

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

(850) 877-6555  
FAX (850) 656-4029  
www.rsblaw.com

CENTRAL FLORIDA OFFICE  
SANLANDO CENTER  
2180 WEST STATE ROAD 434  
SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

ROBERT M. C. ROSE, (1924-2006)

March 11, 2009

VIA HAND DELIVERY

MARTIN S. FRIEDMAN, P.A.  
BRIAN J. STREET  
CHRISTIAN W. MARCELLI, OF COUNSEL  
(LICENSED IN NEW YORK ONLY)

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

090120

RECEIVED-FPSC  
09 MAR 11 PM 4:08  
COMMISSION  
CLERK

Re: Aloha Utilities, Inc. - Joint Notice of Transfer of Water and Wastewater Assets and Request  
for Cancellation of Certificates  
Our File No. 26038.58

Dear Ms. Cole:

Attached hereto are the original and 15 copies of the Joint Notice of Transfer of Aloha  
Utilities, Inc., Water and Wastewater Assets Located in Pasco County, Florida to the Florida  
Governmental Utility Authority and Request for Cancellation of Certificates.

Should you or any members of the Commission staff have any questions regarding the  
attached, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

*Chasity H. O'Steen*

Chasity H. O'Steen  
For The Firm

COM 5  
ECR 4  
GCL 2  
OPC  
RCP I  
SSC  
SGA CHO/dr  
ADM Enclosures  
CLK cc: Mr. Steve Watford

Original Certs Forwarded  
to ECR.

NAME

Brian P. Armstrong, Esq.

G:\ALOHA\56 -- Sale to Pasco County\Ltr to PSC re Joint Notice of Transfer and Request for Cancellation of Certificates (3-11-09).doc

DOCUMENT NUMBER-DATE

02150 MAR 11 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Joint Notice by Aloha )  
 Utilities, Inc., and the Florida )  
 Governmental Utility Authority )  
 of transfer of water and ) DOCKET NO.  
 wastewater assets located in )  
 Pasco County, Florida to the ) Filed: March 11, 2009  
 Florida Governmental Utility )  
 Authority and request for )  
 cancellation of certificates. )

---

JOINT NOTICE OF TRANSFER OF ALOHA UTILITIES, INC.,  
 WATER AND WASTEWATER ASSETS LOCATED IN PASCO COUNTY,  
 FLORIDA TO THE FLORIDA GOVERNMENTAL UTILITY AUTHORITY  
 AND REQUEST FOR CANCELLATION OF CERTIFICATES

Aloha Utilities, Inc. ("Aloha"), and the Florida Governmental Utility Authority ("FGUA") file this Notice pursuant to Section 367.071(4), Florida Statutes, as notice of the transfer of Aloha's water and wastewater assets in Pasco County to the FGUA and to request the cancellation of the certificates issued to Aloha by the Florida Public Service Commission (the "Commission").

1. The name and address of Aloha and its authorized representative, for purposes of this Notice, are:

Aloha Utilities, Inc.  
 Post Office Box 3557  
 Holiday, Florida 34692  
 Authorized Representative:

Chasity H. O'Steen, Esq.  
 Rose, Sundstrom & Bentley, LLP  
 2548 Blairstone Pines Dr.

Tallahassee, Florida 32301  
Phone: 850-877-6555

2. The name and address of the FGUA and its authorized representative, for purposes of this Notice, are:

Florida Governmental Utility Authority  
c/o Government Services Group, Inc.  
1500 Mahan Drive, Suite 250  
Tallahassee, Florida 32308  
Authorized Representative:

Brian P. Armstrong, Esq.  
Nabors, Giblin & Nickerson, P.A.  
1500 Mahan Drive, Suite 200  
Tallahassee, Florida 32308  
Phone: 850-224-4073

3. Attached hereto as composite Exhibit A are Aloha's Water Certificate No. 136-W and Wastewater Certificate No. 97-S ('Certificates').

4. The FGUA was created as of February 1, 1999, pursuant to an interlocal agreement that was subsequently amended and restated on December 1, 2000, and thereafter ('Interlocal Agreement'). Pursuant to Sections 367.022(2) and 163.01(7)(g)(1), Florida Statutes, the FGUA is a governmental authority exempt from Commission jurisdiction. See Order No. PSC-00-2352-FOF-WS issued December 7, 2000 and Order No. PSC-03-1284-FOF-WS issued November 10, 2003, collectively the 'FGUA Orders').

5. On October 9, 2008, the FGUA conducted a public hearing in accordance with Section 125.3401, Florida Statutes, addressed

the factors identified in such statute and found the acquisition of the water and wastewater assets of Aloha ("Aloha System") to be in the public interest.

6. The FGUA obtained from Aloha the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction.

7. The transaction closed on February 27, 2009.

8. Subsequent to the closing of this transaction, Aloha has retained no assets that would constitute a system providing or proposing to provide water or wastewater service to the public for compensation.

9. Aloha has submitted a final bill to its customers and has credited its customers or refunded excess deposits to its customers as appropriate and required by this Commission or by law.

10. There are outstanding issues relevant to Aloha's water and/or wastewater facilities pending before the Commission, including a Show Case Order and associated fine. Aloha is in the process of resolving any and all outstanding issues with the Commission, and Aloha will pay any and all outstanding regulatory assessment fees and file the final Regulatory Assessment Fee Return with the Division of Administration of this Commission within the time period required by the rules of this Commission.

11. Section 367.071(4)(a), Florida Statutes, provides that the transfer of utility assets to a governmental authority shall be approved as a matter of right. As indicated previously in this

Notice, the Commission has recognized on several prior occasions that the FGUA is a governmental authority, thus only the requirements in subsection (4) of Rule 25-30.037, Florida Administrative Code (the "Rule") apply.

The information identified in paragraph 4(a) of the Rule is provided in Section 1 herein. The information identified in paragraph 4(b) of the Rule is provided in Section 2 herein. The information identified in paragraph 4(d) of the Rule is provided in Section 8 herein. The information identified in paragraph 4(e) of the Rule is provided in Section 6 herein. The information identified in paragraph 4(f) of the Rule is provided in Section 7 herein. Attached as composite Exhibit B is a copy of the items identified in paragraph 4(c) of the Rule.

The FGUA respectfully requests a Commission order consistent with Subsection (6) of the Rule, which provides that "[u]pon its receipt of items required in paragraphs 4(a), (b), (c), (d), (e) and (f), the Commission will issue an order acknowledging that the facilities or any portion thereof have been acquired by the governmental authority."

12. This Notice is submitted without waiving any legal position or claims that Aloha or the FGUA may have regarding the standards and criteria to be utilized by the Commission in processing this Notice.

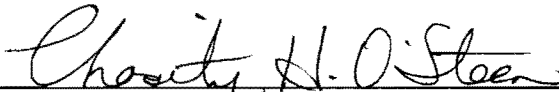
WHEREFORE, Aloha and the FGUA request that the Commission:

1. Acknowledge the sale of Aloha's water and wastewater assets to the FGUA as set forth in this Notice; and

2. Cancel the Certificates of Aloha attached hereto as composite Exhibit A.

Respectfully submitted,

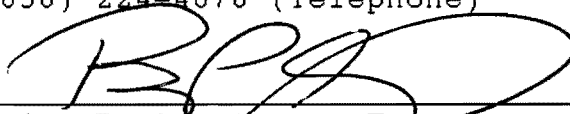
ROSE, SUNDSTROM & BENTLEY, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877-6555 (Telephone)



---

Chasity H. O'Steen, Esq.  
Attorney for Aloha Utilities, Inc.

NABORS, GIBLIN & NICKERSON, P.A.  
1500 Mahan Drive, Suite 200  
Tallahassee, Florida 32308  
(850) 224-4070 (Telephone)



---

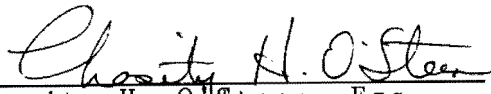
Brian P. Armstrong, Esq.  
Attorney for Florida  
Governmental Utility Authority

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Hand Delivery and U.S. Mail this 11th day of March, 2009 to:

Patrick L. Imhof, Esq.  
General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 301J  
Tallahassee, Florida 32399-0850

Jean Hartman  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 370  
Tallahassee, Florida 32399-0850

  
Chasity H. O'Steen, Esq.

COMPOSITE EXHIBIT A  
ORIGINAL ALOHA WATER AND WASTEWATER CERTIFICATES



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

136 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

ALOHA UTILITIES, INC.

Whose principal address is:

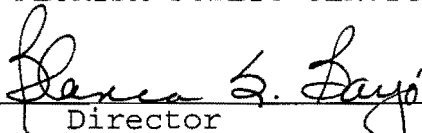
2514 Aloha Place  
Holiday, FL 34691 (Pasco County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

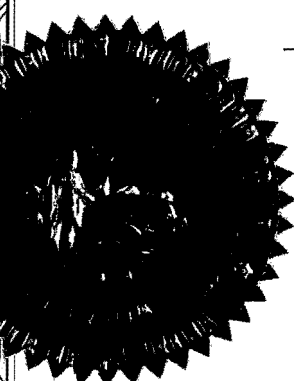
ORDER	5727	DOCKET	C-73052-W
ORDER	5741	DOCKET	C-73054-W
ORDER	6182	DOCKET	74316-WS
ORDER	14100	DOCKET	830554-WS
ORDER	15373	DOCKET	830554-WS
ORDER	PSC-99-1911-FOF-WS	DOCKET	990940-WS
ORDER	PSC-00-0581-FOF-WS	DOCKET	991699-WS

FLORIDA PUBLIC SERVICE COMMISSION



Dennis S. Lajoie

Director  
Division of Records and Reporting



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

97 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

ALOHA UTILITIES, INC.

Whose principal address is:

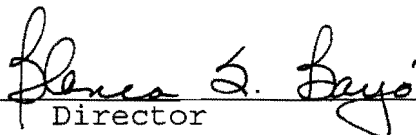
2514 Aloha Place  
Holiday, FL 34691 (Pasco County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

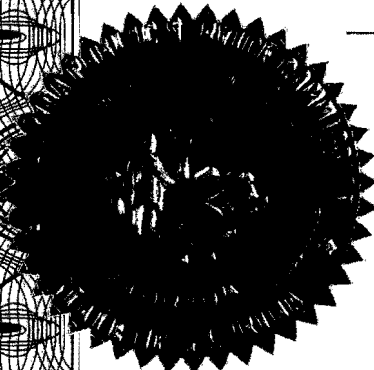
This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	5727	DOCKET	C-73053-S
ORDER	5741	DOCKET	C-73055-S
ORDER	6182	DOCKET	74316-WS
ORDER	14100	DOCKET	830554-WS
ORDER	15373	DOCKET	830554-WS
ORDER	PSC-99-1911-FOF-WS	DOCKET	990940-WS
ORDER	PSC-00-0581-FOF-WS	DOCKET	991699-WS

FLORIDA PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Director

Division of Records and Reporting



COMPOSITE EXHIBIT B

ITEMS REQUIRED BY RULE 25-30.037(4)(c), F.A.C.

**AGREEMENT OF PURCHASE AND SALE OF WATER AND  
WASTEWATER ASSETS**

**THIS AGREEMENT** (“Agreement”) made and entered into as of this 8<sup>th</sup> day of October, 2008, by and between Aloha Utilities, Inc., a Florida corporation authorized to do business in the State of Florida, (referred to herein as “Seller”) and the Florida Governmental Utility Authority, a legal entity and public body created by interlocal agreement pursuant to Section 163.01(7)(g), Florida Statutes (“Buyer”).

**RECITALS**

**WHEREAS**, Seller is the owner of certain water supply wells and a private utility system located in Pasco County, Florida, which consists of potable water production, supply, treatment, and distribution systems, water systems, wastewater collection, transmission, treatment and disposal systems, and reclaimed water facilities (the “System,” as hereinafter defined);

**WHEREAS**, Seller had no intention of selling its utility assets, but received the threat of condemnation of its utility assets by a member of the Buyer, which threat Seller determined it was inadvisable to resist and incur unnecessary time and expenses in defense of such proceedings, but instead, in lieu of condemnation, agreed to negotiate an amicable resolution of the threat of condemnation by entering into this Agreement;

**WHEREAS**, the Buyer, pursuant to section 163.01, Florida Statutes (the “Florida Interlocal Cooperation Act”) and an interlocal agreement entered into and adopted by Pasco County, among other local governments (the “Interlocal Agreement”), agreed to acquire the utility assets of Seller in lieu of condemnation by a member of the Buyer and the Buyer has the power and authority to provide potable water and wastewater infrastructure and service throughout the State of Florida;

**WHEREAS**, Seller agrees to sell under the threat of condemnation, and Buyer desires to purchase in lieu of condemnation by an Authority Member, the System of Seller for the consideration and on the terms and subject to the conditions set forth in this Agreement; and

**WHEREAS**, prior to Closing hereon, Buyer will hold a public hearing as required by law on the proposed purchase contemplated hereby to determine whether or not such purchase is in the public interest.

**NOW THEREFORE**, in consideration of the foregoing Recitals and benefits to be derived from the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree:

## 1. Definitions and Usage

### 1.1 Definitions

For purposes of this Agreement, the following terms and variations thereof have the meanings specified or referred to in this Section 1.1:

**“Accounts Receivable”**-- (i) all customer accounts receivable and other rights to payment from customers of Seller and the full benefit of all security for such accounts or rights to payment; (ii) all other accounts or notes receivable of Seller and the full benefit of all security for such accounts or notes; and (iii) any claim, remedy or other right related to any of the foregoing.

**“Appurtenances”**-- all privileges, rights, easements, hereditaments and appurtenances belonging to or for the benefit of the Land, including all easements appurtenant to and for the benefit of any Land (a “Dominant Parcel”) for, and as the primary means of access between, the Dominant Parcel and a public way, or for any other use upon which lawful use of the Dominant Parcel for the purposes for which it is presently being used is dependent, and all rights existing in and to any streets, alleys, passages and other rights-of-way included thereon or adjacent thereto (before or after vacation thereof) and vaults beneath any such streets.

**“Assets” or “Assets to Be Sold”**-- as defined in Section 2.1.

**“Assignment and Assumption Agreement”**-- as defined in Section 2.6(a)(ii).

**“Assumed Liabilities”**-- as defined in Section 2.4(a).

**“Best Efforts”**-- the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible, provided, however, that a Person required to use Best Efforts under this Agreement will not be thereby required to take actions that would result in a material adverse change in the benefits to such Person of this Agreement and the Contemplated Transactions or to dispose of or make any change to its business, expend any material funds or incur any other material burden.

**“Bill of Sale”**-- as defined in Section 2.6(a)(i).

**“Breach”**-- any breach of, or any inaccuracy in, any representation or warranty or any breach of, or a failure to perform or comply with, any covenant or obligation, in or of this Agreement.

**“Business Day”**-- any day other than: (i) Saturday or Sunday; or (ii) any other day on which banks in Florida are permitted or required to be closed.

**“Buyer”**-- as defined in the first paragraph of this Agreement.

“Buyer Indemnified Persons”-- as defined in Section 11.2.

“Closing”-- as defined in Section 2.5.

“Closing Date”-- the date on which the Closing actually takes place.

“COBRA”-- as defined under Federal Employment Law.

“Code”-- the Internal Revenue Code of 1986.

“Confidential Information” -- this agreement contemplates Seller furnishing information relevant to the System to Buyer’s consultants and permitting Buyer’s consultants to inspect the confidential files and records of Seller. To the extent permitted by law, information, of any kind and in any form or format, provided by Seller to Buyer’s consultants or discovered by Buyer’s consultants during the pre-Closing due diligence period as referenced in this Agreement shall be treated as confidential and not disclosed to third parties. Buyer shall provide Seller notice of any request to Buyer for Seller information and Seller shall have the opportunity to protect the confidentiality of such information by court proceeding or as otherwise permitted by law. In the event that Closing of the transactions contemplated by this Agreement does not occur, all information obtained by Buyer relevant to the System, by whatever means, shall be immediately returned to Seller and not disclosed to others in any format. Confidentiality of information shall cease upon Closing.

“Connection Charges” -- the funds collected from new customers of the System at or prior to initial connection as authorized by the Seller’s Tariffs to defray the cost of making utility services available. Connection Charges include capacity charges, main extension charges, impact fees, guaranteed revenues, service availability fees, allowance for funds prudently invested or other charges paid for the availability of utility services.

“Contemplated Transactions”-- all of the transactions contemplated by this Agreement.

“Contract Operator” -- an entity which shall provide certain general and administrative functions and operation of the System being acquired during a transition period from and after the date of Closing hereon by separate agreement, in order to promote a smooth transition from private to public ownership.

“Cost of Operation and Maintenance”-- all current expenses, paid or accrued, for the operation, maintenance and repair of all Facilities of the System, as calculated in accordance with generally accepted accounting principles for units of local government and on a consistent basis with the operation and maintenance and repair of the Facilities of the System under Seller’s ownership, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Buyer related solely to the System, labor, cost of materials, consumables and supplies used for current operation, but excluding any

reserve for renewals or replacements, any extraordinary or emergency repairs, any replacements, any capital expenditures, any allowance for interest or depreciation or amortization, any other non-cash item, any profit, any franchise fees, any payments in lieu of taxes, and any voluntary payments to other governmental entities not required by law.

“Customer Deposits”-- any amounts deposited with or held by the Seller as customer deposits.

“Damages”-- as defined in Section 11.2.

“Effective Time”-- 12:01 a.m. on the Closing Date.

“Encumbrance”-- any charge, claim, community or other marital property interest, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership.

“Environment”-- soil, land surface or subsurface strata, surface waters (including navigable waters and ocean waters), ground waters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

“Environmental, Health and Safety Liabilities”-- any cost, damages, expense, liability, obligation or other responsibility arising from or under any Environmental Law or Occupational Safety and Health Law, including those consisting of or relating to:

(i) any environmental, health or safety matter or condition (including on site or off-site contamination, occupational safety and health and regulation of any chemical substance or product);

(ii) any fine, penalty, judgment, award, settlement, legal or administrative proceeding, damages, loss, claim, demand or response, remedial or inspection cost or expense arising under any Environmental Law or Occupational Safety and Health Law;

(iii) financial responsibility under any Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any cleanup, removal, containment or other remediation or response actions (“Cleanup”) required by any Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or any other Person) and for any natural resource damages; or

(iv) any other compliance, corrective or remedial measure required under any Environmental Law or Occupational Safety and Health Law.

The terms “removal,” “remedial” and “response action” include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA).

“Environmental Law”-- any Legal Requirement that requires or relates to:

(i) advising appropriate authorities, employees or the public of intended or actual Releases of pollutants or hazardous substances or materials, violations of discharge limits or other prohibitions and the commencement of activities, such as resource extraction or construction, that could have a significant impact on the Environment;

(ii) preventing or reducing to acceptable levels the Release of pollutants or hazardous substances or materials into the Environment;

(iii) reducing the quantities, preventing the Release or minimizing the hazardous characteristics of wastes that are generated;

(iv) assuring that products are designed, formulated, packaged and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(v) protecting resources, species or ecological amenities;

(vi) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil or other potentially harmful substances;

(vii) cleaning up pollutants that have been Released, preventing the Threat of Release or paying the costs of such clean up or prevention; or

(viii) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

“ERISA”-- the Employee Retirement Income Security Act of 1974.

“Exchange Act”-- the Securities Exchange Act of 1934.

“Excluded Assets”-- as defined in Section 2.2.

“Execution Date”-- the date of this Agreement first written above.

“Facilities”-- the Land, leasehold, license, easement, right-of-way, prescriptive claim or other interest in real property currently owned or operated by Seller or used by the Seller in the operation of the System, including the Tangible Personal Property used or operated by Seller at the respective locations of the Land, and excluding the Excluded Assets.



“GAAP”-- generally accepted accounting principles applicable to the Seller for financial reporting in the United States, applied on a basis consistent with the basis on which the balance sheets and the other financial statements referred to in Section 3.3 were prepared.

“Governing Documents”-- the articles or certificate of incorporation and the bylaws of Seller.

“Governmental Authorization”-- any consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

“Governmental Body”-- any:

(i) federal, state, local, municipal, or other government, including special districts and authorities established pursuant to Florida law;

(ii) governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental powers ); or

(iii) body exercising any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

“Hazardous Activity”-- the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Material in, on, under, about or from any of the Facilities or any part thereof into the Environment and any other act, business, operation or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm, to persons or property on or off the Facilities.

“Hazardous Material”-- any substance, material or waste which is regulated by any Governmental Body, including any material, substance or waste which is defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “contaminant,” “toxic waste” or “toxic substance” under any provision of Environmental Law, and including petroleum, petroleum products, asbestos, presumed asbestos-containing material or asbestos-containing material, urea formaldehyde and polychlorinated biphenyls.

“Improvements”-- all buildings, structures, fixtures and improvements located on the Land or included in the Assets, including those under construction.

“Indemnified Person”-- as defined in Section 11.2.

“Intellectual Property Assets”-- as defined in Section 3.14.

“Inventories”-- all inventories of Seller, wherever located, including without limitation, all pumps, pipes, valves, plumbing fixtures, chemicals, stored water, spare parts and all other materials and supplies to be used by Seller in the operation of its business.

