONS CONTEMPLATED HEREBY OR BY ANY AGREEMENT, CERTIFICATE OR OTHER DOCUMENT REFERRED TO HEREIN OR DELIVERED IN CONNECTION HEREWITH.

17.3 Waiver. No waiver of any term, provision or condition of this Agreement shall be effective unless in writing signed by an officer of the party waiving such term, provision or condition, and no such waiver, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

17.4 Captions. The captions of this Agreement are for convenience only and shall not be considered or referred to in resolving questions or construction.

17.5 Counterparts. This Agreement may be executed in counterparts and any number of counterparts signed in the aggregate by the parties hereto shall constitute a single original instrument. This Agreement and any documents delivered in connection herewith shall be deemed executed and delivered when counterpart signatures are delivered in accordance with herewith.

17.6 Construction. When the context so requires in this Agreement, the use of one gender includes either or both of the other genders and the singular number includes the plural.

17.7 Successors and Assigns. This Agreement may not be assigned without the consent of all the parties hereto, except that Postco may assign this Agreement to a corporation or other business entity owned by him and or his family members without the consent of CFC Parent or CFC Parent's Shareholders. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto.



17.8 Invalidity of Any Provision. In case any provision of this Agreement not material to the benefits intended to be conferred hereby is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

17.9 Recovery of Costs. In any action between any of the parties seeking enforcement of any of the provisions of this Agreement or in connection with the rights and obligations of any party hereunder, the prevailing party in such action shall be awarded, in addition to any other relief to which it may be entitled, its reasonable costs and expenses (not limited to taxable costs) and reasonable attorneys' fees actually incurred.

17.10 Termination. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated:

- (a) by mutual written consent of the parties hereto;
- (b) by Shareholders and CFC Parent in the event of any material breach by Postco of any of the agreements, representations or warranties of Postco contained herein and the failure of Postco to cure such breach within thirty days after receipt of notice from CFC Parent requesting such breach to be cured;
- (c) by Postco in the event of any material breach by Shareholders of any of Shareholders' agreements, representations or warranties contained herein and the failure of Shareholders to cure such breach within thirty days after receipt of notice from Postco requesting such breach to be cured; or
- (d) as otherwise provided in this Agreement.

In the event that this Agreement shall be terminated pursuant to this Section 17.10, all further obligations of the parties under this Agreement (other than those contained in Sections 16 and 17) shall terminate without further liability of either party to the other, provided that nothing herein shall relieve either party from liability for its willful breach of this Agreement.

17.11 Expenses. Shareholders and Postco shall be responsible for all costs and expenses related to the transactions contemplated by this Agreement, including attorney's fees, accounting fees, appraisal fees, and costs incurred in connection with the transfer of assets contemplated by this Agreement, except as provided in the Transaction Agreement or Stock Purchase Agreement.

17.12 Additional Actions and Documents. Each of the parties hereto hereby agrees to take or cause to be taken such further action, to execute, deliver and file, or cause to be executed, delivered and filed, such further documents and instruments, and to obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Agreement, whether before, at or after the Closing Date.

\* \* \* \* \*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

INDIANTOWN COMPANY, INC., a Florida corporation (name to be changed to [CFC Parent, Inc.]

By:   
Robert M. Post, Jr.  
President

POSTCO, INC., a Florida corporation

By:   
Robert M. Post, Jr.  
President

APPROVAL BY INDIANTOWN COMPANY, INC. SHAREHOLDERS:

South Flora Land Development Corporation, a Florida corporation

By: \_\_\_\_\_  
Thomas Beard  
President

National Investors Fund, Inc., a Delaware corporation

By: \_\_\_\_\_  
Thomas Beard  
President

SIGNATURE PAGES TO SUBSIDIARY STOCK PURCHASE AGREEMENT RE:  
SALE OF INDIANTOWN COMPANY, INC. SUBSIDIARY CORPORATIONS

YOUNG VAN ASSENDERP & VARNADOE, P. A.  
ATTORNEYS AT LAW

REPLY TO

R. BRUCE ANDERSON  
TASHA O. BUFORD  
DAVID B. ERWIN  
DAVID P. HOPSTETTER\*  
C. LAURENCE KESSEY  
ANDREW I. SOLIS  
KENZA VAN ASSENDERP  
GEORGE L. VARNADOE  
ROY C. YOUNG  
  