“IRS”-- the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

“Land”-- all parcels and tracts of land in which Seller has a fee ownership interest.

“Lease”-- any Real Property Lease or any lease or rental agreement, license, right to use or installment and conditional sale agreement to which Seller is a party and any other Seller Contract pertaining to the leasing or use of any Tangible Personal Property.

“Legal Requirement”-- any federal, state, local, municipal, or other constitution, law, ordinance, principle of common law, code, regulation, permit provision or statute.

“Liability”-- with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Materiality” -- the effect of any action, or circumstance that would materially and adversely affect the financial condition, assets, liabilities, properties or results of the operation of the system, or materially interfere with the Buyer’s future operation thereof.

“Occupational Safety and Health Law”-- any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards under the Occupational Safety and Health Act.

“Order”-- any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

“Ordinary Course of Business”-- an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business only if that action is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person.

“Permitted Encumbrances”-- as defined in Section 3.7.

“Person”-- an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association,

joint venture or a Governmental Body.

“Proceeding”-- any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

“Purchase Price” shall mean the amount of money or other consideration payable by the Buyer to the Seller as set forth herein at the time and in the manner as provided for herein.

“Real Property”-- the Land and Improvements.

“Real Property Lease”-- any ground lease or space lease.

“Record”-- information that is inscribed on a tangible medium or that is stored in electronic or other medium and is retrievable in perceivable form.

“Release”-- any release, spill, emission, leaking, pumping, pouring, dumping, emptying, injection, deposit, disposal, discharge, dispersal, leaching or migration on or into the Environment or into or out of any property.

“Retained Liabilities”-- as defined in Section 2.4(b).

“Seller”-- as defined in the first paragraph of this Agreement.

“Seller Contract”-- any contract, promise, or undertaking not including excluded assets:

(i) under which Seller has or may acquire any rights or benefits including, but not limited to, the Bulk Water Agreement between Seller and Pasco County dated October 26, 2004, as supplemented and amended by letter dated November 29, 2006 and actions of the parties related thereto;

(ii) under which Seller has or may become subject to any obligation or liability;  
or

(iii) by which Seller or any of the assets, real or personal, owned or used by Seller is or may become bound or are encumbered.

“Service Area” -- the areas where Seller provides water, wastewater, or reclaimed water utility services pursuant to certificates granted by the Florida Public Service Commission or other consents and agreements by and between any Governmental Body and the Seller.

“System” -- the water, sewer and reclaimed water utility systems of the Seller

together with any and all assets, improvements, extensions and additions thereto hereafter constructed or acquired, but not including the Excluded Assets as more specifically set forth in Exhibit 2.2.

"Tangible Personal Property"-- all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, materials, vehicles and other items of tangible personal property (other than Inventories) of every kind owned or leased by Seller (wherever located and whether or not carried on Seller's books), together with any express or implied warranty by the manufacturers or Seller or lessors of any item or component part thereof and all maintenance records and other documents relating thereto.

"Tax" -- any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Body or payable under any tax-sharing agreement or any other contract.

"Third Party"-- a Person that is not a party to this Agreement.

"Third-Party Claim"-- any claim against any Indemnified Person by a Third Party, whether or not involving a Proceeding.

"Threat of Release"-- a reasonable likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

"Title Agent" means the law firm of Rose, Sundstrom & Bentley, LLP

"Title Insurer" means First American Title Insurance Company, 2233 Lee Road, Suite 110, Winter Park, FL 32789.

"Unbilled Customer Revenue"-- revenue for services provided to customers prior to the Effective Time that have not yet been billed as of the date of Closing.

## 1.2 Usage

(a) Interpretation. In this Agreement, unless a clear contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person's successors and

assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(v) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof;

(vi) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(vii) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding";

(viii) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and

(ix) the phrase "the date hereof", the "date of this Agreement" or similar phrases means the date first written above in the introductory paragraph of this Agreement.

(b) Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP, as the same applies to the Seller, and in accordance with generally accepted accounting principles applicable to units of local government, as the same applies to the Buyer.

(c) Legal Representation of the Parties. This Agreement was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

## 2. Sale and Transfer of System; Closing

### 2.1 Assets To Be Sold

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, but effective as of the Effective Time, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, free and clear of any

Encumbrances (except as to Appurtenances to the extent provided for elsewhere herein) other than Permitted Encumbrances, the System, as defined herein, and all of Seller's right, title and interest in and to all of Seller's property and assets, real, personal or mixed, tangible and intangible, of every kind and description, wherever located, including the following (but excluding the Excluded Assets):

- (a) all Real Property and all Appurtenances;
- (b) Tangible Personal Property and all water treatment plants, wells and distribution facilities, wastewater collection, treatment and disposal facilities of every kind and description whatsoever, including but not limited to pumps, plants, tanks, lift stations, transmission mains, distribution mains, supply pipes, collection pipes or facilities, irrigation quality water and effluent disposal facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used primarily in connection with the Utility System, together with all additions or replacements thereto;
- (c) all Inventories;
- (d) all Accounts Receivable and Unbilled Customer Revenue for water, sewer and reclaimed water;
- (e) all Seller Contracts (other than those constituting Excluded Assets) and all outstanding offers or solicitations made by or to Seller to enter into any Seller Contract;
- (f) all Governmental Authorizations and all pending applications therefor or renewals thereof, in each case to the extent transferable to Buyer;
- (g) copies of all data and Records reasonably required to Buyer relating to the future operation of the System, including the hardware and software upon which such data and records are kept and further including all supplier lists, customer records, prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information reasonably required by Buyer to operate the System in Seller's possession and those portions of personnel records which Seller is permitted by law to disclose. Nothing herein contained shall be so construed to require Seller to provide copies of confidential communications between it, its counsel, or its consultants relating to pre-Closing operation of the System or personnel matters not related to Buyer's post-Closing operation of the System. It is the intent of the parties that Seller provide to Buyer's consultants that information necessary to evaluate and operate the System in the future;
- (h) all sets of record drawings, including as-built drawings, showing all Facilities of the System, including all original tracings, sepias or other reproducible materials in Seller's possession;

(i) all of the intangible rights and property of Seller, including Intellectual Property assets, computer software (title to be transferred, if owned, or assigned, if leased), going concern value;

(j) all claims of Seller against third parties relating to the Assets, whether choate or inchoate, known or unknown, contingent or non-contingent; and

(k) all rights of Seller relating to deposits and prepaid expenses, claims for refunds and rights to offset in respect thereof and that are not excluded under Section 2.2 or elsewhere in this Agreement, and not including Seller's letters of credit for which the Seller is an applicant.

All of the property and assets to be transferred to Buyer hereunder are herein referred to collectively as the "Assets" or "Assets to be Sold". The Assets transferred to Buyer include, but are not limited to, the Assets set forth and described in Exhibit 2.1 attached hereto.

## 2.2 Excluded Assets

Notwithstanding anything to the contrary contained in Section 2.1 or elsewhere in this Agreement, the following assets of Seller (collectively, the "Excluded Assets") are not part of the sale and purchase contemplated hereunder, are excluded from the Assets and shall remain the property of Seller after the Closing:

(a) all cash, cash equivalents, bank accounts, monies held in trust for Seller and short-term investments; all payments (other than Customer Deposits and Connection Charges to be transferred to Seller pursuant to Section 3.20 of this Agreement) received by Seller prior to Closing;

(b) the name and Florida corporation known as Aloha Utilities, Inc.;

(c) all minute books, stock Records and corporate seals;

(d) equity and debt securities of any nature;

(e) Seller's letters of credit outstanding at the date of Closing.;

(f) all insurance policies and rights thereunder (except to the extent specified in Section 2.1(i) and (j));

(g) all of the contracts listed in Exhibit 2.2;

(h) Records that Seller is required by law to retain in its possession;

(i) all claims for refund of Taxes and other governmental charges of

whatever nature;

(j) all rights in connection with and assets of any employee plans;

(k) all rights in connection with the solid waste disposal and street lighting services provided through Tarpon-Holiday Development Corporation and billed by Seller; and

(l) any other items otherwise excluded under this Agreement.

### 2.3 Consideration

(a) At the Closing, Buyer shall pay to the Seller, subject to the adjustments and proration referenced herein, a cash purchase price of Ninety Million Five Hundred Thousand Dollars (\$90,500,000) in immediately available Federal funds, by wire-to-wire transfer to the Title Agent.

(b) Purchase Price Adjustments:

(i) at Closing, the purchase price may be reduced by the amount necessary to fund any indemnity amounts owed by Seller under Section 11 hereunder.

(ii) at Closing, the Accounts Receivable and Unbilled Revenues due to Seller shall be credited to Seller as additional purchase price. This amount equals 95% of the average revenue for water, wastewater and reclaimed water provided by Seller to customers for the period of November 17 through December 16, in the years 2007, 2006 and 2005, reduced by the actual collections of Seller through the day preceding Closing.

(iii) at Closing, credit shall be given to the Buyer for the liabilities assumed for Customer Deposits, including any interest due thereon, as projected through the Closing Date using the actual Customer Deposits recorded as of the day two (2) weeks prior to the Closing Date as the base level of Customer Deposits.

### 2.4 Liabilities

(a) Assumed Liabilities. On the Closing Date, but effective as of the Effective Time, the Buyer shall assume and agree to discharge only the following Liabilities of Seller (the "Assumed Liabilities"):

(i) any account payable (other than an account payable to any person that directly or indirectly controls or is a director, officer or owner of Seller) arising with respect to the System that remains unpaid at and is not delinquent as of the Effective Time;

(ii) any account payable arising with respect to the System (other than an account payable to any Related Person of Seller) incurred by Seller that remains



unpaid at and is not delinquent as of the Effective Time but only to the extent it is of a type not typically paid or due for payment by Seller prior to the Effective Time in the Ordinary Course of Business;

(iii) any Liability to Seller's customers (other than an account payable) incurred by Seller in the Ordinary Course of Business outstanding as of the Effective Time including, but not limited to Customer Deposits (other than any Liability arising out of or relating to a breach that occurred prior to the Effective Time);

(iv) any Liability arising after the Effective Time under the Seller Contracts (other than any Liability arising under the contracts described on Exhibit 2.2 or arising out of or relating to a breach that occurred prior to the Effective Time);

(v) any Liability of Seller arising after the Effective Time under any Seller Contract included in the Assets that is entered into by Seller after the date hereof in the Ordinary Course of Business or in accordance with the provisions of this Agreement (other than any Liability arising out of or relating to a breach that occurred prior to the Effective Time);

(vi) any Liability of Buyer under this Agreement or any other document executed in connection with the Contemplated Transactions;

(vii) any Liability of Buyer based upon Buyer's acts or omissions occurring after the Effective Time provided, however, that such Liability does not arise as a result of Seller's Breach hereunder or is a Liability for which the Seller has an obligation to indemnify the Buyer in accordance herewith; and

(viii) any Liability arising after Closing from operation of the System after the Closing, provided, however, that such Liability is not the result of Seller's Breach hereunder or is a Liability for which the Seller has an obligation to indemnify the Buyer in accordance herewith.

Notwithstanding the foregoing, even if included in the foregoing, the following shall not constitute Liabilities assumed by the Buyer and, therefore, not be included in the term "Assumed Liabilities": (i) a Liability set forth on Exhibit 2.2 hereof, (ii) any Liability arising out of or relating to any employee grievance whether or not the affected employees are hired by Buyer or a contractor of Buyer based on actual or alleged acts or omissions of the Seller prior to the Effective Time, (iii) any Liability of Seller arising out of or resulting from any Proceeding pending as of the Effective Time, (iv) any Liability of Seller arising out of any Proceeding commenced after the Effective Time and arising out of or relating to any occurrence or event happening prior to the Effective Time to the extent that such Proceeding relates to Seller's actions or inactions prior thereto, (v) any Liability for Seller's performance of its obligations hereunder, and (vi) any Liability of Seller based upon Seller's acts or

omissions occurring after the Effective Time.

(b) Retained Liabilities shall mean all Liabilities other than Assumed Liabilities. The Retained Liabilities shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller. Retained Liabilities shall include any liabilities associated with alleged past violations and enforcement actions, whether known or unknown, existing as of the Closing Date that would remain post-Closing.

## 2.5 Closing

The purchase and sale provided for in this Agreement (the "Closing") will take place at a mutually agreed upon location in Florida commencing at 10:00 a.m. (local time) on or before December 17, 2008, unless Buyer and Seller otherwise agree. Subject to the provisions of Section 9, failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place determined pursuant to this Section 2.5 will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement. In such a situation, the Closing will occur as soon as practicable, subject to Section 9.

## 2.6 Closing Obligations

In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing:

(a) Seller shall deliver to Buyer:

(i) Bill of sale for all of the Assets that are Tangible Personal Property in the form to be agreed upon by the parties prior to Closing (the "Bill of Sale") executed by Seller;

(ii) an assignment of all of the Assets that are intangible personal property in the form to be agreed upon by the parties prior to Closing, which assignment shall also contain Buyer's undertaking and assumption of the Assumed Liabilities (the "Assignment and Assumption Agreement") executed by Seller;

(iii) for each fee interest in Real Property identified on Exhibit 3.7(a), a recordable warranty deed; for all easement interests, an assignment of easements without warranty; for each leasehold interest, an assignment of lease, or such other appropriate document or instrument of transfer, as the case may require, together with a general assignment by the Seller of any and all rights or interests Seller may otherwise have or hold (whether by license, permit, prescriptive right, or otherwise) in respect of its operation of the System, to occupy, use, traverse, spray, dispose upon, extract from, percolate through, burrow under, each in form and substance satisfactory to Buyer and its counsel and executed by Seller;

(iv) assignment of all Intellectual Property Assets executed by Seller in form reasonably satisfactory to Buyer;

(v) such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance agreed upon by the parties prior to Closing, executed by Seller or Third Parties;

(vi) assignment of all construction work in progress in form reasonably acceptable to Buyer which have not yet been placed in service as of the date of the Closing (such capital improvements which have been placed in service being part of the Facilities which are otherwise conveyed by Seller hereunder);

(vii) a certificate executed by Seller as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing in accordance with Section 7.1 and as to its compliance with and performance of their covenants and obligations to be performed or complied with at or before the Closing in accordance with Section 7.2;

(viii) a certificate of the Secretary of Seller certifying and attaching all requisite resolutions or actions of Seller's board of directors and shareholders approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and certifying to the incumbency and signatures of the officers of Seller executing this Agreement and any other document relating to the Contemplated Transactions.

(b) Buyer shall deliver to Seller:

(i) the Purchase Price plus or minus such other funds as set forth on a closing statement to be agreed upon between Buyer and Seller pursuant to the terms of this Agreement by wire transfer to a domestic account of a United States bank specified by the Seller in a writing delivered to Buyer on or before the Closing Date;

(ii) the Assignment and Assumption Agreement executed by Buyer;

(iii) a certificate executed by the Buyer as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing in accordance with Section 8.1 and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with Section 8.2; and

(iv) a certificate of the Clerk for the Buyer certifying, as complete and accurate as of the Closing, all requisite resolutions or actions of Buyer's governing board, copies of which shall be attached to such certificate, approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and certifying to the

incumbency and signatures of the officers of Buyer executing this Agreement and any other document relating to the Contemplated Transactions.

## 2.7 Consents

If there are any consents that have not yet been obtained (or otherwise are not in full force and effect) as of the Closing, in the case of each Seller Contract as to which such consent was not obtained (or otherwise are not in full force and effect) (the "Restricted Material Contracts"), Buyer may waive the closing conditions as to any such consent and either:

- (i) elect to have Seller continue its efforts to obtain the consent; or
- (ii) elect to have Seller retain that Restricted Material Contract and all Liabilities arising therefrom or relating thereto.

If Buyer elects to have Seller continue its efforts to obtain any consent and the Closing occurs, notwithstanding Sections 2.1 and 2.4, neither this Agreement nor the Assignment and Assumption Agreement nor any other document related to the consummation of the Contemplated Transactions shall constitute a sale, assignment, assumption, transfer, conveyance or delivery or an attempted sale, assignment, assumption, transfer, conveyance or delivery of the Restricted Material Contracts, and following the Closing, the parties shall use Best Efforts, and cooperate with each other, to obtain the consent relating to each Restricted Material Contract as quickly as practicable. Pending the obtaining of such consent relating to any Restricted Material Contract, the parties shall cooperate with each other in any reasonable and lawful arrangements designed to provide to Buyer the benefits of use of the Restricted Material Contract for its term (or any right or benefit arising thereunder, including the enforcement for the benefit of Buyer of any and all rights of Seller against a third party thereunder). Once a consent for the sale, assignment, assumption, transfer, conveyance and delivery of a Restricted Material Contract is obtained, Seller shall promptly assign, transfer, convey and deliver such Restricted Material Contract to Buyer, and Buyer shall assume the obligations under such Restricted Material Contract assigned to Buyer from and after the date of assignment to Buyer pursuant to a special purpose assignment and assumption agreement substantially similar in terms to those of the Assignment and Assumption Agreement (which special purpose agreement the parties shall prepare, execute and deliver in good faith at the time of such transfer, at the expense of Seller).

## 2.8 Engineering, Legal and Financial Due Diligence

Buyer is relying upon its own due diligence investigation in entering into this Agreement. The Buyer shall have until sixty (60) days after the Execution Date to complete, at its expense, any financial, legal, engineering and operational compliance investigation of the System and the Assets. Based upon the results of such due diligence investigations Buyer

shall have the right to terminate this Agreement for any material defects or problems revealed, including, but not limited to, any terms of the Seller Contracts which could interfere with or cause a material change in the long term operation of the System or Assets from the current operation, and Buyer shall provide Seller with written notice of termination within ten (10) days of completion of such due diligence. During this period, Seller shall provide Buyer and its representatives reasonable access to all Assets.

### 3. Representations and Warranties of Seller

Seller represents and warrants to Buyer as of date of this Agreement as follows:

#### 3.1 Organization And Good Standing

Seller is qualified to do business in the State of Florida. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under the Agreement. Complete and accurate copies of the Governing Documents of Seller, as currently in effect, will be provided to Buyer prior to Closing.

#### 3.2 Enforceability; Authority; No Conflict

(a) This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms and each of Seller's Closing Documents will constitute the legal, valid, and binding obligation of Seller, enforceable against Seller. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and, except as disclosed in Exhibit 3.2(c), to perform its obligations under this Agreement, and such action have been duly authorized by all necessary action by Seller's shareholders and board of directors.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) Breach (A) any provision of any of the Governing Documents of Seller or (B) any resolution adopted by the board of directors or the shareholders of Seller;

(ii) except as disclosed in Exhibit 7.3, breach any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any Seller Contract; or

(iii) except as disclosed in Exhibit 3.2(a), result in the imposition or creation of any Encumbrance upon or with respect to any of the Assets.

(c) Except as provided under Section 367.071, Florida Statutes, and as identified in Exhibits 3.2(a), Seller is not required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

### 3.3 Financial Statements

Seller has delivered or made available to Buyer, or will on the Execution Date, as the case may be: (a) audited balance sheet of Seller as of December 31, 2007, 2006 and 2005 (including the notes thereto, the "Balance Sheet"), and the related audited statements of income, changes in shareholders' equity and cash flows for the fiscal year then ended, including in each case the notes thereto, together with the report thereon of an independent certified public accountant; and (b) an unaudited balance sheet of Seller as of June 30, 2008 (the "Interim Balance Sheet") and the related unaudited statement of income. Such financial statements fairly present the financial condition and the results of operations, changes in shareholders' equity and cash flows of Seller as of the respective dates of and for the periods referred to in such financial statements, all in accordance with GAAP.

### 3.4 Sufficiency of Assets

The Assets (a) constitute all of the assets, tangible and intangible, of any nature whatsoever, necessary to operate the System and Assets in the manner operated by the Seller as of June 30, 2008, and as presently operated by Seller and (b) constitute all of the operating assets of the System and Assets including the Real Property, all Appurtenances, all real estate privileges, rights, easements, hereditaments, and other appurtenances.

### 3.5 Description of Land

Exhibit 3.5 contains a description of the Land.

### 3.6 Description of Leased Real Property

Exhibit 3.6 contains a description of the Leased Real Property.

### 3.7 Title to Assets; Encumbrances

(a) Seller owns good and marketable title to the Land, free and clear of any Encumbrances, other than:

(i) liens for Taxes for the current tax year which are not yet due and payable; and

(ii) those described in that certain Title Commitment delivered to Buyer ("Real Estate Encumbrances").

To the extent in Seller's possession, true and complete copies of (A) all deeds, existing title insurance policies and surveys of or pertaining to the Real Property and (B) all instruments, agreements and other documents evidencing, creating or constituting any Real Estate Encumbrances have been made available to Buyer. Seller warrants to Buyer that, at the time of Closing, the Land and Appurtenances shall be free and clear of all Real Estate Encumbrances identified on Schedule B-2 to the Title Commitment other than those identified on Exhibit 3.7(a) (the "Permitted Encumbrances"). Seller owns good and transferable title to all of the other Assets free and clear of any Encumbrances other than those described in Exhibit 3.7(b) ("Non-Real Estate Encumbrances"). Seller warrants to Buyer that, at the time of Closing, all Assets other than the Real Property shall be free and clear of Non-Real Estate Encumbrances other than those marked on Exhibit 3.7(b) with three asterisks to the left of such item.

Notwithstanding the foregoing, Buyer may not object to title by reason of the existence of any mortgage, lien, encumbrance, covenant, restriction or other matter that (i) may be satisfied with a payment of money and Seller advises Buyer that Seller elects to do so by paying same at or prior to the Closing Date; (ii) any mechanic's lien or other encumbrance that can be released of record, bonded or transferred of record to substitute security so as to relieve the Real Property from the burden thereof and Seller advises Buyer that Seller elects to do so at or prior to Closing; or (iii) the title insurance company issuing the title insurance commitments affirmatively insures-over.

### 3.8 Taxes

(a) Seller shall promptly file all tax returns resulting from the Closing hereto and pay all taxes due and owing from operation of the System relating to Seller's prior ownership and operation.

(b) Seller agrees to comply with the requirements of Section 196.295, Florida Statutes, Ad Valorem and Personal Property Taxes, as may be applicable.

(c) Specific Potential Tax Liabilities and Tax Situations.

(i) **Withholding.** All Taxes that Seller is or was required by Legal Requirements to withhold, deduct or collect have been or will be duly withheld, deducted and collected and, to the extent required, have been paid to the proper Governmental Body or other Person.

### 3.9 Compliance With Legal Requirements; Governmental Authorizations

(a) Except as set forth in Exhibit 3.9(a), to Seller's knowledge:

(i) Seller is in compliance with each Legal Requirement that is applicable to it or to the conduct or operation of its business or the ownership or use of any of

its assets that will effect, after Closing, Buyer's ownership or operation of the System;

(ii) no event has occurred or circumstance exists that (A) may constitute or result in a violation by Seller of, or a failure on the part of Seller to comply with, any Legal Requirement or (B) may give rise to any obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(iii) Seller has not received any written notice from any Governmental Body or any other Person regarding (A) any actual, alleged, possible or potential violation of, or failure to comply with, any Legal Requirement or (B) any actual, alleged, possible or potential obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(b) Exhibit 3.9(b) contains a complete and accurate list of each Governmental Authorization that is held by Seller or that otherwise relates to the System or the Assets. To Seller's knowledge, the Governmental Authorizations listed are valid and in full force and effect. Except as disclosed in Exhibit 3.9(b), to Seller's knowledge:

(i) Seller is in material compliance with all of the material terms and requirements of the Governmental Authorizations;

(ii) no event has occurred or circumstance exists that may (A) constitute or result directly or indirectly in a material violation of or a material failure to comply with any material term or requirement of any Governmental Authorization or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation or termination of, or any modification to, any material Governmental Authorization;

(iii) Seller has not received any written notice from any Governmental Body or any other Person regarding (A) any actual, alleged, possible or potential violation of or failure to comply with any term or requirement of any Governmental Authorization or (B) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination of or modification to any Governmental Authorization, *other than* such violations, failures, revocations, withdrawals, suspensions, cancellations, terminations or modifications as have either been resolved with such Governmental Body or Person, or are not material to the successful future operation of the System by the Buyer or to the results of such operations; and

(iv) all applications required to have been filed for the renewal of the material Governmental Authorizations have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other material filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations collectively constitute the Governmental



Authorizations necessary to permit Seller to lawfully conduct and operate its business in the manner in which it currently conducts and operates such business and to permit Seller to own and use its assets in the manner in which it currently owns and uses such assets.

### 3.10 Legal Proceedings; Orders

(a) Except as set forth in Exhibit 3.10, there is no pending or, to Seller's knowledge, threatened Proceeding:

(i) by or against Seller or that otherwise relates to or may materially affect the System, or any of the assets owned or used by, Seller; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions.

To the knowledge of Seller, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for the commencement of any such Proceeding. Seller will promptly deliver or provide access to Buyer copies of all pleadings, correspondence and other documents relating to each Proceeding listed in Exhibit 3.10. There are no Proceedings listed or required to be listed in Exhibit 3.10 that could have a material adverse effect on the business, operations, assets, condition or prospects of Seller or upon the Assets.

(b) Except as set forth in Exhibit 3.10; to the knowledge of Seller, no officer, director, agent or employee of Seller is subject to any Order that prohibits such officer, director, agent or employee from engaging in or continuing any conduct, activity or practice relating to the business of Seller.

(c) Except as set forth in Exhibit 3.10, to Seller's knowledge:

(i) Seller is in material compliance with all of the terms and requirements of each Order to which it or any of the Assets are or have been subject;

(ii) no event has occurred or circumstance exists that is reasonably likely to constitute or result in a violation of or failure to comply with any term or requirement of any Order to which Seller or any of the Assets are subject material to the operation of the System or a portion thereof after Closing by Buyer; and

(iii) Seller has not received any written notice from any Governmental Body or any other Person regarding any actual, alleged, possible or potential violation of, or failure to comply with, any term or requirement of any Order to which Seller or any of the Assets are or have been subject, that has not already been resolved.

### 3.11 Absence of Certain Changes and Events

(a) Except as set forth in Exhibit 3.10(A), since June 30, 2008, Seller has conducted its business only in the Ordinary Course of Business, there has not been any material adverse change in their business and in the operation of the System, and there has not been:

(i) any damage to or destruction or loss of any Asset, whether or not covered by insurance that has not been replaced or which will not be replaced prior to the Effective Time; or

(ii) (to the extent the same might be material to the results of operation of the System or a portion thereof) a sale (other than sales of Inventories in the Ordinary Course of Business), lease or other disposition of any Asset or property of Seller (including the Intellectual Property Assets); or

(iii) the execution of any type of agreement with developers or others which provide for prepaid connection charges or construction advances which are subject to refund to developers.

### 3.12 Contracts; No Defaults

(a) Seller shall deliver on the Execution Date or within three (3) business days of the Execution Date, or make available to Buyer's consultants on and after the Execution Date accurate and complete copies of:

(i) each Seller Contract that involves performance of services or delivery of goods or materials by Seller of an amount or value in excess of \$10,000;

(ii) each Seller Contract that was not entered into in the Ordinary Course of Business;

(iii) each Seller Contract affecting the ownership of, leasing of, title to, use of or any leasehold or other interest in any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than \$10,000 and with a term of less than one (1) year);

(iv) each Seller Contract with any labor union or other employee representative of a group of employees relating to wages, hours and other conditions of employment;

(v) each Seller Contract for capital expenditures in excess of \$10,000;

(vi) each Seller Contract not denominated in U.S. dollars;

(vii) each Seller Contract containing covenants that in any way purport

to restrict Seller's business activity or limit the freedom of Seller to engage in any line of business or to compete with any Person;

(viii) each power of attorney of Seller that is currently effective and outstanding;

(ix) each written warranty, guaranty, and/or similar undertaking with respect to contractual performance extended by Seller other than in the Ordinary Course of Business; and

(x) each amendment, supplement and modification (whether oral or written) in respect of any of the foregoing.

(b) Except as set forth in Exhibit 7.3:

(i) each Seller Contract which is to be assigned to or assumed by Buyer under this Agreement is in full force and effect and is valid and enforceable in accordance with its terms;

(ii) each Seller Contract which is being assigned to or assumed by Buyer is assignable by Seller to Buyer without the consent of any other Person;

(c) Except as set forth in 3.10, to Seller's knowledge:

(i) Seller is in compliance with all applicable terms and requirements of each Seller Contract which is being assumed by Buyer;

(ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with or result in a Breach of, or give Seller or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any Seller Contract that is being assigned to or assumed by Buyer;

(iii) no event has occurred or circumstance exists under or by virtue of any Seller Contract that (with or without notice or lapse of time) would cause the creation of any Encumbrance affecting any of the Assets; and

(iv) Seller has not given to or received from any other Person any notice or other communication (whether oral or written) regarding any actual, alleged, possible or potential violation or Breach of, or default under, any Contract which is being assigned to or assumed by Buyer.

(d) There are no renegotiations of, attempts to renegotiate or outstanding rights to renegotiate any material amounts paid or payable to Seller under a current or

completed Seller Contract with any Person having the contractual or statutory right to demand or require such renegotiation and no such Person has made written demand for such renegotiation. Seller shall cause the royalty agreement for wells 6 and 7 for Interphase Homes at Heritage Lakes to be cancelled. Seller will cause the royalty agreement for wells 3 and 4 with the Speer family interests to be similarly cancelled. With regard to wells 3 and 4, within six (6) years of Closing Buyer, at its sole cost but with the assistance of Seller post-closing, said assistance at no charge to Buyer, shall obtain the consent of the water management district to drill another well or to increase the capacity of well 3 to compensate for the existing capacity of well 4 and then cap and abandon well 4 pursuant to the requirements of applicable governmental and/or regulatory bodies. Seller and Buyer agree that Buyer will continue to maintain the landscaping surrounding well 3 as it exists prior to Closing and Buyer will cause well 4 to be abandoned within six (6) years of Closing. In a Post-Closing Agreement to be executed prior to Closing, (1) Seller shall provide Buyer with reasonable access to well 4, (2) and Seller shall be indemnified against any liability for injury or damages sustained by Buyer or its agents in the performance of their duties with respect to these wells 3 and 4, or any damage to the well facilities subsequent to Closing, and (3) Seller and Buyer shall provide for the reversion of title to Seller its successors or assigns, of the well site upon either: (i) the abandonment of well 3, or (ii) an agreed upon period of nonuse by Buyer, its successors or assigns.

### 3.13 Environmental Matters

(a) Except as disclosed in Exhibit 3.13(a) to Seller's knowledge, Seller is in material compliance with and are not in material violation of or liable under, any Environmental Law. Seller has no knowledge of any actual or threatened order, notice or other communication from (i) any Governmental Body or private citizen acting in the public interest or (ii) the current or prior owner or operator of any Facilities, of any actual or potential violation or failure to materially comply with any Environmental Law, or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to any Facility or other property or asset (whether real, personal or mixed) in which Seller has or had an interest, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller.

(b) Except as disclosed in Exhibit 3.13(b) to Seller's knowledge, there are no pending or, to the knowledge of Seller, threatened claims, Encumbrances, or other restrictions of any nature resulting from any Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law with respect to or affecting any Facility or any other property or asset (whether real, personal or mixed) in which Seller has or had an interest.

(c) Except as disclosed in Exhibit 3.13(c) to Seller's knowledge, Seller has no knowledge of nor has received, any citation, directive, inquiry, notice, Order, summons,

warning or other communication that relates to Hazardous Activity, Hazardous Materials, or any alleged, actual, or potential violation or failure to comply with any Environmental Law, or of any alleged, actual, or potential obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to any Facility or property or asset of the System (whether real, personal or mixed) in which Seller has or had an interest, or with respect to any property or facility of the System to which Hazardous Materials generated, manufactured, refined, transferred, imported, used or processed by Seller has been transported, treated, stored, handled, transferred, disposed, recycled or received.

(d) Except as disclosed in Exhibit 3.13(d) to Seller's knowledge, Seller has no material Environmental, Health and Safety Liabilities with respect to any Facility or, to the knowledge of Seller, with respect to any other property or asset of the System (whether real, personal or mixed) in which Seller (or any predecessor) has or had an interest or at any property geologically or hydrologically adjoining any Facility and owned or controlled by Seller or any such other property or asset of the System.

(e) Except as disclosed in Exhibit 3.13(e) to Seller's knowledge, there are no Hazardous Materials present on or in the Environment at any Facility or at any geologically or hydrologically adjoining property owned or controlled by Seller, that are not in material compliance with Environmental Laws, including any Hazardous Materials contained in barrels, aboveground or underground storage tanks, landfills, land deposits, dumps, equipment (whether movable or fixed) or other containers, either temporary or permanent, and deposited or located in land, water, sumps, or any other part of the Facility or such adjoining property, or incorporated into any structure therein or thereon. Seller has not permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to any Facility except in full compliance with all applicable Environmental Laws.

(f) Except as disclosed in Exhibit 3.13(f) to Seller's knowledge, there has been no Release or, to the knowledge of Seller, threat of Release, of any Hazardous Materials at or from any Facility or at any other location where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by any Facility, or from any other property or asset (whether real, personal or mixed) in which Seller has or had an interest, or to the knowledge of Seller any geologically or hydrologically adjoining property violation of any Environmental Law.

(g) Except as disclosed in Exhibit 3.13(g), Seller has delivered or made available to Buyer true and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by Seller pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance, by Seller with Environmental Laws including, but not limited to the environmental assessments listed in Exhibit 3.13.

(h) Notwithstanding any provision contained herein to the contrary:

(i) Seller shall not be responsible for any costs associated with contamination which has come to be located on or below the Real Property solely as the result of subsurface migration from a contaminated aquifer from a source or sources outside the Real Property, provided that (a) the Seller did not cause, contribute to, or exacerbate the Release or threat of Release of the contaminants through an act or omission; (b) the person that caused the Release is not an agent or employee of the Seller, and was not in a direct or indirect contractual relationship with the Seller; and (c) there is no alternative basis for the Seller's liability for the contaminated aquifer, such as liability as a generator or transporter of hazardous substances under Section 107(a) (3) and (4) of the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA) or liability as an owner by reason of the existence of a source of contamination on the Seller's property other than the contamination that migrated in an aquifer from a source outside the Real Property.

(ii) Seller shall not be required to pay for the costs of rehabilitation of environmental contamination resulting from a discharge of petroleum products that is eligible for restoration funding from the Inland Protection Trust Fund pursuant to Chapter 376, Florida Statutes, in advance of commitment of restoration funding in accordance with the sites priority ranking pursuant to Section 376.3071(5)(a), Florida Statutes. In the event that Buyer determines that rehabilitation of petroleum contamination must occur earlier than the priority ranking established by the Florida Department of Environmental Protection, Buyer may request an assignment by Seller of all rights to reimbursement from the Inland Protection Trust Fund for such site and proceed with rehabilitation. Seller shall provide an assignment of all rights to reimbursement within ten (10) days of receipt of a request from the Buyer.

(iii) the parties acknowledge that Buyer's discovery through its due diligence of the need for material rehabilitation of environmental contamination shall constitute grounds, among other grounds identified in this Agreement, for termination of this Agreement.

### 3.14 Intellectual Property Assets

(a) The term "Intellectual Property Assets" means all intellectual property owned or licensed (as licensor or licensee) by Seller for use in the operation of the System or Assets in which Seller has a proprietary interest, including all know-how, trade secrets, confidential or proprietary information, customer lists, Software, technical information, data, process technology, plans, drawings and blue prints (collectively, "Trade Secrets").

(b) Exhibit 3.14 contains a complete and accurate list and summary description and Seller has delivered to Buyer accurate and complete copies of all Intellectual Property Assets, except for any license implied by the sale of a product and perpetual, paid-

up licenses for commonly available Software programs with a value of less than \$500 under which Seller is the licensee except as otherwise indicated on the foregoing exhibit. Except as set forth in Exhibit 3.14, the Intellectual Property Assets are all those necessary for the operation of Seller's business as currently conducted. Seller is the owner or licensee of all rights, title and interest in and to each of the Intellectual Property Assets, free and clear of all Encumbrances, and has the right to use and transfer without payment to a Third Party all of the Intellectual Property Assets, other than in respect of licenses listed in Exhibit 3.15. To Seller's knowledge, no Intellectual Property Asset is infringed, or to Seller's knowledge, has been challenged or threatened in any way and does not infringe the intellectual property rights of any Third Party.

### 3.15 Brokers Or Finders

Neither Seller nor any of their authorized representatives has engaged the services of any broker nor incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with or resulting from the sale of the System or the Assets to Buyer.

### 3.16 Disclosure

No material representation or warranty made by Seller in this Agreement contains any material untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

### 3.17 Employees

Exhibit 3.17 contains a complete and accurate list of the following information for each employee of the Seller: name; job title; date of commencement of employment or engagement; current compensation paid or payable and any change in compensation since June 30, 2008.

### 3.18 Labor Disputes; Compliance

(a) Except as shown on Exhibit 3.18, Seller has complied in all material respects with all Legal Requirements relating to employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining and other requirements under state or federal law, the payment of social security and similar Taxes and occupational safety and health. Seller is not liable for the payment of any Taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

(b) Except as shown on Exhibit 3.18, (i) Seller has not been, and is not now, a party to any collective bargaining agreement or other labor contract; (ii) there has not been, there is not presently pending or existing, and to Seller's knowledge there is not threatened, any strike, slowdown, picketing, work stoppage or employee grievance process involving Seller; (iii) to Seller's knowledge no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute; (iv) there is not pending or, to Seller's knowledge, threatened against or affecting Seller any Proceeding relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed with the National Labor Relations Board or any comparable Governmental Body, and there is no organizational activity or other labor dispute against or affecting Seller or the Facilities; (v) no application or petition for an election of or for certification of a collective bargaining agent is pending; (vi) no grievance or arbitration Proceeding exists that might have an adverse effect upon Seller or the conduct of its business; (vii) there is no lockout of any employees by Seller, and no such action is contemplated by Seller; and (viii) to Seller's knowledge there has been no pending charge of discrimination filed against or threatened against Seller with the Equal Employment Opportunity Commission or similar Governmental Body or any pending employment discrimination, wrongful discharge, retaliation lawsuits or lawsuits alleging whistle blowing.

### 3.19 Real Property Additional Representation and Warranty

That the Real Property is not subject to any Encumbrance (including Permitted Encumbrances) and no Survey Matter (as hereinafter defined) exists which (a) materially adversely affects the operation of the System or a portion thereof as operated on the Execution Date, and as it will be operated as of Closing or (b) materially adversely affects the use of the improvements on such Real Property as used on the Execution Date, and as it will be used as of Closing. "Survey Matter" means any item shown on a survey obtained by Buyer pursuant to Section 10.8 hereof.

To the best of Seller's knowledge, (a) no part of any improvement on the Real Property encroaches on any real property not included in the Real Property, and there are no buildings, structures, fixtures or other Improvements primarily situated on adjoining property which encroach on any part of the Real Property, and (b) the Real Property on which Assets exist abut on and has direct vehicular access to a public road or has access to a public road via an appurtenant easement benefiting such Land, and is supplied with public or quasi-public utilities and other services appropriate for the operation of the Assets located thereon.

### 3.20 Connection Charge and Deposits

Schedule 3.20 is a true and accurate statement of the matters set forth therein and, in addition, is a true and accurate statement (a) of all credits that Seller is obligated to give to persons (as described in Section 10.9 hereof) against Connection Charges (as hereinafter defined) and (b) all Connection Charges that are subject to an agreement pursuant to which



the Seller has agreed to provide a Connection Charge at either no charge or for a fixed charge ("Fixed Charge Connection Charges").

#### 4. Representations and Warranties of Buyer

Buyer represents and warrants to Seller as follows:

##### 4.1 Organization and Good Standing

Buyer is a governmental entity duly organized, validly existing and in good standing under the laws of the State of Florida, with full governmental power and authority to conduct its business as it is now conducted and to complete the transactions contemplated by this Agreement.

##### 4.2 Buyer; No Conflict

(a) This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of the agreements to be executed or delivered by Buyer at Closing (collectively, the "Buyer's Closing Documents"), each of the Buyer's Closing Documents will constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its respective terms. Buyer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Buyer's Closing Documents and to perform its obligations under this Agreement and the Buyer's Closing Documents, and such action has been duly authorized by all necessary corporate action.

(b) Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of any of the Contemplated Transactions by Buyer will give any Person the right to prevent, delay or otherwise interfere with any of the Contemplated Transactions pursuant to:

- (i) any provision of Buyer's Governing Documents;
- (ii) any resolution adopted by the board of directors of Buyer;
- (iii) any Legal Requirement or Order to which Buyer may be subject;

or

(iv) any Contract to which Buyer is a party or by which Buyer may be bound.

##### 4.3 Certain Proceedings

There is no pending Proceeding that has been commenced against Buyer and that challenges, or may have the effect of preventing, delaying, making illegal or otherwise

interfering with, any of the Contemplated Transactions. To Buyer's knowledge, no such Proceeding has been threatened.

#### 4.4 Brokers Or Finders

Neither Buyer nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Contemplated Transactions.

### 5. Covenants of Seller Prior to Closing

#### 5.1 Access and Investigation

To the extent that it is relevant to Buyer's future operation of the System and Assets, between the date of this Agreement and the Closing, and upon reasonable advance notice received from Buyer and subject to any applicable confidentiality obligations, Seller shall (a) afford Buyer and its representatives and prospective lenders, underwriters, and their representatives (collectively, "Buyer Group") full and free access, during regular business hours, to Seller's President or his designees, properties (including subsurface testing), contracts, Governmental Authorizations, books and Records and other documents and data, such rights of access to be exercised in a manner that does not unreasonably interfere with the operations of Seller; (b) furnish Buyer Group with copies of all such contracts, Governmental Authorizations, books and Records and other existing documents and data as Buyer may reasonably request; (c) furnish Buyer Group with such additional financial, operating and other relevant data and information as Buyer may reasonably request; and (d) otherwise cooperate and assist, to the extent reasonably requested by Buyer, with Buyer's investigation of the properties, assets and financial condition related to the System and Assets. In addition, Buyer shall have the right to have the Real Property and Tangible Personal Property inspected by Buyer Group, at Buyer's sole cost and expense, for purposes of determining the physical condition and legal characteristics of the Real Property and Tangible Personal Property. In the event subsurface or other destructive testing is recommended by any of Buyer Group, Buyer shall be permitted to have the same performed, with the prior consent of Seller, subject to the reimbursement by Buyer for the cost for restoration in the event of non-Closing of this Agreement, which shall not be unreasonably withheld.