\*BOARD CERTIFIED REAL ESTATE LAWYER  
  
WILLIAM J. ROBERTS  
OF COUNSEL

May 8, 1997

GALLIE'S MALL  
225 SOUTH ADAMS STREET, SUITE 200  
POST OFFICE BOX 1833  
TALLAHASSEE, FLORIDA 32302-1833  
TELEPHONE (904) 222-7206  
TELECOPIER (904) 561-6834

SUNTRUST BUILDING  
801 LAUREL OAK DRIVE, SUITE 300  
POST OFFICE BOX 7907  
NAPLES, FLORIDA 34101-7907  
TELEPHONE (941) 597-2814  
TELECOPIER (941) 597-1060

DEPOSIT DATE  
D521 MAY 09 1997

Ms. Blanca Bayo  
Director, Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Petition for Approval of the Transfer of Controlling  
Stock Interest in Indiantown Company, Inc.

INDIANTOWN COMPANY, INC.

GENERAL FUNDS ACCOUNT

P.O. BOX 397  
INDIANTOWN, FL 34956

BARNETT BANK OF  
MARTIN COUNTY, N.A.

CHECK DATE	CHECK NO.
4/28/97	7157

PAY

Exactly \$\*\*\*1500 and 00/100 Dollars

CHECK AMOUNT
\$***1500.00

TO  
THE  
ORDER  
OF

FLORIDA PUBLIC SERVICE  
COMMISSION  
2540 SHUMARD OAK BLVD.  
TALLAHASSEE, FL 32399-0876



INDIANTOWN COMPANY, INC.

*[Signature]*  
*[Signature]*

INDIANTOWN COMPANY, INC.

GENERAL FUNDS ACCOUNT

P.O. BOX 397  
INDIANTOWN, FL 34956

BARNETT BANK OF  
MARTIN COUNTY, N.A.

CHECK DATE	CHECK NO.
4/28/97	7158

FAX

Exactly \$\*\*\*1500 and 00/100 Dollars

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\$***1500.00

TO  
THE  
ORDER  
OF

FLORIDA PUBLIC SERVICE  
COMMISSION  
2540 SHUMARD OAK BLVD.  
TALLAHASSEE, FL 32399-0876



INDIANTOWN COMPANY, INC.

*[Signature]*  
*[Signature]*

YOUNG, VAN ASSENDERP & VARNADOE, P. A.

ATTORNEYS AT LAW

REPLY TO

R. BRUCE ANDERSON  
TASHA D. BUFORD  
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ROY C. YOUNG

\*BOARD CERTIFIED REAL ESTATE LAWYER

WILLIAM J. ROBERTS  
OF COUNSEL

May 8, 1997

DEPOSIT                      DATE  
D521                      MAY 09 1997

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Ms. Blanca Bayo  
Director, Records and Reporting  
Florida Public Service Commission  
2540 Saumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Petition for Approval of the Transfer of Controlling  
Stock Interest in Indiantown Company, Inc.

Dear Ms. Bayo:

Enclosed please find the original and five copies of the  
Petition for Approval of the Transfer of Controlling Stock  
Interest in a corporation holding the water and wastewater assets  
from Indiantown Company, Inc. to Postco, Inc., along with the  
stock purchase agreement and a detailed explanation of the  
transaction. Notice will be sent to the Board of County Commis-  
sioners of Martin County, other governmental agencies, nearby  
utilities, the Office of Public Counsel and subscribers. When  
notice has been accomplished, affidavits will be filed as late  
filed exhibits, as permitted. 97

Enclosed are two checks in the amount of \$1,500 each for the  
filing fee for the water system and the wastewater system.

Please note that the stock purchase agreement has not been  
signed by all of those who must sign. Some of the signing is  
taking place outside of the United States, and when the executed  
agreement is available, it will be filed.

Thank you for your attention to this filing. This is a  
relatively complicated transfer proceeding. If we have missed  
complying with one of the Commission's rules, or if something is  
not clear, we expect to supplement this filing and/or give an  
adequate explanation. As you can see, due to our desire to give