#### 5.2 Operation of the Business of Seller

Between the Execution Date and the Closing, Seller:

(a) shall conduct and shall have conducted its business in the Ordinary Course of Business;

(b) except as otherwise directed by Buyer in writing, and without making any commitment on Buyer's behalf, shall use and shall have used its Best Efforts to preserve intact its current business organization, keep available the services of its officers, employees and agents and maintain its relations and good will with suppliers, customers, landlords, creditors, employees, agents and others having business relationships with it;

(c) shall have conferred and shall confer with Buyer prior to implementing operational decisions of a material nature;

(d) otherwise shall have reported and shall report periodically to Buyer concerning the status of its business, operations and finances;

(e) shall not have made and shall not make any material changes in senior management personnel, without prior consultation with Buyer;

(f) shall have maintained and shall maintain the Assets in a state of repair and condition that complies with Legal Requirements and is consistent with the requirements and normal conduct of Seller's business with respect to the System and Assets;

(g) shall have kept and shall keep in full force and effect, without amendment, all rights relating to the System and Assets;

(h) shall have complied and shall comply with all Legal Requirements and contractual obligations applicable to the operations of Seller's business with respect to the System and Assets;

(i) shall have cooperated and shall cooperate with Buyer and shall have assisted and shall assist Buyer in identifying the Governmental Authorizations required by Buyer to operate the business from and after the Closing Date and either transferring existing Governmental Authorizations of Seller to Buyer, where permissible, or obtaining new Governmental Authorizations for Buyer;

(j) upon request from time to time, shall have executed and delivered and shall execute and deliver all documents, shall have made and shall make all truthful oaths, testify in any Proceedings and do all other acts that may be reasonably necessary to consummate the Contemplated Transactions, all without further consideration; and

(k) shall have maintained and shall maintain all books and Records of Seller relating to the System and Assets in the Ordinary Course of Business.

### 5.3 Negative Covenant

Except as otherwise expressly permitted herein, between the date of this Agreement and the Closing, Seller shall not without the prior written consent of Buyer which shall not be unreasonably withheld and which shall be promptly acted upon by Buyer (a) enter any new

Governmental Authorization, agreement with a developer or other Seller Contract; (b) make any modification to any Seller Contract or Governmental Authorization; or (c) allow the levels of raw materials, supplies or other materials included in the Inventories to vary materially from the levels customarily maintained.

#### 5.4 Required Approvals

Seller has made and shall continue to make the reasonably required filings necessary to be made by them in order to consummate the Contemplated Transactions. Seller also shall cooperate with Buyer and its Representatives with respect to all filings that Buyer elects to make or, pursuant to Legal Requirements, shall be required to make in connection with the Contemplated Transactions.

#### 5.5 Notification

Between the date of this Agreement and the Closing, Seller shall promptly notify Buyer in writing if they or any of them becomes aware of (a) any fact or condition that causes or constitutes a Breach of any of Seller's representations and warranties herein as of the date of this Agreement or (b) the occurrence after the date of this Agreement of any fact or condition that would or be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a Breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or Seller's discovery of, such fact or condition. During the same period, Seller also shall promptly notify Buyer of the occurrence of any Breach of any covenant of Seller in this Section 5 or of the occurrence of any event that may make the satisfaction of the conditions in Section 7 impossible or unlikely.

#### 5.6 No Negotiation

Until such time as this Agreement shall be terminated pursuant to Section 9.1, Seller shall not directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to or consider the merits of any inquiries or proposals from any Person (other than Buyer) relating to any business combination transaction involving Seller or that portion of the System to be sold to Buyer hereby.

#### 5.7 Best Efforts

Seller shall use its Best Efforts to cause the conditions in this Agreement to be satisfied on or before the Closing.

#### 5.8 Payment Of Liabilities

Seller shall pay or otherwise satisfy in the Ordinary Course of Business all of its Liabilities and obligations as they come due.

#### 5.9 Current Evidence of Title

(a) Within thirty (30) days of the Execution Date, Seller's counsel shall furnish to Buyer and Buyer's counsel shall review, Seller and Buyer shall share equally in the expense of and Seller's counsel and Buyer's counsel shall share equally the premium associated with:

(i) a title commitment or title commitments issued by the Title Insurer to insure title to each parcel listed therein (which Seller warrants is all Real Property that Seller owns or owned as of the Execution Date in fee simple) in an amount up to the Purchase Price naming Buyer as the proposed insured and having the effective dates as set forth therein, wherein the Title Insurer has agreed to issue an ALTA form owner's title insurance policy with Florida modifications (collectively the "Title Commitment"); and

(ii) an identification and copies of all recorded documents listed as Schedule B-1 matters to be terminated or satisfied by Seller in order to issue the policy described in the Title Commitment or as special Schedule B-2 exceptions thereunder (the "Recorded Documents").

(b) The Title Commitment includes the Title Insurer's requirements for issuing its title policy, which requirements shall be met by Seller on or before the Closing Date (including those requirements that must be met by releasing or satisfying monetary Encumbrances, but excluding Encumbrances that will remain after Closing as agreed to by the Buyer and those requirements that are to be met solely by Buyer).

(c) Buyer shall notify Seller in writing ("Buyer's Notice") if any of the following shall occur (collectively, a "Title Objection"):

(i) the Title Commitment or other evidence of title or search of the appropriate real estate records discloses that any party other than Seller has title to the insured estate covered by the Title Commitment;

(ii) any title exception is disclosed in Schedule B to any Title Commitment that is not one of the Permitted Real Estate Encumbrances; or

(iii) any survey discloses any matter that Buyer reasonably believes could materially and adversely affect Buyer's use and enjoyment of the Land described therein.

(d) Seller shall use its Best Efforts to cure each Title Objection and take all steps required by the Title Insurer to eliminate each Title Objection as an exception to the Title Commitment.

(e) Seller shall use its best efforts to comply with the requirements of Schedule B Section 1 of the Title Commitment. Ten (10) days prior to Closing, Seller shall identify any Schedule B Section 1 requirements that cannot be satisfied as of the Closing. Seller and Buyer shall agree on a post-Closing process to satisfy these requirements (the "Post-Closing Schedule B Requirements"). Seller shall indemnify the Buyer as to all post-Closing Schedule B requirements that are not satisfied in accordance with the agreed upon post-Closing process.

(f) Seller shall convey title in fee simple for well 3 to Buyer at Closing. Notwithstanding the foregoing, upon abandonment of well 3, or a period of nonuse of the well by Buyer its successors or assigns, ownership of the well site shall revert to Seller its successors or assigns.

## 6. Covenants of Buyer Prior to Closing

### 6.1 Required Approvals

As promptly as practicable after the Execution Date, Buyer shall make, or cause to be made, all filings required by Legal Requirements to be made by it to consummate the Contemplated Transactions. Buyer also shall cooperate, and cause its Related Persons to cooperate, with Seller (a) with respect to all filings Seller shall be required by Legal Requirements to make and (b) in obtaining all Consents identified in Exhibit 7.3, provided, however, that Buyer shall not be required to dispose of or make any change to its business, expend any material funds or incur any other material burden in order to comply with this Section 6.1.

### 6.2 Best Efforts

Buyer shall use its Best Efforts to cause the conditions in this Agreement to be satisfied.

## 7. Conditions Precedent to Buyer's Obligation to Close

Buyer's obligation to purchase the System and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

### 7.1 Accuracy of Representations

(a) All of Seller's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered

individually), shall have been accurate as of the Execution Date, and shall be accurate in all material respects as of the time of the Closing as if then made.

(b) Each of the representations and warranties in Sections 3.2(a) and 3.4, and each of the representations and warranties in this Agreement that contains an express materiality qualification, shall be accurate in all respects as of the time of the Closing as if then made.

## 7.2 Seller's Performance

All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

## 7.3 Consents

Each of the consents identified in Exhibit 7.3 shall have been obtained and shall be in full force and effect.

## 7.4 Additional Documents

Seller shall have caused the documents and instruments required by Section 2.6(a) and the following documents to be delivered (or made available) to Buyer:

- (a) A legal opinion reasonably satisfactory to Buyer; and
- (b) Such other documents as Buyer may reasonably request for the purpose of:
  - (i) evidencing the accuracy of any of Seller's representations and warranties;
  - (ii) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by Seller;
  - (iii) evidencing the satisfaction of any condition referred to in this Section 7;
  - (iv) otherwise facilitating the consummation or performance of any of the Contemplated Transactions; or
  - (v) evidence showing the release of all liens, security interests, and other encumbrances other than Permitted Encumbrances.

## 7.5 No Conflict

Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly, materially contravene or conflict with or result in a material violation of or cause Buyer or any Related Person of Buyer to suffer any material adverse consequence under (a) any applicable Legal Requirement or Order or (b) any valid Legal Requirement or Order that has been entered by any Governmental Body.

## 8. Conditions Precedent to Seller's Obligation to Close

Seller's obligation to sell the Assets and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller in whole or in part):

### 8.1 Accuracy of Representations

All of Buyer's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall have been accurate in all material respects as of the date of this Agreement and shall be accurate in all material respects as of the time of the Closing as if then made.

### 8.2 Buyer's Performance

All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects.

### 8.3 Additional Documents

Buyer shall have caused a legal opinion satisfactory to Seller to be supplied and the documents and instruments required by Section 2.6(b) and the following documents to be delivered or made available to Seller:

(a) such other documents as Seller may reasonably request for the purpose of:

(i) evidencing the accuracy of any representation or warranty of Buyer;

(ii) evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or complied with by Buyer;  
or



(iii) evidencing the satisfaction of any condition referred to in this Section.

#### 8.4 No Injunction

There shall not be in effect any Legal Requirement or any injunction or other Order that (a) prohibits the consummation of the Contemplated Transactions and (b) has been adopted or issued, or has otherwise become effective, since the date of this Agreement.

### 9. Termination

#### 9.1 Termination Events

By notice given prior to or at the Closing, subject to Section 9.2, and a reasonable opportunity to cure, this Agreement may be terminated as follows:

(a) by Buyer if a material Breach of any provision of this Agreement has been committed by Seller and such Breach has not been waived by Buyer;

(b) by Seller if a material Breach of any provision of this Agreement has been committed by Buyer and such Breach has not been waived by Seller;

(c) by Buyer if any condition in Section 7 has not been satisfied as of the date specified for Closing in the first sentence of Section 2.5 or if satisfaction of such a condition by such date is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement), and Buyer has not waived such condition on or before such date;

(d) by Seller if any condition in Section 8 has not been satisfied as of the date specified for Closing in the first sentence of Section 2.5 or if satisfaction of such a condition by such date is or becomes impossible (other than through the failure of Seller to comply with its obligations under this Agreement), and Seller has not waived such condition on or before such date;

(e) by mutual consent of Buyer and Seller;

(f) by Buyer if the Closing has not occurred on or before December 23, 2008 or such later date as the parties may agree upon, unless the Buyer is in material Breach of this Agreement; or

(g) by Seller if the Closing has not occurred on or before December 23, 2008 or such later date as the parties may agree upon, unless the Seller is in material Breach of this Agreement.

(h) by either party if consent required by section 10.10 is not obtained despite the Best Efforts of the parties.

## 9.2 Effect Of Termination

Each party's right of termination under Section 9.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of such right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 9.1, all obligations of the parties under this Agreement will terminate, except that the obligations of the parties in this Section 9.2, 10.9(c), and Sections 12 and 13 (except for those in Section 13.5) will survive, provided, however, that if this Agreement is terminated because of a Breach of this Agreement by the non-terminating party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

To the extent permitted by law, each party shall return all documents, including copies, in its possession, or in the possession of its agents and consultants to the other, as the case may be. Each party, its agents and consultants, shall treat any information previously received as Confidential Information, and shall not disclose or use such Confidential Information, unless required by law.

Neither Buyer nor Seller shall be liable to the other in the event that after the execution of this Agreement there occurs (i) a change of law that prevents the Closing, (ii) any action by a Third Party that prevents the Closing or (iii) any order by a Governmental Body or court that prevents the Closing. Both parties agree to diligently defend against a Third Party or other administrative body attempt to prevent a Closing.

## 10. Additional Covenants

### 10.1 Employees and Employee Benefits

(a) Information on Active Employees. For the purpose of this Agreement, the term "Active Employees" shall mean all individuals employed by Seller on the Closing Date, including employees on temporary leave of absence, including family medical leave, military leave, temporary disability or sick leave, but excluding employees on long-term disability leave.

(b) Employment of Active Employees by Contract Operator.

(i) Buyer shall arrange for Contract Operator to consider offers of employment to employees of the System that are legally eligible for employment. At least

ten (10) days prior to Closing, Buyer will provide Seller with a list of Active Employees to whom Buyer's Contract Operator has made an offer of employment that has been accepted to be effective on the Closing Date (the "Hired Active Employees"). Subject to Legal Requirements and to Seller securing the appropriate consents and releases from the affected employees, Buyer and Contract Operator will have reasonable access to the personnel Records (including performance appraisals, disciplinary actions, grievances and medical Records) of Seller for the purpose of preparing for and conducting employment interviews with all Active Employees and will conduct the interviews as expeditiously as possible after the Execution Date. Access will be provided by Seller upon reasonable prior notice during normal business hours. Effective immediately before the Closing, Seller will terminate the employment of all Hired Active Employees.

(ii) neither Seller nor their Related Persons shall solicit the continued employment of any Active Employee (unless and until Buyer has informed Seller in writing that the particular Active Employee will not receive any employment offer from Buyer) or the employment of any Hired Active Employee after the Closing who are still employed by Buyer or Buyer's Contract Operator. Buyer shall inform Seller promptly of the identities of those Active Employees to whom it will not make employment offers, and Seller shall comply with the WARN Act, if applicable, as to those Active Employees. Buyer consents to the Seller giving WARN Act notice, if they elect to do so, as provided under law.

(iii) it is understood and agreed that (A) Buyer's expressed intention to extend offers of employment as set forth in this section shall not constitute any commitment, contract or understanding (expressed or implied) of any obligation on the part of Buyer to a post-Closing employment relationship of any fixed term or duration or upon any terms or conditions other than those that Buyer may establish pursuant to individual offers of employment, and (B) employment offered will be "at will" and may be terminated by Contract Operator or by an employee at any time for any reason (subject to any written commitments to the contrary made by Contract Operator or an employee, and any applicable Legal Requirements). Nothing in this Agreement shall be deemed to prevent or restrict in any way the right of Buyer or Contract Operator to terminate, reassign, promote or demote any of the Hired Active Employees after the Closing or to change adversely or favorably the title, powers, duties, responsibilities, functions, locations, salaries, other compensation or terms or conditions of employment of such employees.

(c) Salaries and Benefits.

(i) Seller shall be responsible for (A) the payment of all wages and other remuneration, including all accrued sick and vacation pay, due to Active Employees with respect to their services as employees of Seller through the close of business on the Closing Date; (B) the payment of any termination or severance payments and the provision of

health plan continuation coverage in accordance with the requirements of COBRA and Sections 601 through 608 of ERISA, or as may be required by Seller by law or contract; and (C) any and all payments to employees required under the WARN Act as a result of the contemplated transactions. Notwithstanding the foregoing provisions, and solely for the purpose of ensuring the payment of wages to Active Employees only on the actual date of Closing, the Seller shall be responsible for the payment of wages with respect to Active Employees for any work shift beginning prior to 12:00 a.m. on the date of Closing and which work shifts end after 12:01 a.m. on the date of Closing.

(ii) Seller shall be responsible for administering and paying for any successful claims made or incurred by Active Employees and their beneficiaries through the Closing Date under the Employee Plans.

(d) Terms of Employment. Contract Operator will set its own initial terms and conditions of employment for the Hired Active Employees and others it may hire, including work rules, benefits and salary and wage structure, all as permitted by law, provided such terms and conditions shall be in the aggregate substantially similar in value to the terms and conditions of such Hired Active Employees under Seller's employ as disclosed to Buyer herein. Contract Operator is not obligated to assume any collective bargaining agreements under this Agreement. Seller shall be solely liable for any severance payment required to be made to its employees due to the Contemplated Transactions. Any bargaining obligations of Contract Operator with any union with respect to bargaining unit employees subsequent to the Closing, whether such obligations arise before or after the Closing, shall be the sole responsibility of Contract Operator.

(e) General Employee Provisions.

(i) Seller and Buyer shall give any notices required by Legal Requirements and take whatever other actions with respect to the plans, programs and policies described in this Section 10.1 as may be necessary to carry out the arrangements described in this Section 10.1.

(ii) neither Buyer nor Contract Operator shall have any responsibility, liability or obligation, whether to Active Employees, former employees, their beneficiaries or to any other Person, with respect to Seller's employee benefit plans, practices, programs or arrangements (including the establishment, operation or termination thereof and the notification and provision of COBRA coverage extension).

## 10.2 Payment of all Taxes Resulting From Sale of Assets by Seller

Seller shall pay in a timely manner all Taxes resulting from or payable in connection with the sale of the Assets pursuant to this Agreement.

### 10.3 Payment of Other Retained Liabilities

In addition to payment of Taxes pursuant to Section 10.2, Seller shall pay, or make adequate provision for the payment, in full, of all of the Retained Liabilities and other Liabilities of Seller under this Agreement.

### 10.4 Reports and Returns

Seller shall promptly after the Closing prepare and file all reports and returns required by Legal Requirements relating to the business of Seller as conducted using the Assets, through and including the Effective Time.

### 10.5 Assistance in Proceedings

For a period of two (2) years Seller will cooperate with Buyer and its counsel in the contest or defense of, and make available its personnel and provide any testimony and access to its books and Records in connection with any Proceeding involving or relating to (a) any Contemplated Transaction or (b) any action, activity, circumstance, condition, conduct, event, fact, failure to act, incident, occurrence, plan, practice, situation, status or transaction on or before the Closing Date involving the System or Assets.

### 10.6 Retention of and Access to Records

After the Closing Date, Buyer shall retain for a period consistent with Buyer's record-retention policies and practices those Records of Seller delivered to Buyer. Buyer also shall provide Seller and their Representatives reasonable access thereto, during normal business hours to enable them to prepare financial statements or tax returns or deal with tax audits. For a period of two (2) years after the Closing Date, Seller shall provide Buyer and its Representatives reasonable access to Records that are Excluded Assets, during normal business hours for any reasonable business purpose specified by Buyer in such notice.

### 10.7 Further Assurances

Subject to the terms of Section 6.1 of this Agreement, the parties shall cooperate reasonably with each other and with their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the Contemplated Transactions.

Post-closing, Buyer agrees to remit to Seller any monies received by Buyer for the provision of solid waste removal or street lighting services previously billed by Seller for Tarpon-Holiday Development Corporation.

#### 10.8 Environmental and Real Estate Matters

(a) The Buyer shall have the right, at Buyer's expense, but not the obligation, to do Phase I environmental site assessments and studies and regulatory compliance audits on the Real Property and other assets of the Seller (whether or not located on the Real Property) (collectively, "Environmental Property") as Buyer may determine. For sixty (60) days after the Buyer has received all the foregoing assessments, studies and audits that Buyer desires to obtain pursuant to the first sentence of this Section, the Buyer shall have the right, but not the obligation, to do such further environmental studies and assessments (including soil and surface water and ground water testing) and regulatory compliance audits on the Environmental Property based on the recommendations contained in such Phase I assessments or in subsequent reports issued by the environmental consultant(s) on the Environmental Property which reports were obtained pursuant to this Section. The foregoing sixty (60) day period set forth in the previous sentence shall be extended to a time period within which the environmental assessments, studies and audits can reasonably be completed if such environmental studies cannot be completed within such time period because of extraordinary circumstances (such as a Phase 2 assessment recommending a Phase 3 assessment being done, test results not being promptly available, test results only being obtainable if higher than normal fees are paid, or testing being of such a nature that such testing takes more time than testing usually takes as a general matter).

(b) The Buyer shall have the right, at Buyer's expense, but not the obligation, to do such surveys on the Real Property as Buyer determines is prudent. An encroachment or excroachment on any parcel of Real Property, whenever determined, shall be considered a Title Objection subject to the provisions of Section 5.9. Buyer shall notify Seller in writing of a determination of an encroachment or excroachment and Seller shall have the right to object in writing to Buyer's determination within ten (10) days after receipt thereof if Seller concludes that Buyer's determination was not reasonable (and if Seller fails to so object, Seller will be deemed to have agreed to Buyer's determination).

(c) All environmental studies, assessments, regulatory compliance audits, site restorations and surveys done pursuant to this Section shall be at Buyer's expense.

#### 10.9 Connection Charges and Deposits.

(a) Connection Charges collected by Seller and for which there is an active connection to the System shall remain Seller's sole and separate property with no claim of Buyer therefor.

(b) Connection Charges collected by Seller for which there is not an active connection to the System prior to the Closing Date shall be paid to Buyer at Closing, with no claim of Seller therefor.

(c) Connection Charges collected by Buyer after the Closing Date shall remain Buyer's sole and separate property with no claim of Seller therefore.

#### 10.10 Regulatory Transfer

Within forty-five (45) days after the execution of this Agreement, Seller shall prepare and the Buyer and Seller will jointly submit a notice of the impending transfer of the System with the Florida Public Service Commission and a Petition for Termination of the Certificate(s) of Authorization of Seller. Seller shall file any reports, if required, and satisfy its outstanding gross receipts tax, regulatory assessment fees and other obligations and governmental assessments through the date of Closing. All Seller's costs and expense relative to termination of Seller's relationship with the Florida Public Service Commission are to be borne by Seller. Copies of the Order(s) of the Commission acknowledging sale of the System to Buyer shall be promptly provided to Buyer upon Seller's receipt thereof.

#### 10.11 Issuance of Bonds

Buyer intends to issue Revenue Bonds (the "Bonds") to acquire the System. The Buyer's obligation to close the transactions contemplated in this Agreement shall be and is expressly conditioned upon the issuance of such Bonds. In the event the Buyer in good faith determines that its Bonds cannot be delivered on a date that permits the Closing to occur on or before the Closing Date, Buyer shall immediately notify Seller in writing of such determination, with such notice setting forth in reasonable detail the bases upon which such determination was made. Upon receipt of such notice, Seller shall have the option of canceling this Agreement. In that event, Buyer and Seller have no liabilities and no further obligations to each other under this Agreement other than obligations specifically contained elsewhere herein.

### 11. Indemnification; Remedies

#### 11.1 Survival

Subject to the provisions hereof, all representations, warranties, covenants and

obligations in this Agreement, the certificates delivered pursuant to Section 2.6 and any other certificate or document delivered pursuant to this Agreement shall survive the Closing and the consummation of the Contemplated Transactions, subject to Section 11.7. The right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge acquired at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. The waiver of any condition based upon the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations.

#### 11.2 Indemnification and Reimbursement by Seller

Seller will indemnify and hold harmless Buyer and its Representatives (collectively, the "Buyer Indemnified Persons"), and will reimburse the Buyer Indemnified Persons for any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees and expenses) or diminution of value (collectively, "Damages"), arising from or in connection with:

(a) any Breach of any representation or warranty made by Seller in (i) this Agreement, (ii) the certificates delivered pursuant to Section 2.6 (for this purpose, each such certificate will be deemed to have stated that Seller's representations and warranties in this Agreement fulfill the requirements of Section 7.1 as of the Closing Date as if made on the Closing Date unless the certificate expressly states that the matters disclosed in a supplement have caused a condition specified in Section 7.1 not to be satisfied, (iii) any transfer instrument or (iv) any other certificate, document, writing or instrument delivered by Seller pursuant to this Agreement;

(b) any Breach of any covenant or obligation of Seller in this Agreement or in any other certificate, document, writing or instrument delivered by Seller pursuant to this Agreement;

(c) any Liability arising out of the ownership or operation of the System or Assets prior to the Effective Time other than the Assumed Liabilities;

(d) any brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any Person with Seller (or any Person acting on Seller's behalf) in connection with any of the Contemplated Transactions;



(e) any liability under the WARN Act or any similar state or local Legal Requirement that may result from an "Employment Loss", as defined by 29 U.S.C. section 2101(a)(6), caused by any action of Seller prior to the Closing or by Buyer's decision not to hire previous employees of Seller;

(f) any Employee Plan established or maintained by Seller;

(g) any Retained Liabilities; or

(h) any defect in title or claim brought concerning Buyer's good and marketable title to any easement discovered or brought within one (1) year of the Closing Date.

Notwithstanding anything in this Agreement to the contrary, the Buyer will not have the right to sue Seller for Damages which result from a defect in the title to the Real Property obtained by the Buyer pursuant to this Agreement for which there is applicable title insurance pursuant to Section 5.9 hereof and on which a claim may be made by the Buyer for the relevant Damages.

### 11.3 Indemnification and Reimbursement by Seller – Environmental and Real Estate Matters

Subject to a right of Seller to elect to cancel this Agreement, in addition to the other indemnification provisions in this Section 11, Seller will indemnify and hold harmless Buyer and the other Buyer Indemnified Persons, and will reimburse Buyer and the other Buyer Indemnified Persons for any Damages (including costs of cleanup, containment or other remediation) arising from or in connection with:

(a) any Environmental, Health and Safety Liabilities arising out of or relating to: (i) the ownership or operation by Seller at any time on or prior to the Closing Date of any of the Facilities, Assets or System of Seller, or (ii) any Hazardous Materials or other contaminants that were present on the Facilities or Assets at any time on or prior to the Closing Date, or (iii) any remedial action required as determined by the environmental audits undertaken pursuant to Section 10.8(a) herein; or

(b) any bodily injury (including illness, disability and death), personal injury, property damage (including trespass, nuisance, wrongful eviction and deprivation of the use of real property) or other damage of or to any Person or any Assets in any way arising from any Hazardous Activity conducted by any Person with respect to the business of Seller or the Assets prior to the Closing Date or from any Hazardous Material that was (i) present

on or before the Closing Date on or at the Facilities (or present on any other property, if such Hazardous Material emanated from any Facility and was present on any Facility, on or prior to the Closing Date) or (ii) Released by any Person on or at any Facilities or Assets at any time on or prior to the Closing Date;

(c) any assertion of, or the existence of, any right by any Person to obtain the ownership of, or right to negotiate to obtain the ownership of, any of the Assets other than any such right granted by or purported to have been granted by the Buyer, including without limitation rights of first refusal or rights to have Seller negotiate with such Person prior to sale of any of the Assets to another Person.

(d) Buyer, with Seller's consent and approval which shall not be unreasonably withheld, will be entitled to control any Remedial Action, any Proceeding relating to an Environmental Claim and any other Proceeding with respect to which indemnity may be sought under this Section 11.3.

(e) No claim for environmental indemnification or reimbursement may be asserted unless (i) the underlying environmental condition is specifically identified in Exhibit 3.13 or (ii) the party asserting the claim establishes that the conditions, Release, disposal or actions giving rise to the liability or claim were present at or prior to Closing and that the party asserting the claim did not materially cause or contribute to such conditions after Closing. For purposes of this section 11.3, all environmental conditions and compliance issues arising out of, related to, or caused by any facts or circumstances as described in the environmental reports listed in Exhibit 3.13 or obtained pursuant to Section 3.13 hereof are deemed to have been specifically identified in Exhibit 3.13.

#### 11.4 Indemnification and Reimbursement by Buyer

Subject to the limitations set forth in section 768.28 Florida Statutes, or as otherwise provided by law, Buyer will indemnify and hold harmless Seller, and will reimburse Seller, for any Damages arising from or in connection with:

(a) any Breach of any representation or warranty made by Buyer in this Agreement or in any certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;

(b) any Breach of any covenant or obligation of Buyer in this Agreement or in any other certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;

(c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by such Person with Buyer (or any Person acting on Buyer's behalf) in connection with any of the Contemplated Transactions; or

(d) any Assumed Liabilities.

#### 11.5 Limitations on Amount--Seller

Seller shall have no liability (for indemnification or otherwise) with respect to claims under Section 11.2 until the total of all Damages with respect to such matters exceeds \$50,000 and then only for the amount by which such Damages exceed \$50,000 and only up to and including Two Million Dollars (\$2,000,000).

#### 11.6 Limitations on Amount--Buyer

Buyer will have no liability (for indemnification or otherwise) with respect to claims under Section 11.4 until the total of all Damages with respect to such matters exceeds \$50,000 and then only for the amount by which such Damages exceed \$50,000 and only up to and including Two Million Dollars (\$2,000,000).

#### 11.7 Time Limitations

(a) If the Closing occurs, Seller will have liability (for indemnification or otherwise) with respect to any Breach of (i) a covenant or obligation to be performed or complied with prior to the Closing Date (other than those in Sections 2.1 and 2.4(b) and Sections 10 and 12, as to which a claim may be made at any time), or (ii) a representation or warranty (other than one contained in Section 3.12 or 3.13 hereof) only if on or before two (2) years after the Closing Date, Buyer notifies Seller of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by Buyer. If the Closing occurs, Seller will have liability (for indemnification or otherwise) with respect to any Breach of the representations and warranties contained in Section 3.12 or 3.13 hereof only if on or before two (2) years after the Closing Date, the Buyer notifies Seller of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by Buyer.

(b) If the Closing occurs, Buyer will have liability (for indemnification or otherwise) with respect to any Breach of (i) a covenant or obligation to be performed or complied with prior to the Closing Date (other than those in Section 12, as to which a claim may be made at any time) or (ii) a representation or warranty (other than that set forth in Section 4.4, as to which a claim may be made at any time), only if on or before two (2) years after the Closing Date, Seller notifies Buyer of a claim specifying the factual basis of the

claim in reasonable detail to the extent then known by Seller.

## 12. General Provisions

### 12.1 Expenses

Except as otherwise provided in this Agreement, each party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its Representatives. Buyer and Seller will share equally all amounts payable to the Title Insurer in respect of the Title Commitments, copies of exceptions and the Title Policy, including premiums (including premiums for endorsements) and search fees. If this Agreement is terminated, the obligation of each party to pay its own fees and expenses will be subject to any rights of such party arising from a Breach of this Agreement by another party.

### 12.2 Notices

All notices, Consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid) and received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other parties):

Seller:

Aloha Utilities, Inc.  
Attention: Stephen G. Watford, President  
6915 Perrine Ranch Road  
New Port Richey, FL 34655  
Fax: (727) 372-2677  
E-mail: steview@au.com

with a copy to:

Rose, Sundstrom & Bentley, LLP  
Attention: William E. Sundstrom, Esq.  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301  
Fax: (850) 656-4029  
E-mail: wes@rsbattorneys.com

Buyer: Florida Governmental Utility Authority  
c/o Government Services Group, Inc.  
Attention: Robert Sheets  
1500 Mahan Drive, Suite 250  
Tallahassee, FL 32308  
Fax: (850) 224-7206  
E-mail: rsheets@govserv.com

with a copy to: Nabors, Giblin & Nickerson, P.A.  
Attention: Brian Armstrong, Esq.  
1500 Mahan Drive, Suite 200  
Tallahassee, FL 32308  
Fax: (850)224-4073  
E-mail: barmstrong@ngnlaw.com

### 12.3 Jurisdiction; Service of Process

Any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction shall be brought in the courts of the State of Florida, County of Leon, and each of the parties irrevocably submits to the exclusive jurisdiction of such court in any Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in such court and agrees not to bring any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction in any other court. The parties agree that either or both of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this section may be served on any party anywhere in the world.

### 12.4 Waiver; Remedies Cumulative

The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by any party in exercising any right, power or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part,

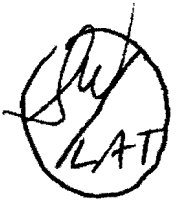
by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

#### 12.5 Entire Agreement and Modification

This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter and constitutes (along with the Exhibits and other documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

#### 12.6 Assignments, Successors and no Third-Party Rights

No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party, except that (1) Buyer may collaterally assign its rights hereunder to any financial institution providing financing in connection with the Contemplated Transactions, and (2) Seller may assign part or all of its rights hereunder to a qualified intermediary in connection with a like-kind exchange described in Section 12.7 of this Agreement. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section 12.6.



#### 12.7 Notice of Like-Kind Exchange

Seller hereby notifies Buyer that Seller, as part of this Transaction, may structure the disposition of all or some of the Property as a like-kind exchange under Internal Revenue Code Section 1031 at Seller's sole cost and expense, and Buyer hereby agrees that Seller may structure the Transaction in that manner.

#### 12.8 Severability

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and

effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

#### 12.9 Construction

The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Sections" refer to the corresponding Sections of this Agreement.

#### 12.10 Governing Law

This Agreement will be governed by and construed under the laws of the State of Florida without regard to conflicts-of-laws principles that would require the application of any other law.

#### 12.11 Execution of Agreement

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

#### 12.12 Radon Gas

RADON IS NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON TESTING MAY BE OBTAINED FROM THE COUNTY PUBLIC HEALTH UNIT.

#### 12.13 Limited Liability

The Buyer shall not be obligated to pay any liability arising out of or in any connection whatsoever with this Agreement from any funds except from the net revenues realized by the Buyer after Closing from its ownership or operation of the System. As to matters involving pre-closing activities of its consultants and agents Buyer shall require that adequate insurance is in place to protect Seller from any property damage or personal injury

as may be caused by said consultants and agents during such pre-closing period. It is further agreed between the Buyer and the Seller that this Agreement and any obligations arising in connection therewith, whether for payment of the Purchase Price, or for any claim of liability, remedy for breach, or otherwise, shall not constitute a lien on the System or any other property owned or operated by the Buyer, or any government member of the Florida Governmental Utility Authority.

Notwithstanding anything to the contrary contained herein or in any other instrument or document executed by or on behalf of the Buyer or Seller in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement, or obligation of any present or future member, officer, employee, contractor or agent of the Buyer or Seller, or of any incorporator, member, director, trustee, officer, employee or agent of any successor to the Buyer or Seller, in any such Person's individual capacity, and no such Person, in an individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the Purchase Price or for any claim based hereon or on any such stipulation, covenant, agreement, or obligation, against any such Person, in an individual capacity, either directly or through the Buyer or Seller or any successor to the Buyer or Seller, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such Person, in an individual capacity, is hereby expressly waived and released. All references to the Buyer in this paragraph shall be deemed to include the Buyer, its Government members, Board members, officers, employees, contractors and agents.

The provisions of this Section shall survive the termination of this Agreement.  
**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**SIGNATURES ON FOLLOWING PAGE**



**FLORIDA GOVERNMENTAL  
UTILITY AUTHORITY**

(SEAL)

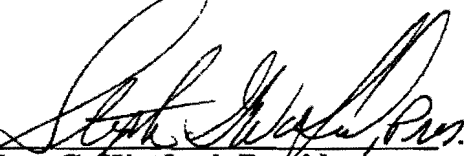
By:   
Lea Ann Thomas, Chair

ATTEST:

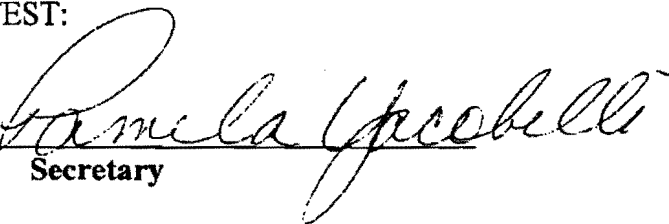
By:   
Clerk

(SEAL)

**ALOHA UTILITIES, INC.**

By:   
Stephen G. Watford, President

ATTEST:

By:   
Secretary

**EXHIBIT 2.1(a)**

**REAL PROPERTY**

<b><u>Parcel</u></b>	<b><u>Parcel Identification Number</u></b>
1.	28-26-16-0000-00100-0070
2.	25-26-15-0010-05300-0010
3.	29-26-17-0000-00200-0100
4.	22-26-16-0000-00200-0090
5.	22-26-16-0000-00200-0100
6.	27-26-16-0000-00200-0000
7.	34-26-16-0000-00400-0100
8.	25-26-15-0010-05400-0010
9.	25-26-15-0010-05600-0010
10.	13-26-16-0000-00100-0040
11.	22-26-16-0000-00200-0030
11.	27-26-16-0000-00100-0070
12.	22-26-16-0000-00200-0031
13.	22-26-16-0000-00200-0093
14.	25-26-15-0010-04400-0000
15.	25-26-15-0020-00000-090A
16.	25-26-15-0040-00000-00A0
17.	25-26-15-006B-00000-00A0
18.	25-26-15-006B-00000-721B
19.	25-26-15-006B-00000-7320
19.	25-26-15-006B-00000-7330
19.	25-26-15-006B-00000-7340
19.	25-26-15-006B-00000-7730
19.	25-26-15-006B-00000-7740
19.	25-26-15-006B-00000-7750
20.	25-26-15-006D-00000-00A0
21.	27-26-16-0000-00100-0062
22.	30-26-16-0010-05400-0010
23.	30-26-16-0220-00000-00A0
24.	30-26-16-0260-00000-00B0
25.	30-26-16-0270-00000-0600
26.	34-26-16-0000-00100-0100
27.	34-26-16-0000-00100-0110

**Vesting Information:**

PARCEL 1: Book 4475, Page 1981  
PARCEL 2: Book 776, Page 1116  
PARCEL 3: Book 1620, Page 37  
PARCEL 4: Book 1848, Page 1600  
PARCEL 5: Book 1848, Page 1600  
PARCEL 6: Book 1225, Page 878  
PARCEL 7: Book 4461, Page 745  
PARCEL 8: Book 564, Page 344  
PARCEL 9: Book 823, Page 1173  
PARCEL 10: Book 3220, Page 1180  
PARCEL 11: Book 2081, Page 581, Book 3062, Page 6, Book 3099, Page 361 & Book 3102, Page 561  
PARCEL 12: Book 885, Page 1422  
PARCEL 13: Book 1848, Page 1600  
PARCEL 14: Book 1675, Page 259  
PARCEL 15: Book 506, Page 749, Book 737, Page 678 & Book 804, Page 1298  
PARCEL 16: Book 812, Page 47  
PARCEL 17: Book 812, Page 47  
PARCEL 18: Book 854, Page 270  
PARCEL 19: Book 781, Page 508  
PARCEL 20: Book 3059, Page 1562  
PARCEL 21: Book 1600, Page 1519  
PARCEL 22: Book 737, Page 678  
PARCEL 25: Book 490, Page 520  
PARCEL 26: Book 3555, Page 1713  
PARCEL 27: Book 3555, Page 1713

**EXHIBIT 2.1(b)**

**TANGIBLE PERSONAL PROPERTY**

**Water Systems**

**The Aloha Gardens .636 MGD Water Treatment Plant** including but not limited to:

- Deep Wells #1, #3, #8;
- All water treatment equipment;
- All fire fighting facilities, *i.e.*, standby wells, pumps and hydrants;
- All storage tanks;
- All pumps and pumping equipment;
- All supply mains;
- All transmission and distribution mains;
- All valves;
- All meters and meter installations;
- All service connections;
- Structures and Improvements.

**Seven Springs 3.3 MGD Water Treatment Plant** including but not limited to:

- Deep Wells #1, #2, #3, #6, #7, #8, #9;
- All water treatment equipment;
- All fire fighting facilities, *i.e.*, hydrants;
- 1 – 500,000 gallon water storage tank;
- 3 - 10,000 gallon water storage tanks;
- 5 - 5,000 gallon water storage tanks;
- All pumps and pumping equipment;
- All supply mains;
- All transmission and distribution mains;
- All valves;
- All meters and meter installations;
- Vehicles;
- All service connections;
- Structures and improvements.

## Wastewater Systems

**Seven Springs 2.1 MGD Wastewater Treatment Plant and Reuse Facility** including but not limited to:

- All wastewater treatment equipment and facilities;
- Structures and improvements;
- Collection mains – Force;
- Collection mains – Gravity;
- Pumping equipment;
- 67 lift stations;
- All Effluent disposal facilities;
- Outfall sewer lines;
- All Irrigation/reuse distribution, mains, lines and other equipment;
- All Meters and Meter installations.

**Aloha Gardens Wastewater Facilities** including but not limited to:

- Collection mains – Force;
- Collection mains – Gravity;
- Pumping equipment;
- 11 lift stations and pumping facilities;
- All Meters and Meter installations.

**Other Tangible Personal Property** including but not limited to:

- Power generation equipment;
- Communication equipment;
- Laboratory equipment;
- Tools, shop and garage equipment;
- Vehicles;
- Office furniture and equipment;
- 1988 GMC Sierra;
- 1991 Chevrolet Pickup Truck;
- 1991 Ford Pickup Truck;
- 1996 Dodge Pickup Truck;
- 1996 Dodge Pickup Truck;
- 1998 Dodge Pickup Truck;
- 1998 Dodge Pickup Truck;
- 1998 Ford Ranger XLT;
- 1999 Ford Expedition;
- 1999 Ford Pickup Truck;
- 1999 Ford Pickup Truck;

1999 Ford Ranger;  
1999 Ford Pickup Truck;  
2000 Isuzu Pickup Truck;  
2003 Ford 4x4;  
2003 Ford F150;  
2003 Ford F150;  
2003 Ford F150;  
2005 Ford Ranger;  
2005 Ford Ranger;  
2005 Ford Ranger;  
2005 Ford Ranger;  
2005 Ford Ranger;  
2007 Chevrolet Colorado;  
2007 Chevrolet Colorado;  
2007 Chevrolet Colorado;  
2007 Chevrolet Colorado;  
2007 Chevrolet Colorado;  
2007 Chevrolet Colorado;  
Miscellaneous equipment.

And all other tangible plant, equipment and property installations owned by Seller and used primarily in connection with the Utility System pursuant to the Agreement of Purchase and Sale.

**Appendix**

<u>ITEM</u>	<u>LOCATION</u>	<u>DESCRIPTION</u>	
Well 1	Aloha Gardens	Well out of service	High Pressure Tank
Well 3	Aloha Gardens	Well out of service	
Well 8	Aloha Gardens	Submersible in block building with fence	High Pressure Tank
Well 1	Seven Springs - WTP	Vert Turbine in block building with fence	High Pressure Tank
Well 2	Seven Springs - WTP	Vert Turbine in block building with fence	High Pressure Tank
Well 3	Seven Springs - remote	Vert Turbine in block building with fence	High Pressure Tank
Well 4	Seven Springs - remote	n/p (none provided)	
Well 6	Seven Springs - WTP	Vert Turbine in block building with fence	High Pressure Tank
Well 7	Seven Springs - WTP	Vert Turbine in block building with fence	High Pressure Tank
Well 8	Seven Springs - WTP	Vert Turbine in block building with fence	High Pressure Tank
Well 9	Seven Springs - WTP	Vert Turbine in block building with fence	High Pressure Tank
WTP 1	Aloha Gardens	Hydropneumatic Tank Steel 5,000 gallon	
WTP 3	Aloha Gardens	Hydropneumatic Tank Steel 5,000 gallon	
WTP 8	Aloha Gardens	Hydropneumatic Tank Steel 10,000 gallon	
Pasco County Intrcnct	Aloha Gardens	Hydropneumatic Tank Steel 20,000 gallon	
WTP 1	Seven Springs	Hydropneumatic Tank Steel 10,000 gallon	
WTP 2	Seven Springs	Hydropneumatic Tank Steel 5,000 gallon	
WTP 3	Seven Springs	Hydropneumatic Tank Steel 5,000 gallon	
WTP 4	Seven Springs	Hydropneumatic Tank Steel 5,000 gallon	
WTP 5	Seven Springs	Hydropneumatic Tank Steel 5,000 gallon	
WTP 6	Seven Springs	Hydropneumatic Tank Steel 5,000 gallon	
WTP 7	Seven Springs	Hydropneumatic Tank Steel 5,000 gallon	
WTP 8	Seven Springs	Hydropneumatic Tank Steel 10,000 gallon	
WTP 9	Seven Springs	Hydropneumatic Tank Steel 10,000 gallon	
Mitchell WTP	Seven Springs	Hydropneumatic Tank Steel 500,000 GST	
L.S. 1	Aloha Gardens	2 ea Submersible Hydromatic 10 hp	
L.S. 2	Aloha Gardens	2 ea Submersible Hdromatic/Ebara 10/5 hp	
L.S. 3	Aloha Gardens	2 ea Submersible 7.5 hp	
L.S. 4	Aloha Gardens	2 ea Submersible Myers 5 hp	
L.S. 5	Aloha Gardens	2 ea Submersible Myers 3 hp	
L.S. 6	Aloha Gardens	2 ea Submersible Hydromatic/Ebara 15 hp	
L.S. 7	Aloha Gardens	2 ea Submersible 3 hp	
L.S. 8	Aloha Gardens	abandoned L.S. no longer in service	
L.S. 10	Aloha Gardens	2 ea Submersible Hydromatic/Ebara 3 hp	
L.S. 11	Aloha Gardens	2 ea Submersible Myers 7.5 hp	
L.S. 12	Aloha Gardens	2 ea Submersible Myers 50 hp	
L.S. 1	Seven Springs	2 ea Submersible ABS/Myers 10 hp	
L.S. 2	Seven Springs	2 ea Submersible Peabody Barnes 3.7 hp	
L.S. 3	Seven Springs	2 ea Submersible Peabody/Myers 3.7 hp	
L.S. 4	Seven Springs	2 ea Submersible Peabody/Myers 3 hp	
L.S. 5	Seven Springs	2 ea Submersible 1 hp	
L.S. 6	Seven Springs	2 ea Submersible Ebara 30 hp	
L.S. 7	Seven Springs	2 ea Submersible Myers 3 hp	
L.S. 8	Seven Springs	2 ea Submersible	
L.S. 9	Seven Springs	2 ea Submersible	
L.S. 10	Seven Springs	2 ea Submersible Myers 20 hp	
L.S. 11	Seven Springs	2 ea Submersible	
L.S. 12	Seven Springs	2 ea Submersible Ebara 25 hp	
L.S. 13	Seven Springs	2 ea Submersible	
L.S. 14	Seven Springs	2 ea Submersible	
L.S. 15	Seven Springs	2 ea Submersible Ebara 2 hp	
L.S. 16	Seven Springs	2 ea Submersible	
L.S. 17	Seven Springs	2 ea Submersible 7.5 hp	
L.S. 18	Seven Springs	2 ea Submersible	
L.S. 19	Seven Springs	2 ea Submersible Myers 3 hp	

L.S. 20	Seven Springs	2 ea Submersible 40 hp
L.S. 21	Seven Springs	2 ea Submersible Myers 5 hp
L.S. 22	Seven Springs	2 ea Submersible Myers 3 hp
L.S. 23	Seven Springs	2 ea Submersible Myers 3 hp
L.S. 24	Seven Springs	2 ea Submersible
L.S. 25	Seven Springs	2 ea Submersible Myers 5 hp
L.S. 26	Seven Springs	2 ea Submersible Hydromatic 25 hp
L.S. 27	Seven Springs	2 ea Submersible Myers 7.5 hp
L.S. 28	Seven Springs	2 ea Submersible Ebara 20 hp
L.S. 29	Seven Springs	2 ea Submersible
L.S. 30	Seven Springs	2 ea Submersible 40 hp
L.S. 31	Seven Springs	2 ea Submersible
L.S. 32	Seven Springs	2 ea Submersible Myers 7.5 hp
L.S. 33	Seven Springs	2 ea Submersible
L.S. 34	Seven Springs	2 ea Submersible
L.S. 35	Seven Springs	2 ea Submersible Hydromatic 7.5 hp
L.S. 36	Seven Springs	2 ea Submersible Hydromatic 3 hp
L.S. 37	Seven Springs	2 ea Submersible
L.S. 38	Seven Springs	2 ea Submersible Hydromatic/Myers 10 hp
L.S. 39	Seven Springs	2 ea Submersible Myers 3 hp
L.S. 40	Seven Springs	2 ea Submersible 3 hp
L.S. 41	Seven Springs	2 ea Submersible
L.S. 42	Seven Springs	2 ea Submersible
L.S. 43	Seven Springs	2 ea Submersible
L.S. 44	Seven Springs	2 ea Submersible Myers 10 hp
L.S. 45	Seven Springs	2 ea Submersible
L.S. 46	Seven Springs	2 ea Submersible
L.S. 47	Seven Springs	2 ea Submersible
L.S. 48	Seven Springs	2 ea Submersible Myers 10 hp
L.S. 49	Seven Springs	2 ea Submersible
L.S. 50	Seven Springs	2 ea Submersible
L.S. 51	Seven Springs	2 ea Submersible
L.S. 52	Seven Springs	2 ea Submersible
L.S. 53	Seven Springs	2 ea Submersible Myers 10 hp
L.S. 54	Seven Springs	2 ea Submersible
L.S. 55	Seven Springs	2 ea Submersible
L.S. 56	Seven Springs	2 ea Submersible
L.S. 57	Seven Springs	2 ea Submersible
L.S. 58	Seven Springs	2 ea Submersible Flygt 20 hp
L.S. 59	Seven Springs	2 ea Submersible Myers 5 hp
L.S. 60	Seven Springs	2 ea Submersible
L.S. 61	Seven Springs	2 ea Submersible Myers 5 hp
L.S. 62	Seven Springs	2 ea Submersible
L.S. 63	Seven Springs	2 ea Submersible 7.5 hp
L.S. 64	Seven Springs	2 ea Submersible
L.S. 65	Seven Springs	2 ea Submersible
L.S. 66	Seven Springs	2 ea Submersible
WWTP	Seven Springs	2.1 mgd Annual Daily Flow Type I extended air domestic wastewater treatment facility consisting of the following:
		<ul style="list-style-type: none"> <li>● Mechanical screening and grit removal</li> <li>● A 500,000 gallon aerated influent equalization basin</li> <li>● Two new 0.650 mgd treatment trains consisting of two aeration basins and three new clarifiers constructed under the current permit</li> <li>● An existing 0.800 mgd treatment train (the north train) consisting of four aeration basins and one clarifier</li> <li>● An intermediate pumping station combining the effluent from the clarifiers and pumping to the effluent filters</li> </ul>



- A new traveling hood effluent filter with a minimum total surface area of 549.5 sqft constructed under the current permit
- An existing sand filter consisting of seven 78.5 sqft filter cells
- Two baffled chlorine contact chambers with a combined volume of 95,504 gallons
- Three aerated sludge holding tanks each with a total volume of 128,000 gallons
- 2.3 million gallons of reject effluent storage consisting of a lined pond and 700,000 gallons of tankage reused from the old south treatment train
- A 20.5 acre on-site reclaimed water storage pond with a volume of 17.1 million gallons
- Reject and reclaimed water pumping stations
- Class I reliability and full backup power provided by diesel generators

### ALOHA UTILITIES VEHICLE AND HEAVY EQUIPMENT LIST

<u>YEAR</u>	<u>NO.</u>	<u>MAKE</u>	<u>VIN NO.</u>	<u>MILEAGE</u>
1981	12	CHEVY BOX VAN	THG31M1B4521509	
1988	85	GMC TRUCK (SIERRA)	1GDHR34K4JJ513586	155444
1989	14	CHEVY S10	1GCDT19Z3K2244586	195826
1991	10	CHEVY PK	1GCCS14A5M8200346	130221
1991	24	FORD PK FLATBED	1FDK37H7MKA22765	129726
1993	19	DODGE RAM 1500	1B7HM16Z2PS201528	197246
1996	2	DODGE PK	*1B7HC16X3TS604073	186652
1996	8	DODGE PK	*1B7HC16X6TS557735	224079
1998	83	DODGE PK	1B7HC16X1WS712521	161703
1998	82	DODGE PK	1B7HC16X5WS712523	158946
1998	98	FORD RANGER XLT	1FTYR10C8WUB95663	101794
1999		FORD EXPEDITION (EDDIE BAUER)	1FMPU18L2XLB88399	148979
1999	93	FORD PK	1FTZF1721XNB86423	159833
1999	91	FORD PK	1FTZF1728XNB86421	153531
1999	31	FORD RANGER	1FTZR15V5XTA95526	126426
1999	26	FORD PK	1FTZF1726XNB86420	161783
2000	4	ISUZU PK	1GGCS1449Y8704378	93814
2003	21	FORD 4X4	1FTRF18WX3NA10501	111440
2003	23	FORD F150	1FTRF17293NA20015	101363
2003	20	FORD F150	1FTRF17223NA19966	115622
2003	22	FORD F150	1FTRF17263NA20070	92313
2005	52	FORD RANGER	1FTYR10D75PA85905	52232
2005	53	FORD RANGER	1FTYR10D15PA41222	58965
2005	54	FORD RANGER	1FTYR10D75PA16289	52550
2005	51	FORD RANGER	1FTYR10D85PA85878	51162
2007	72	CHEVY COLORADO	1GCCS149778151273	35426
2007	76	CHEVY COLORADO	1GCCS149678106518	20708
2007	70	CHEVY COLORADO	1GCCS149X78107817	47933
2007	74	CHEVY COLORADO	1GCCS149978148729	58680
2007	71	CHEVY COLORADO	1GCCS149878129850	15004
2007	75	CHEVY COLORADO	1GCCS149378106945	10004
1985	3	RAM DODGE	1B76D1420FS597127	80547

#### TRAILERS

1978	LIBERTY MOBILE (maintenance)	10L10267
1990	HMDE	NOVIN000081902493
2005	TRHL TL (UTILITY BOX TRL)	5KNEB121X5G002916
	2 BOX TRAILERS	

#### HEAVY EQUIPMENT

1956 est.	FORD SIDARM MODEL 5611	C344155	
	CLARK FORK LIFT	N/A	
	CASE LOADER W20C		10362024

**Exhibit 2.1 (c) cont.**

**Bill of Sale**

**Estimated Utility Inventory**

Inventory/Stock located at Aloha Gardens, the abandoned wastewater treatment facility now being used as a maintenance facility.

- New water meters, 10 boxes, 150 water meters, census 5/8" by 3/4"
- Used water meters, four (4), 55 gallon barrels, and three (3) eight (8) shelf units filled
- Repair clamps
- PVC fittings of various sizes
- Tools, heavy duty, such as
  - pipe wrenches
  - bolt cutters,
  - electric welder,
  - a set of acetylene cutting torches
  - miscellaneous galvanized steel fittings
  - miscellaneous electric fittings

**Vehicle Maintenance**

- Four (4), 35 gallon barrels of oil, various fluids and greases
- Tools of various types and sizes, mainly used for vehicle repair and equipment maintenance
- Miscellaneous parts
  - Oil filters
  - Air blower filters
  - Miscellaneous auto repair parts

And any and all miscellaneous repair stock used for utility maintenance, utility repairs and/or vehicle and equipment maintenance will be made part of the bill of sale to the FGUA with a value of \$7,500.00.

BOBCAT 751 SKID STEER


514742958

CAT BACKHOE 416

5PC08613

CASE BACKHOE 580K

17421640 AGE???

 Bush Hogg  
~~Track Backhoe~~

**MISCELLANEOUS**

4 cylinder pump - portable  
small trailer mounted pump

**GARAGE LOCATED AT ALOHA GARDENS**

Former WWTP Site

The garage is used for the maintenance of vehicles and equipment; and is used for storage of materials, but not limited to:

- vehicles and equipment repair parts, fluids, oils, greases, filters, light bulbs, tools, jacks, air compressors motors
- Also stored at this location are, water meters (new and used), four (4) used barrels, three (3) shelves stocked with used water meters, new meters, census water meters, 12 boxes of wrap around repair clamps, mud hog pumps, tools, pipe wrenches, bolt cutters, small welder, acetylene cutting torch. An electric fork lift, meter boxes, PVC pipes of various size, fire hydrants, small gas generator, portable four (4) cylinder Wisconsin gas engine pump

There are two box trailers located at the WWTP used to store materials, ie; brass meter set yokes, PVC, galvanized, electrical, tubing and float balls along with other miscellaneous operations supplies.

**EXHIBIT 2.1(f)**

**GOVERNMENTAL AUTHORIZATIONS**

- 1. Consumptive Use Permit Number 20 3182.005, Seven Springs.**
- 2. Consumptive Use Permit Number 20 8417.001, Aloha Gardens.**
- 3. Wastewater Treatment Facility Permit Number 012752-007.**
- 4. Wastewater Treatment Facility Renewal Application Number 01275-008.**
- 5. United States Environmental Protection Agency Vulnerability Assessment and Emergency Plan.**

## **EXHIBIT 2.1(g)**

### **COPIES OF DATA AND RECORDS INCLUDING HARDWARE AND SOFTWARE UPON WHICH SUCH DATA AND RECORDS ARE KEPT**

The assets to be sold pursuant to this Exhibit 2.1(g) shall be made available to Buyer at Seller's offices subsequent to execution of the Agreement of Purchase and Sale. Said assets shall include but not be limited to: all supplier lists; customer records; engineering reports; surveys; specifications; shop drawings; equipment manuals; and other information reasonably required by Buyer to operate the System in Seller's possession and those portions of personnel records which Seller is permitted by law to disclose.

**EXHIBIT 2.1(h)**

**SETS OF RECORD DRAWINGS, INCLUDING AS-BUILT DRAWINGS,  
ORIGINAL TRACINGS, SEPIAS OR OTHER REPRODUCIBLE MATERIALS  
IN SELLER'S POSSESSION**

Due to the volume of the assets to be sold pursuant to this Exhibit 2.1(h), said assets have been made available to Buyer at Seller's offices throughout the due diligence period subsequent to execution of the Agreement of Purchase and Sale.

**EXHIBIT 2.1(j)**

**ALL CLAIMS OF SELLER AGAINST THIRD PARTIES RELATING TO THE  
ASSETS**

**None**

## EXHIBIT 2.2

### EXCLUDED ASSETS

1. **Cash, cash equivalents, bank accounts, monies held in trust for Seller and short-term investments;**
2. **All payments received by Seller prior to Closing (other than Customer Deposits and Connection Charges to be transferred to Seller pursuant to Section 3.20 of the Agreement of Purchase and Sale);**
3. **The name and Florida corporation known as Aloha Utilities, Inc.;**
4. **Aloha Utilities, Inc. email address;**
5. **All minute books, stock records and corporate seals;**
6. **equity and debt securities of any nature;**
7. **Seller's letters of credit outstanding at the date of Closing;**
8. **All insurance policies and rights thereunder (except to the extent specified in Section 2.1(i) and (j));**
9. **The following Contracts:**
10. **Records that Seller is required by law to retain in its possession;**
11. **All claims for refunds of taxes and other governmental charges of whatever nature;**
12. **All rights in connection with and assets of any Employee Plans;**
13. **All rights in connection with the solid waste disposal and street light services provided through Tarpon Holiday Corporation and billed by Seller;**
14. **2007 Toyota Tundra, last four vin.# 9745**
15. **1994 Trail Magic Trailer, last four vin.# 7105**
16. **Any other items otherwise excluded under the Agreement of Purchase and Sale.**



**EXHIBIT 3.2(c)**

**EXCEPTIONS TO SELLER'S POWER AND AUTHORITY TO  
EXECUTE AND DELIVER THE AGREEMENT AND  
PERFORM ITS OBLIGATIONS THEREUNDER**

**NONE**

**Exhibit 3.5**

**Schedule A (Continued)**

Agent's File No.: **Aloha Sale**

**PARCEL 1:**

A PORTION OF THE EAST 3/4 OF SECTION 28, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 28; THENCE RUN ALONG THE EAST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, NORTH 00°36'25" EAST, A DISTANCE OF 3.40 FEET; THENCE NORTH 89°31'33" WEST, A DISTANCE OF 60.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SEVEN SPRINGS BOULEVARD AS DESCRIBED IN O.R. BOOK 860, PAGES 568 AND 569 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID SEVEN SPRINGS BOULEVARD, SOUTH 00°36'25" WEST, A DISTANCE OF 3.15 FEET; THENCE CONTINUE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID SEVEN SPRINGS BOULEVARD, SOUTH 00°36'45" WEST, A DISTANCE OF 251.21 FEET TO THE NORTH RIGHT-OF-WAY LINE OF PERRINE RANCH ROAD AS SHOWN ON PLAT OF OAK RIDGE UNIT ONE RECORDED IN PLAT BOOK 14, PAGE 78 TO 82 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID PERRINE RANCH ROAD, NORTH 89°31'33" WEST, A DISTANCE OF 250.00 FEET FOR A POINT OF BEGINNING, THENCE CONTINUE ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID PERRINE RANCH ROAD, NORTH 89°31'33" WEST, A DISTANCE OF 140.00 FEET THENCE NORTH 00°36'25" EAST, A DISTANCE OF 254.36 FEET; THENCE SOUTH 89°31'33" EAST, A DISTANCE OF 140.03 FEET; THENCE SOUTH 00°36'45" WEST, A DISTANCE OF 254.36 FEET TO THE POINT OF BEGINNING.

**PARCEL 2:**

A PORTION OF TRACT 53 OF THE TAMPA-TARPON SPRINGS LAND COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, AS SHOWN ON PLAT RECORDED IN PLAT BOOK 1, PAGES 68, 69 AND 70 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING MORE FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, PASCO COUNTY, FLORIDA; THENCE RUN SOUTH 89°20'37" EAST ALONG THE NORTHERLY BOUNDARY OF SAID SOUTHWEST 1/4, 1325.94 FEET; THENCE SOUTH 0°25'56" WEST, 689.15 FEET FOR A POINT OF BEGINNING; FROM SAID POINT OF BEGINNING CONTINUE THENCE SOUTH 0°25'56" WEST, 140.0 FEET; THENCE NORTH 89°26'03" WEST, 210.0 FEET; THENCE NORTH 0°25'56" EAST, 140.0 FEET; THENCE SOUTH 89°26'03" EAST, 210.0 FEET TO THE POINT OF BEGINNING.

**PARCEL 3:**

A PARCEL OF LAND LYING IN SECTION 29, TOWNSHIP 26 SOUTH, RANGE 17 EAST, PASCO COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 29 AND RUN NORTH 00°19'33" EAST, ALONG THE EASTERLY BOUNDARY LINE OF SAID SECTION 29, A DISTANCE OF 2344.83 FEET TO A POINT; LEAVING SAID BOUNDARY LINE, RUN NORTH 89°40'27" WEST, A DISTANCE OF 1743.78 FEET TO THE POINT OF BEGINNING.

THENCE RUN SOUTH 00°19'33" WEST, A DISTANCE OF 270.00 FEET TO A POINT; THENCE RUN NORTH 89°40'27" WEST, A DISTANCE OF 265.00 FEET TO A POINT; THENCE RUN NORTH 00°19'33" EAST, A DISTANCE OF 270.00 FEET TO A POINT; THENCE RUN SOUTH 89°40'27" EAST, A DISTANCE OF 265.00 FEET TO THE POINT OF BEGINNING.

PARCEL 4:

THE EAST 140 FEET OF SECTION 22, TOWNSHIP 26 SOUTH, RANGE 16 EAST, LESS THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 AND LESS ROAD RIGHT OF WAY; ALSO LESS AND EXCEPT ANY OF THE ABOVE DESCRIBED LAND LYING NORTH OF THE SOUTH BOUNDARY OF THE LAND DESCRIBED IN PART "D" OF THAT CERTAIN STIPULATED ORDER OF TAKING RECORDED NOVEMBER 9, 1995 IN OFFICIAL RECORDS BOOK 3496, PAGE 750.

PARCEL 5:

A PARCEL OF LAND LYING IN SECTION 22, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 22, THENCE NORTH 89°22'07" WEST, ALONG THE SOUTH LINE OF SAID SECTION 22, A DISTANCE OF 662.52 FEET TO THE POINT OF BEGINNING.

THENCE CONTINUE ALONG SAID SOUTH LINE, NORTH 89°22'07" WEST, A DISTANCE OF 1676.55 FEET; LEAVING SAID SOUTH LINE, THENCE NORTH 00°20'39" EAST, A DISTANCE OF 425.00 FEET; THENCE SOUTH 89°50'24" EAST, A DISTANCE OF 607.2 FEET; THENCE SOUTH 89°22'07" EAST, A DISTANCE OF 1069.11 FEET; THENCE SOUTH 00°18'45" WEST, A DISTANCE OF 430.00 FEET TO THE POINT OF BEGINNING.

PARCEL 6:

COMMENCE AT THE CENTER OF SECTION 27, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, THENCE RUN NORTH 0°41'32" EAST, A DISTANCE OF 640.20' TO THE POINT OF BEGINNING; FROM SAID POINT OF BEGINNING, THENCE CONTINUE NORTH 0°41'32" EAST, A DISTANCE OF 1320.00', THENCE RUN NORTH 89°31'33" WEST, A DISTANCE OF 1320.00', THENCE RUN SOUTH 0°41'32" WEST, A DISTANCE OF 1320.00', THENCE RUN SOUTH 89°31'33" EAST, A DISTANCE OF 1320.00', TO THE POINT OF BEGINNING.

PARCEL 7:

A PARCEL OF LAND LYING WITHIN SECTION 34, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE ALONG THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 34, NORTH 00°23'38" EAST, 1238.31 FEET; THENCE SOUTH 89°36'22" EAST, 70.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF SEVEN SPRINGS BOULEVARD AS IT IS NOW ESTABLISHED; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE, NORTH 00°23'38" EAST, 1269.49 FEET TO THE EASTERLY BOUNDARY LINE OF THE FLORIDA POWER CORPORATION TRANSMISSION LINE EASEMENT DESCRIBED IN OFFICIAL RECORD BOOK 763, PAGES 1591 THROUGH 1596 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG SAID EASTERLY BOUNDARY LINE, NORTH 40°56'03" EAST, 930.42 FEET; THENCE NORTH 49°03'57" WEST, 238.03 FEET; THENCE NORTH 83°31'01" WEST, 48.83 FEET, TO THE POINT OF BEGINNING THENCE CONTINUE NORTH 83°31'01" WEST, 172.59 FEET; THENCE NORTH 18°35'20" WEST, 235.27 FEET; THENCE NORTH 51°12'12" EAST, 26.23 FEET; THENCE EAST, 182.87 FEET; THENCE SOUTH 16°30'30" EAST, 162.70 FEET; THENCE SOUTH 01°42'30" WEST, 102.97 FEET, TO THE EASEMENT FOR THE BENEFIT OF THE

LAND AS CREATED BY INSTRUMENT RECORDED IN BOOK 4732, PAGE 970, OVER THE FOLLOWING PROPERTY:

A PORTION OF SECTION 34, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE ALONG THE WEST BOUNDARY LINE OF SAID SECTION 34, NORTH 00°23'38" EAST, A DISTANCE OF 3,615.56 FEET; THENCE SOUTH 89°36'22" EAST, A DISTANCE OF 197.17 FEET TO THE MOST WESTERLY CORNER OF THE MITCHELL BOULEVARD WATER TREATMENT PLANT SITE PARCEL, AS SHOWN ON THE SKETCH PREPARED BY GENESIS GROUP INC., PROJECT NO. 0404-01-14 DATED MARCH 23, 1993; THENCE ALONG THE WESTERLY BOUNDARY LINE OF SAID MITCHELL BOULEVARD WATER TREATMENT PLANT SITE PARCEL, NORTH 51°12'12" EAST, A DISTANCE OF 26.23 FEET TO THE NORTHWESTERLY CORNER OF SAID MITCHELL BOULEVARD WATER TREATMENT PLANT SITE PARCEL; THENCE SOUTH 90°00'00" EAST ALONG THE NORTH BOUNDARY LINE OF THE SAID MITCHELL BOULEVARD WATER TREATMENT PLANT SITE PARCEL 182.87 FEET, THENCE SOUTH 16°30'30" EAST, ALONG THE EAST BOUNDARY LINE OF SAID WATER TREATMENT PLANT SITE PARCEL, 162.70 FEET; THENCE SOUTH 01°42'30" WEST, ALONG THE EAST BOUNDARY LINE OF SAID WATER TREATMENT PLANT SITE PARCEL, 47.52 FEET FOR A POINT OF BEGINNING; THENCE LEAVING THE EAST BOUNDARY LINE OF THE MITCHELL BOULEVARD WATER TREATMENT PLANT SITE PARCEL, SOUTH 81°01'33" EAST, 57.04 FEET; THENCE SOUTH 59°18'02" EAST, 39.06 FEET; THENCE SOUTH 49°21'40" EAST, 226.53 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY OF PHASE "K", PARCEL "A" REVISED, OF MITCHELL BOULEVARD AS DESCRIBED IN OFFICIAL RECORDS BOOK 1638, PAGE 1856 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE SOUTH 40°56'03" WEST, ALONG THE SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF MITCHELL BOULEVARD, 25.00 FEET; THENCE LEAVING SAID NORTHWESTERLY RIGHT-OF-WAY LINE, NORTH 49°21'40" WEST, 224.24 FEET; THENCE NORTH 59°18'02" WEST, 32.08 FEET; THENCE NORTH 81°01'33" WEST, 49.05 FEET TO THE EASTERLY BOUNDARY LINE OF THE SAID WATER TREATMENT PLANT SITE PARCEL; THENCE NORTH 01°42'30" WEST, 25.20 FEET TO THE POINT OF BEGINNING.

PARCEL 8:

THE SOUTH 14 ACRES OF TRACTS 53, 54 AND 55, TAMPA TARPON SPRINGS LAND COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, PASCO COUNTY, FLORIDA, LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

A PORTION OF TRACT 53 OF THE TAMPA-TARPON SPRINGS LAND COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, AS SHOWN ON PLAT RECORDED IN PLAT BOOK 1, PAGES 68, 69 AND 70 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING MORE FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, PASCO COUNTY, FLORIDA; THENCE RUN SOUTH 89°20'37" EAST ALONG THE NORTHERLY BOUNDARY OF SAID SOUTHWEST 1/4, 1325.94 FEET; THENCE SOUTH 0°25'56" WEST, 689.15 FEET FOR A POINT OF BEGINNING; FROM SAID POINT OF BEGINNING CONTINUE THENCE SOUTH 0°25'56" WEST, 140.0 FEET; THENCE NORTH 89°26'03" WEST, 210.0 FEET; THENCE NORTH 0°25'56" EAST, 140.0 FEET; THENCE SOUTH 89°26'03" EAST, 210.0 FEET TO THE POINT OF BEGINNING.

PARCEL 9:

A PORTION OF TRACT 56, TAMPA TARPON SPRINGS LAND COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, PASCO COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE WEST ONE QUARTER CORNER OF SECTION 25, TOWNSHIP 26 SOUTH , RANGE 15 EAST, PASCO COUNTY, FLORIDA, THENCE RUN SOUTH 0°14'48" WEST, A DISTANCE OF 992.57 FEET TO THE NORTHWEST CORNER OF SAID TRACT 56 FOR A POINT OF BEGINNING;

FROM SAID POINT OF BEGINNING THENCE SOUTH 89°26'03" EAST, 1092.68 FEET, THENCE SOUTH 0°25'56" WEST, 220.00 FEET, THENCE NORTH 89°26'03" WEST, 1091.97 FEET, THENCE NORTH 0°14'43" EAST, 220.00 FEET TO THE POINT OF BEGINNING.

PARCEL 10:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SECTION 13, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA; THENCE NORTH 00°40'50" EAST FOR 343.39 FEET; THENCE SOUTH 89°43'41" EAST, 60.00 FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 89°43'41" EAST, 200.00 FEET; THENCE SOUTH 00°40'50" WEST, 54.79 FEET; THENCE 15.22 FEET ALONG AN ARC CONVEX LEFT WITH A RADIUS OF 230.00 FEET, DELTA 03°47'38", CHORD BEARING SOUTH 01°12'59" EAST, 15.22 FEET; THENCE NORTH 89°43'41" WEST, 200.51 FEET; THENCE NORTH 00°10'50" EAST, 70.01 FEET TO THE POINT OF BEGINNING.

PARCEL 11:

PARCEL A:

COMMENCE AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, FOR A POINT OF BEGINNING; THENCE NORTH 00°20'39" EAST FOR 447.45 FEET; THENCE SOUTH 89°50'24" EAST, 311.81 FEET; THENCE SOUTH 00°20'39" WEST, 447.45 FEET; THENCE NORTH 89°50'24" WEST, 311.81 FEET TO THE POINT OF BEGINNING, LESS AND EXCEPT: THE NORTH 25.00 FEET THEREOF.

PARCEL B:

COMMENCE AT THE NORTH 1/4 CORNER OF SECTION 27, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, FOR A POINT OF BEGINNING; THENCE ALONG NORTH-SOUTH CENTER LINE OF SAID SECTION 27, SOUTH 00°41'50" WEST, 100.00 FEET; THENCE SOUTH 89°21'01" EAST, 311.81 FEET; THENCE NORTH 00°41'50" EAST, 100.00 FEET TO THE NORTH LINE OF SAID SECTION 27; THENCE ALONG THE NORTH LINE OF SAID SECTION NORTH 89°21'01" WEST, 311.81 FEET TO THE POINT OF BEGINNING.

PARCEL 12:

COMMENCE AT THE NORTHEAST CORNER OF SECTION 22, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA; THENCE RUN SOUTH 00°22'07" WEST, ALONG THE EAST LINE OF SAID SECTION 22, 850.00 FEET; THENCE RUN NORTH 89°31'33" WEST, 140.00 FEET TO THE WEST LINE OF A FLORIDA POWER CORPORATION RIGHT-OF-WAY; THENCE RUN SOUTH 00°22'07" WEST, ALONG SAID RIGHT-OF-WAY LINE, 1795.37 FEET; THENCE CONTINUE SOUTH 00°23'18" WEST, 1204.62 FEET TO THE POINT OF BEGINNING; THENCE RUN SOUTH 00°23'18" WEST, 116.58 FEET, ALONG SAID FLORIDA POWER CORPORATION RIGHT-OF-WAY LINE; THENCE RUN NORTH 89°37'53" WEST, 145.00 FEET; THENCE RUN NORTH 00°23'18" EAST, 116.58 FEET; THENCE RUN SOUTH 89°37'53" EAST, 145.00 FEET TO THE POINT OF BEGINNING.

PARCEL 13:

THAT PORTION OF THE EAST 140.00 FEET OF SECTION 22, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY FLORIDA, LESS AND EXCEPT ANY PORTION LYING WITHING THE ROAD RIGHT-OF-WAY FOR STATE ROAD 54 AS PRESENTLY LOCATED, ALSO LESS AND EXCEPT ANY PORTION LYING

SOUTHERLY OF THE MOST SOUTHERLY LINE OF SAID STATE ROAD 54 AS REALIGNED (PER OFFICIAL RECORDS BOOK 3496, PAGE 750, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, ALSO LESS AND EXCEPT THAT PORTION OF SAID EAST 140.00 FEET OF SECTION 22, DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHEAST CORNER OF SECTION 22, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA FOR A POINT OF REFERENCE; THENCE ALONG THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 22, SOUTH 00°25'52" WEST, 150.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 00°25'52" WEST, 500.00 FEET; THENCE NORTH 89°34'08" WEST, 100.00 FEET; THENCE NORTH 00°25'52" EAST, 500.00 FEET; THENCE SOUTH 89°34'08" EAST, 100.00 FEET TO THE POINT OF BEGINNING.

PARCEL 14:

A PARCEL OF LAND LOCATED IN SECTION 25, TOWNSHIP 26 SOUTH, RANGE 15 EAST, PASCO COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 25, THENCE RUN NORTH 00°09'01" WEST, ALONG THE EAST LINE OF SAID SECTION, 767.67 FEET FOR A POINT OF BEGINNING; THENCE NORTH 89°25'33" WEST, 75.00 FEET; THENCE NORTH 00°09'01" WEST, 85.00 FEET; THENCE SOUTH 89°25'33" EAST, 85.00 FEET; THENCE SOUTH 00°09'01" EAST, 75.00 FEET TO THE POINT OF BEGINNING.

PARCEL 15:

LOT 90A, OF TAHITIAN HOMES UNIT TWO, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 9, PAGE 7, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 16:

TRACT "A", OF ALOHA GARDENS UNIT THREE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 10, PAGES 15 & 16, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 17:

TRACT "A", OF ALOHA GARDENS UNIT SEVEN, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 10, PAGES 132, 133 & 134, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 18:

PARCEL 721B

LOT 721, AS SHOWN ON THE PLAT OF ALOHA GARDENS UNIT SEVEN RECORDED IN PLAT BOOK 10, PAGES 132, 133 & 134, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; LESS THE FOLLOWING DESCRIBED PORTION THEREOF:

COMMENCE AT THE MOST WESTERLY CORNER OF SAID LOT 721 FOR A POINT OF BEGINNING; THENCE RUN ALONG THE NORTHWESTERLY BOUNDARY LINE OF SAID LOT 721, NORTH 30°51'36" EAST, A DISTANCE OF 60.00 FEET; THENCE SOUTH 59°08'24" EAST, A DISTANCE OF 90.00 FEET TO THE SOUTHEASTERLY BOUNDARY LINE OF SAID LOT 721; THENCE ALONG SAID SOUTHEASTERLY BOUNDARY LINE, SOUTH 30°51'36" WEST, A DISTANCE OF 60.00 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 721; THENCE NORTH 59°08'24" WEST ALONG THE SOUTHWESTERLY BOUNDARY LINE OF SAID LOT 721, A DISTANCE OF 90.00 FEET TO THE POINT OF BEGINNING.

PARCEL 19:

LOTS 732, 733, 734, 773, 774 & 775, OF ALOHA GARDENS UNIT SEVEN, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 10, PAGES 132, 133 & 134, OF THE PUBLIC RECORDS OF

PASCO COUNTY, FLORIDA.

PARCEL 20:

LOT (PARCEL) "A", OF ALOHA GARDENS UNIT NINE ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 11, PAGES 34, 35 & 36, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 21:

A PORTION OF THE WEST 3/4 OF SECTION 27, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 27; THENCE RUN ALONG THE WEST BOUNDARY LINE OF THE NORTHWEST 1/4 OF SAID SECTION 27, SOUTH 00°36'25" WEST, A DISTANCE OF 2006.28 FEET TO THE WESTERLY EXTENSION OF THE SOUTH BOUNDARY LINE OF THE TAHITIAN DEVELOPMENT, INC. PARCEL AS DESCRIBED IN OFFICIAL RECORDS BOOK 679, PAGE 469 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE RUN ALONG THE WESTERLY EXTENSION OF THE SOUTH BOUNDARY LINE AND THE SOUTH BOUNDARY LINE OF SAID TAHITIAN DEVELOPMENT, INC. PARCEL, SOUTH 89°31'33" EAST, A DISTANCE OF 2652.89 FEET TO THE SOUTHEAST CORNER OF SAID TAHITIAN DEVELOPMENT, INC. PARCEL, THE SAME BEING THE EAST BOUNDARY LINE OF THE NORTHWEST 1/4 OF SAID SECTION 27 FOR A POINT OF BEGINNING; THENCE ALONG THE EAST BOUNDARY LINE OF THE NORTHWEST 1/4 OF SAID SECTION 27 AND THE EAST BOUNDARY LINE OF THE SAID TAHITIAN DEVELOPMENT, INC. PARCEL, NORTH 00°41'32" EAST, A DISTANCE OF 1909.93 FEET TO THE SOUTHWEST CORNER OF THE TAHITIAN DEVELOPMENT, INC. PARCEL AS DESCRIBED IN OFFICIAL RECORDS BOOK 663, PAGES 24 AND 25 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE SOUTH BOUNDARY OF SAID TAHITIAN DEVELOPMENT, INC. PARCEL, SOUTH 89°21'01" EAST, A DISTANCE OF 311.81 FEET TO THE SOUTHEAST CORNER OF SAID TAHITIAN DEVELOPMENT, INC. PARCEL; THENCE ALONG THE EAST BOUNDARY OF SAID TAHITIAN DEVELOPMENT, INC. PARCEL, NORTH 00°41'32" EAST, A DISTANCE OF 100.00 FEET TO THE NORTH BOUNDARY LINE OF SAID SECTION 27; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID SECTION 27, SOUTH 89°21'01" EAST, A DISTANCE OF 295.69 FEET TO THE NORTHWEST CORNER OF THE JOHN H. ROSS PARCEL AS DESCRIBED IN OFFICIAL RECORDS BOOK 778, PAGE 909 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE WEST BOUNDARY LINE OF SAID JOHN H. ROSS PARCEL, SOUTH 00°45'38" WEST, A DISTANCE OF 1866.76 FEET TO THE SOUTHWEST CORNER OF SAID JOHN H. ROSS PARCEL; THENCE SOUTH 77°20'36" WEST, A DISTANCE OF 622.08 FEET TO THE POINT OF BEGINNING.

PARCEL 22:

A PORTION OF THE EAST 100 FEET OF TRACT 54 OF TAMPA-TARPON SPRINGS LAND COMPANY'S SUBDIVISION OF SECTION 30, TOWNSHIP 26 SOUTH, RANGE 16 EAST, AS SHOWN ON THE PLAT RECORDED IN PLAT BOOK 1, PAGES 68, 69 & 70 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SAID SECTION 30; THENCE RUN DUE EAST, ALONG THE NORTH LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 30, 788.44 FEET; THENCE RUN SOUTH 00°54'04" WEST, 660 FEET FOR A POINT OF BEGINNING; THENCE RUN SOUTH 89°05'56" EAST, 60 FEET; THENCE RUN SOUTH 00°54'04" WEST, 60 FEET; THENCE RUN NORTH 89°05'56" WEST, 60 FEET; THENCE NORTH 00°54'04" EAST, 60 FEET TO THE POINT OF BEGINNING.

PARCEL 23:

LOT "A", TAHITIAN HOMES - UNIT ONE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 8, PAGE 141, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 24:

LOTS B&C, TAHITIAN HOMES - UNIT THREE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 9, PAGE 54, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 25:

LOT 60, ALOHA GARDENS UNIT ONE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 9, PAGES 115 & 116, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL 26:

A PARCEL OF LAND IN SECTION 34, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE ALONG THE SOUTH BOUNDARY OF THE SOUTHWEST 1/4 OF SAID SECTION 34, SOUTH 89°45'17" EAST, 70.00 FEET TO THE EAST RIGHT-OF-WAY LINE OF SEVEN SPRINGS BOULEVARD (C.R.77); THENCE ALONG SAID EAST RIGHT-OF-WAY LINE, NORTH 00°23'38" EAST, 3838.14 FEET; THENCE SOUTH 89°36'22" EAST, 1137.97 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF A 100 FOOT FLORIDA POWER CORPORATION EASEMENT (O.R. BOOK 763, PAGE 1591) ALSO BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTHEASTERLY LINE, NORTH 40°56'02" EAST, 199.13 FEET; THENCE SOUTH 23° 16'17" EAST, 101.47 FEET TO A POINT ON A CURVE ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF MITCHELL BOULEVARD (210 FOOT RIGHT-OF-WAY PER O.R. BOOK 1638, PAGE 1856); THENCE ALONG SAID RIGHT-OF-WAY LINE, SOUTHWESTERLY 115.34 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1305.00 FEET AND A CENTRAL ANGLE OF 05°03'50" (CHORD BEARING AND DISTANCE SOUTH 59°58'08" WEST, 115.30 FEET); THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 89°36'22" WEST, 70.74 FEET TO THE POINT OF BEGINNING.

PARCEL 27:

A PARCEL OF LAND IN SECTION 34, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 34; THENCE ALONG THE NORTH BOUNDARY OF SAID NORTHWEST 1/4, NORTH 89°31'46" WEST, 198.74 FEET TO ITS INTERSECTION WITH THE EAST BOUNDARY OF A 100 FOOT FLORIDA POWER CORPORATION EASEMENT AS DESCRIBED IN O.R. 763, PAGE 1591, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG SAID EAST BOUNDARY, SOUTH 40°56'03" WEST, 98.25 FEET, SAID POINT REFERRED TO AS THE POINT OF BEGINNING OF THE LAND HEREIN DESCRIBED; THENCE CONTINUE ALONG SAID EAST BOUNDARY OF A FLORIDA POWER CORPORATION EASEMENT, SOUTH 40°56'03" WEST, 191.49 FEET; THENCE SOUTH 49°03'57" EAST, 100.00 FEET; THENCE NORTH 40°56'03" EAST, 223.25 FEET TO ITS INTERSECTION WITH A WETLAND JURISDICTION BOUNDARY; THENCE ALONG SAID BOUNDARY, SOUTH 62°47'49" WEST, 14.70 FEET; THENCE SOUTH 79°27'38" WEST, 34.52 FEET; THENCE SOUTH 83°44'58" WEST, 48.61 FEET; THENCE NORTH 31°32'55" WEST, 27.89 FEET; THENCE NORTH 15°29'21" EAST, 30.29 FEET; THENCE NORTH 38°25'40" EAST, 8.81 FEET TO THE POINT OF BEGINNING.



**VESTING INFORMATION:**

- PARCEL 1: Book 4475, Page 1981
- PARCEL 2: Book 776, Page 1116
- PARCEL 3: Book 1620, Page 37
- PARCEL 4: Book 1848, Page 1600
- PARCEL 5: Book 1848, Page 1600
- PARCEL 6: Book 1225, Page 878
- PARCEL 7: Book 4461, Page 745
- PARCEL 8: Book 564, Page 344
- PARCEL 9: Book 823, Page 1173
- PARCEL 10: Book 3220, Page 1180
- PARCEL 11: Book 2081, Page 581, Book 3062, Page 6, Book 3099, Page 361 & Book 3102, Page 561
- PARCEL 12: Book 885, Page 1422
- PARCEL 13: Book 1848, Page 1600
- PARCEL 14: Book 1675, Page 259
- PARCEL 15: Book 506, Page 749, Book 737, Page 678 & Book 804, Page 1298
- PARCEL 16: Book 812, Page 47
- PARCEL 17: Book 812, Page 47
- PARCEL 18: Book 854, Page 270
- PARCEL 19: Book 781, Page 508
- PARCEL 20: Book 3059, Page 1562
- PARCEL 21: Book 1600, Page 1519
- PARCEL 22: Book 737, page 678
- PARCEL 25: Book 490, Page 520
- PARCEL 26: Book 3555, Page 1713
- PARCEL 27: Book 3555, page 1713

**EXHIBIT 3.6**

**DESCRIPTION OF LEASED REAL PROPERTY**

**None**

**EXHIBIT 3.7(b)**

**LIST OF ASSETS OTHER THAN REAL PROPERTY  
ENCUMBERED BY NON-REAL ESTATE ENCUMBRANCES**

**None**

**EXHIBIT 3.9(a)**

**LIST OF VIOLATIONS OF LEGAL REQUIREMENTS  
OR GOVERNMENTAL AUTHORIZATIONS**

**None**

## **EXHIBIT 3.9(b)**

### **LIST OF GOVERNMENTAL AUTHORIZATIONS**

- 1. Certificate Number 097-S granted by the Florida Public Service Commission, authorizing Aloha Utilities, Inc. to provide wastewater service in the territory described by the Orders of the Commission.**
- 2. Certificate Number 136-W granted by the Florida Public Service Commission authorizing Aloha Utilities, Inc. to provide water service in the territory described by the Orders of the Commission.**
- 3. Consumptive Use Permit Number 20 3182.005, Seven Springs.**
- 4. Consumptive Use Permit Number 20 8417.001, Aloha Gardens.**
- 5. Wastewater Treatment Facility Permit Number 012752-007.**
- 6. Wastewater Treatment Facility Renewal Application Number 01275-008.**
- 7. United States Environmental Protection Agency Vulnerability Assessment and Emergency Plan.**

**EXHIBIT 3.10(a)**

**LIST OF PENDING OR THREATENED LEGAL PROCEEDINGS OR ORDERS  
THAT WOULD MATERIALLY AFFECT THE ASSETS, THE SYSTEM  
OR ANY OF THE OFFICERS OR DIRECTORS**

**None**

**EXHIBIT 3.10(b)**

**LIST OF ORDERS THAT WOULD MATERIALLY AFFECT ANY OF THE  
OFFICERS OR DIRECTORS IN THE PERFORMANCE OF THEIR DUTIES  
WITH RESPECT TO THE SYSTEM.**

**None**

**EXHIBIT 3.10(c)**

**LIST OF ANY VIOLATIONS OF ANY TERMS OF ANY ORDERS  
OR LEGAL REQUIREMENTS THAT WOULD MATERIALLY AFFECT  
THE OPERATION OF THE SYSTEM**

**None**



**EXHIBIT 3.11**

**List of any material adverse changes in the business operation of the System whether due to damage, destruction, loss, sale or other disposition since the execution of the Agreement.**

**NONE**

**EXHIBIT 3.11(iii)**

**List of developer agreements entered into subsequent to the execution of the Agreement with prepaid connection fees that are subject to refund to developers.**

**NONE**

**EXHIBIT 3.13(a)**

**MATERIAL VIOLATIONS OF ENVIRONMENTAL LAWS**

**None**

**EXHIBIT 3.13(b)**

**PENDING OR THREATENED CLAIMS RESULTING FROM ANY  
ENVIRONMENTAL LAWS**

**None**

**EXHIBIT 3.13(c)**

**LIST OF ANY NOTICES OR COMMUNICATIONS RELATING TO  
ALLEGED OR ACTUAL OR POTENTIAL VIOLATION OF FAILURE TO  
COMPLY WITH ANY ENVIRONMENTAL LAW**

**None**

**EXHIBIT 3.13(d)**

**LIST OF MATERIAL ENVIRONMENTAL, HEALTH AND SAFETY  
LIABILITIES WITH RESPECT TO THE SYSTEM OR THE ASSETS OR ANY  
PROPERTY CONTROLLED BY SELLER THAT IS GEOLOGICALLY OR  
HYDROLOGICALLY ADJOINING THE SYSTEM OR ASSETS**

**None**

**EXHIBIT 3.13(e)**

**LIST OF HAZARDOUS MATERIALS PRESENT ON OR AT THE FACILITY  
OR ANY PROPERTY CONTROLLED OR OWNED BY SELLER THAT ARE  
NOT IN COMPLIANCE WITH ENVIRONMENTAL LAWS**

**None**

**EXHIBIT 3.13(f)**

**LIST OF ANY RELEASES OF HAZARDOUS MATERIALS IN VIOLATION OF ANY ENVIRONMENTAL LAW FROM ANY FACILITY OR AT ANY OTHER LOCATION THAT IS CONTROLLED OR OWNED BY SELLER THAT IS GEOLOGICALLY OR HYDROLOGICALLY ADJOINING THE SYSTEM OR FACILITIES**

**None**



**EXHIBIT 3.13(g)**

**LIST OF REPORTS, STUDIED, ANALYSES, TESTS OR MONITORING  
POSSESSED OR INITIATED BY SELLER PERTAINING TO HAZARDOUS  
MATERIALS THAT SELLER HAS NOT DELIVERED OR MADE AVAILABLE  
TO BUYER**

**None**

## **EXHIBIT 3.14**

### **INTELLECTUAL PROPERTY**

IS - Billing Software

SBT - Accounting Software

AUI - Report Information Software

iFix - SCADA System Software

Visual FoxPro - Database Software

Autoread - Meter Reading Software

## EXHIBIT 3.17

FIRST NAME	LAST NAME	HIRE DATE	TITLE	HR.RATE
STEPHEN	BATHGATE	09/19/2005	WASTEWATER OPERATOR	16.52
MANDY	BORKOWSKI	07/24/2006	WATER OPERATOR TRAINEE	13.18
MARIA	BRANNAN	02/20/1995	CUSTOMER SERVICE SPEC III	13.73
JOHN	BURKE	05/07/1992	UTILITY MAINT SUPERVISOR	25.36
JOSEPH	CHAPLAIN	04/30/2008	UTILITY WORKER I	9.79
ALLEN	CLARK	01/11/1984	UTILITY INSPECTOR	21.76
WENDY	COSSETTE	04/28/2008	METER READER	0.18 Per meter
GWEN	DEVAULT	05/22/2001	METER READER	0.32 Per meter
ROBERT	ESTES	07/21/2008	UTILITY WORKER I	9.29
HARRY	FEE	07/25/2007	WASTEWATER OPERATOR "B"	19.48
SALLY	FERRELL	02/05/1979	PERSONNEL MANAGER	31.43
SCOTT	FINDLAY	02/11/2008	LEAD WW OPERATOR "A"	22.50
AUTHER	FRANKS	12/21/2006	UTILITY WORKER I - FLUSHER	10.51
DAVID	GILLETTE	06/21/2005	UTILITY INSPECTOR	16.62
HELEN	GIORGIS	05/30/2006	WATER PLANT MECHANIC I	13.18
RUTH	HARRIS	07/21/2004	METER READER	0.26 Per meter
CHRIS	HAVILAND JR	02/25/2008	UTILITY WORKER I	9.79
CRYSTAL	HINTON	12/09/2004	CLERK/DATA ENTRY OPERATOR	10.06
DEBRA	HOLLON-REID	07/05/2005	DATA ENTRY OPERATOR	10.32
PAUL	IMONDI	05/24/2007	UTILITY WORKER I	10.08
CHRISTOPHER	KESSLER	06/13/2007	PLANT MECHANIC - WW	12.15
SUSAN	KNIGHT	07/09/2007	CUSTOMER SERVICE SUPERVISOR	13.76
PETER	MARCHISIO	01/17/2001	LEAD WATER PLANT OPERATOR	18.60
RICHARD	MAYS	10/22/2007	PUMP MECHANIC (L/S)	15.50
MICHAEL	MCDONALD	11/06/2000	ELECTRONIC TECHNICIAN	18.27
DONALD	MCDOWELL	09/28/2007	METER READER	0.24 Per meter
MICHAEL	MILLER	03/20/2006	UTILITY WORKER II	14.10
NANCY	MINNETTE	12/01/2005	CUSTOMER SERVICE SPEC II	10.26
ERIK	MOFFETT	03/09/2007	LABOR SUPERVISOR - W.WW BREAKS	13.55
MATTHEW	MUSGRAVE	03/21/2001	WASTEWATER OPERATOR	18.15
CHRISTOPHER	NADZEIKA	12/19/2001	UTILITY WORKER II	12.33
JAMES	NORTUM	11/05/1996	UTILITY WORKER II - ADMINISTRATION	12.77
LORRAINE	PALAZZOLO	07/28/2003	WATER OPERATOR	16.50
JENNIFER	PESZEL	06/21/2004	WATER OPERATOR TRAINEE	15.51
TERESA	PITTS	07/09/2007	FIELD CLERK	8.70
DREW	PULLEN	07/13/2008	METER READER	0.20 Per meter
CRAIG	REEVES	03/23/2007	WATER PLANT MECHANIC II	17.85
RAUL	RIVERA	10/02/2006	UTILITY WORKER I	10.19
JENNIFER	RYBENSKI	12/05/2001	FLEET MAINTENANCE SUPERVISOR	12.90
KENNETH	SPADEA	11/01/2007	UTILITY WORKER I	10.29
LYNDA	SPEER	01/19/1992	VICE PRESIDENT	36.90
KAMMY	STEELE	09/24/2007	UTILITY WORKER II	12.50
DONNA	TALL	10/03/2005	CONSERVATION MANAGER	15.33
SAMUEL	VANDUNK	04/30/2001	WASTEWATER OPERATOR	17.95
MARION	VINYARD	05/30/2000	ACCOUNTANT II / CONTROLLER	24.98
STEPHEN	WATFORD	10/09/1975	PRESIDENT	97.81
STACY	WILKERSON	08/21/2003	LABOR SUPERVISOR- METER SRV.	14.31
SUSAN	WILKINS	11/01/1999	DATA ENTRY SUPERVISOR	16.70

EXHIBIT 3.17

JENNIFER	WILKOWSKI	03/07/2001	DEVELOPMENT REVIEW TECH III	18.13
PAMELA	YACOBELLI	11/22/1999	ADMINISTRATION MANAGER	26.75

**EXHIBIT 3.18**

**LIST OF LABOR DISPUTES OR MATERIAL VIOLATIONS OF  
EMPLOYMENT/LABOR LEGAL REQUIREMENTS**

**None**

**ALOHA UTILITIES  
EXHIBIT 3.20  
STATEMENT OF CREDITS THAT SELLER IS OBLIGATED TO GIVE AGAINST CONNECTION  
CHARGES**

DEVELOPER'S NAME AND ADDRESS	PROJECT NAME	WATER IMPACT FEES PAID	SEWER IMPACT FEES PAID	TOTAL WATER AND SEWER IMPACT FEES PAID
Cypress Walk Developers, Inc. 2830 Scherer Dr., Suite #300 St. Petersburg, FL 33716	Townhomes @ Cypress Walk Phase II & III	\$112,000.00	\$184,000.00	\$296,000.00
Belmar Development, Inc. 8105 S.R. 54 New Port Richey, Fl 34655	Thousand Oaks East – Phase 5	\$254,000.00	\$419,100.00	\$673,100.00
<b>Total</b>		<b>\$366,000.00</b>	<b>\$603,100.00</b>	<b>\$969,100.00</b>

**Townhomes @ Cypress Walk**  
Parcel ID 27 26 16 0000 00100 0020  
Phase II 56 Units  
Phase III 56 Units  
Total 112 Units

**Thousand Oaks East – Phase 5**  
Parcel ID 36-26-16-0000-00300-0140  
254 Residential Lots

**EXHIBIT 3.20(a)**

**STATEMENT OF CREDITS THAT SELLER IS OBLIGATED TO GIVE TO  
PERSONS AGAINST CONNECTION CHARGES**

**None**

**EXHIBIT 3.20(b)**

**STATEMENT OF ALL CONNECTION CHARGES THAT ARE SUBJECT TO  
AN AGREEMENT TO WHICH THE SELLER HAS AGREED  
TO PROVIDE A CONNECTION CHARGE AT EITHER  
NO CHARGE OR FOR A FIXED CHARGE**

**None**



## **EXHIBIT 7.3**

### **CONSENTS**

1. Devcon Security Services Corporation – Installation and Monitoring Contract.
2. Devcon Security Services Corporation – Extended Service Program Contract.
3. 1972 Mitchell Agreement.
4. 1975 Mitchell Agreement.

**FIRST ADDENDUM TO  
AGREEMENT OF PURCHASE AND SALE**

**THIS FIRST ADDENDUM TO AGREEMENT OF PURCHASE AND SALE** ("First Addendum"), is made and entered into as of the 12th day of December, 2008, by and between, Aloha Utilities, Inc., a Florida corporation ("Seller") and Florida Governmental Utility Authority, a legal entity and public body created by interlocal agreement pursuant to Section 163.01(7)(g), Florida Statutes ("Buyer").

**WHEREAS**, Seller and Buyer entered into that certain Agreement of Purchase and Sale dated October 8, 2008 ("Agreement"); and,

**WHEREAS**, as of the date of this First Addendum Buyer has been unable to secure the financing necessary to close on the transaction contemplated by the Agreement; and

**WHEREAS**, Buyer has requested that Seller agree to extend the Closing Date in order to continue its efforts to secure a source of financing; and

**WHEREAS**, Seller agrees to extend the Closing Date in the manner set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing recitals and the benefits to be derived from the mutual promises contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The definition of "Closing Date" in Section 1.1 of the Agreement is replaced in its entirety with the following:

**"Closing Date"** means on or before February 27, 2009.

2. Section 2.5 of the Agreement is replaced in its entirety with the following:

(a) The purchase and sale provided for in this Agreement (the "Closing") will take place at a mutually agreed upon location in Florida commencing at 10:00 a.m. (local time) on or before February 27, 2009, unless Buyer and Seller otherwise agree. Failure to consummate the purchase and sale provided for in this Agreement on or before the date and time and at the place determined pursuant to this Section 2.5 will result in the termination of this Agreement.

(b) The parties may, should they both agree, close the asset portion of the transaction contemplated in this Agreement in escrow on a mutually agreed date prior to the Closing described in Section 2.5(a). Release of escrow will be subject to Seller successfully securing necessary financing.

3. Section 2.8 of the Agreement is replaced in its entirety with the following:

"(a) Buyer is relying upon its own due diligence investigation into this Agreement. The Buyer, with the acknowledged cooperation of Seller, has had sixty (60) days since the Execution Date to complete, at its expense, any financial, legal, engineering and

operational compliance investigation of the System and the Assets ("Inspection Period"). During the Inspection Period, Seller provided Buyer and its representatives reasonable access to the System and all Assets. Pursuant to the terms of the Agreement the Inspection Period concluded on December 7, 2008. Based upon the results of Buyer's due diligence investigations during the Inspection Period Buyer confirms and acknowledges that there are no material defects or problems which could interfere with or cause a material change in the long term operation of the System or Assets from the current operation. Buyer confirms, therefore, that as of the date of this First Addendum the only contingency to closing is securing the financing described in Section 10.11 below.

4. Section 5.1 of the Agreement is replaced in its entirety with the following:

*not water testing or transitional in post-closing purposes*

"To the extent that it is relevant to Buyer's future operation of the System and Assets, between the date of the First Addendum and the Closing Date, and upon reasonable advance notice received from Buyer and subject to any applicable confidentiality obligations, Seller shall biweekly (a) afford Buyer and its representatives supervised access, during regular business hours, to the view the plant sites, well sites, equipment and inventories; (b) furnish Buyer with such additional financial, operating and other relevant data and information and reasonable access to related systems as Buyer may reasonably request; and (c) otherwise cooperate and assist Buyer and its representatives, to the extent reasonably requested by Buyer, consistent with Section 5.2."

5. Section 5.3 of the Agreement is replaced in its entirety with the following:

"Except as otherwise expressly permitted herein, between the date of this Agreement and the Closing, Seller shall not without the prior written consent of Buyer which shall not be unreasonably withheld and which shall be promptly acted upon by Buyer (a) enter any new Governmental Authorization or other Seller Contract; (b) enter into any agreement with a developer, other than in the ordinary course of business; (c) make any modification to any Seller Contract or Governmental Authorization; or (d) allow the levels of raw materials, supplies or other materials included in the Inventories to vary materially from the levels customarily maintained."

6. Sections 9.1(f) and (g) of the Agreement are hereby deleted.

7. Section 10.9(b) of the Agreement is hereby replaced in its entirety with the following:

"Connection Charges collected by Seller for which there is not an active connection to the System prior to the Closing Date shall be paid to Buyer at Closing. Notwithstanding the foregoing sentence, in consideration for Seller agreeing to extend the Closing Date the above-referenced Connection Charges to be credited to Buyer at Closing shall be reduced by \$250,000.00 per month, from the date of this First Addendum until the closing of the Contemplated Transactions.

8. The first sentence of Section 10.10 of the Agreement is replaced in its entirety with the following:

*Ret'd on a daily basis*  
*12/16/08*

“Within five (5) days of the Closing, Seller shall prepare and the Buyer and Seller will jointly submit a notice of the transfer of the System with the Florida Public Service Commission and a Petition for Termination of the Certificate(s) of Authorization of Seller.”

9. Section 10.11 of the Agreement is replaced in its entirety with the following:

“(a) Buyer intends to issue Revenue Bonds (the “Bonds”) to acquire the System. The Buyer’s obligation to close the transactions contemplated in this Agreement shall be and is expressly conditioned upon Buyer’s best efforts to effectuate the issuance of such Bonds.

(b) Buyer shall advise Seller by January 27, 2009, whether or not it will close on or before the Closing Date. In the event that Buyer, on or before January 27, 2009, in good faith determines that its Bonds cannot be delivered on a date that permits the Closing to occur on or before the Closing Date, Buyer shall immediately notify Seller in writing of such determination, with such notice setting forth in reasonable detail the basis upon which such determination was made. Upon receipt of such notice, Seller shall have the option of canceling this Agreement; or the Closing Date may be extended by mutual agreement, provided however, that the Purchase Price shall increase by \$15,000.00 per day from February 27, 2009, until closing.”

10. Buyer consents to Seller re-activating its current dockets before the Public Service Commission (“PSC Proceedings”) that have been held in abeyance during the original term of the Agreement, so that, should the Contemplated Transactions fail for any reason to close, that seller should not suffer any additional regulatory lag.

11. The first sentence of Section 12.6 of the Agreement is replaced in its entirety with the following:


“No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party, except that (1) Buyer may collaterally assign its rights hereunder to any financial institution providing financing in connection with the Contemplated Transactions, and (2) Seller may assign part or all of its rights hereunder to a qualified intermediary in connection with a like-kind exchange described in Section 12.7 of this Agreement at a time as close as possible to the Closing as is practicable to effectuate its purpose.”

12. Except as set forth herein, all other provisions of the Agreement shall remain in full force and effect.


13. Nothing herein contained shall be so construed so as to waive any legal or equitable remedy that either party may have against the other by virtue of their failure to close this transaction consistent with the Agreement and this Addendum.

IN WITNESS WHEREOF, Seller and Buyer have caused this First Addendum to be duly executed and entered into on the date first above written. This First Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

**ALOHA UTILITIES, INC.**

  
\_\_\_\_\_  
Stephen G. Watford, President

**FLORIDA GOVERNMENTAL UTILITY  
AUTHORITY.**

  
\_\_\_\_\_  
Lea Ann Thomas, Chair