

LP WATERWORKS, INC.

February 27, 2013

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

RECEIVED-FPSC
13 FEB 28 AM 8:01
COMMISSION
CLERK

130055-WS

Re: LP Waterworks, Inc. Application for Approval of Transfer of LP Utilities Corporation's Water and Wastewater Systems in Highlands County, FL

Enclosed you will find our:

- Application for Transfer
- Check for the Application
- Sample Tariff for water and wastewater
- Maps (what we received from the owner)

If you have any questions, please contact at your earliest convenience.

Respectfully,



Gary Deremer, President
LP Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 3465

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ENG	w/tariffs + Maps
GCL	
IDM	
TEL	
CLK	NG

DOCUMENT NUMBER-DATE

01034 FEB 28 2013

4939 Cross Bayou Blvd. New Port Richey, FL 34652 – Tel: (866) 753-8292 Fax: (727) 848-7701

FPSC-COMMISSION CLERK



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: LP Waterworks, Inc. Application)
for Approval of Transfer of LP Utilities Corp.)
Water & Wastewater System, in Highlands County, FL))
_____)

Docket No. 130055-WS

Filed: 28th February 2013

**LP WATERWORKS, INC.
APPLICATION FOR APPROVAL OF TRANSFER
OF LP UTILITIES CORPORATION'S WATER & WASTEWATER SYSTEMS
IN HIGHLANDS COUNTY, FLORIDA**

LP Waterworks, Inc. ("LPWWII or "Buyer"), by and through its undersigned counsel, and pursuant to Sections 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code, hereby files this Application for approval of the transfer of the Water & Wastewater System of LP Utilities Corporation ("LP Utilities" or "Seller") Certificate Nos. 620-W & 533-S. In support of this Application, LPWWI states as follows:

DOCUMENT NUMBER-DATE
01034 FEB 28 2013
FPSC-COMMISSION CLERK

APPLICANT INFORMATION

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

LP Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652
Tel: (727) 848 8292

Fax: (727) 848 7701

2. The name and address of LPWWI's authorized representatives are:

Gary Deremer
5320 Captains Court
New Port Richey, FL 34652
727-848-8292

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

3. The Seller's representative for purposes of this Application is:

Mr. Anthony Cozier
7406 U.S. 27 North
Sebring, FL 33870
(863) 314-9500

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

FPSC Certificates:

Certificate No. 620-W and Certificate No. 533-W

5. Attached hereto is LPWWI's Application for Approval of Purchase of the LP Utilities system in Highlands County, Florida (the "Application"). The attached Application includes all of the information required by Rule 25-30.037, Florida Administrative Code.

A. APPLICATION FOR APPROVAL OF TRANSFER OF LP UTILITIES

I. FINANCIAL AND TECHNICAL INFORMATION

6. LPWWI is a Florida corporation authorized to do business in Florida as of December 6, 2012. The names and addresses of LPWWI's corporate officers and directors are listed in **Exhibit "A"** to the Application.

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

8. LPWWI is a privately held corporation and does not own any other water or wastewater utilities. **Exhibit "C"** to the Application is not applicable to LPWWI.

9. The sale of the LP Utilities system took place on December 27, 2012. **Exhibit "D"** to the Application is a copy of the Asset Purchase Agreement, including attachments, by and between LP Utilities and LPWWI, executed on or about December 6, 2012. Section 367.071(1), Florida Statutes, provides that a utility may sell its land, facilities and certificates prior to Commission determination that the sale is in the public interest, if the sale is made contingent upon Commission approval. Accordingly, Section 7.9 of the Asset Purchase Agreement provides that this sale of LP Utilities Water & Wastewater System is contingent upon Commission approval.

10. The Asset Purchase Agreement includes definitions of the "Water & Wastewater System Assets" and purchased by LPWWI (Section 1.1 of Agreement), the purchase price and terms of payment (Section 1.4 of Agreement), and a provision confirming that LPWWI is not

assuming any liabilities or obligations of LP Utilities except for the obligation to provide water service (Section 1.5 of Agreement). The Agreement does not address:

- a. Any guaranteed revenue contracts;
- b. Developer agreements;
- c. Customer advances; and
- d. Debt of the utility.

11. **Exhibit “E”** to the Application is a statement regarding the disposition of any outstanding regulatory assessment fees for the LP Utilities system.

12. **Exhibit “F”** to the Application is a statement describing LPWWI’s financing of the sale.

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

14. **Exhibit “H”** to the Application is a detailed listing of the proposed net book value of the Water & Wastewater System as of the date of the proposed transfer, including the Commission Order and the date of issuance establishing rate base. It is LPWWI’s understanding that Rate Base was established under PSC-02-1739-PAA-WS.

15. **Exhibit “I”** to the Application is a statement confirming that LPWWI is not requesting an acquisition adjustment.

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

Gary Deremer, President
LP Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652
(727) 848 8292
(727) 848 7701(fax)

Or for LP Utilities Corp.

Mr. Anthony Cozier
7406 U.S. 27 North
Sebring, FL 33870
(863) 314-9500

17. **Exhibit “J”** to the Application is a statement from LPWWI regarding the federal income tax returns of LP Utilities.

18. **Exhibit “K”** to the Application is a statement from LPWWI regarding the condition of the Water & Wastewater System being acquired and the status of its compliance with applicable standards set by the Florida Department of Environmental Protection.

II. NOTICE OF ACTUAL APPLICATION

19. In accordance with Rule 25-30.030(2), Florida Administrative Code, LPWWI has obtained from the Commission a list of the names and addresses of the municipalities, the counties, the regional planning counsel, the Office of Public Counsel, the Commission’s Director of Commission Clerk and Administrative Services, the appropriate regional office of

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

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

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

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

23. In accordance with Rule 25-30.030(7), Florida Administrative Code, LPWWI will publish the Notice once in a newspaper of general circulation in the territory proposed to be

transferred within 7 days of filing this Application. Within 15 days of filing this Application, LPWWI will submit **Late-Filed Exhibit “N”** to the Application, which will include an affidavit reflecting that the Notice has been published once in a newspaper of general circulation in each territory proposed to be transferred, along with proof of each publication.

III. FILING FEE

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

IV. OTHER

25. **Exhibit “O”** to the Application provides evidence that LPWWI owns the land upon which the treatment facilities for both the water and wastewater systems are located.

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

27. **Exhibit “Q”** LPWWI does not have in its possession the Certificates for the water and wastewater system. From LPWWI’s understanding the Certificates were provided in PSC-02-0250 – PAA-WS

WHEREFORE, LPWWI requests that this Commission:

- A. Grant LPWWI’s Application;
- B. Approve the transfer of the Water & Wastewater System owned by LP Utilities to LPWWI as described herein and in the attached application and,

C. Grant such other relief as appropriate.

Respectfully submitted this 28th day of February, 2013.

A handwritten signature in black ink, appearing to be 'G. Deremer', with a long horizontal flourish extending to the right.

Gary Deremer

President

LP Waterworks, Inc.

B. APPLICATION FOR AMENDMENT OF CERTIFICATES OF AUTHORIZATION

I. SYSTEM INFORMATION

28. LPWWI will provide potable water & wastewater service, to the territory. LPWWI will provide service to the territory by utilizing the current utility facilities. The permitted capacity of the existing two (2) water treatment facilities is 175,200 AGPD (each) while the wastewater treatment plant has a design capacity of 50,000 GPD.

29. The type of customers to be served single family homes along with the LP Utilities Community Center and a commercial property which houses a Sweet Bay grocery store.

30. Attached hereto as **Exhibit "R"** is a copy of the executed and recorded special warranty deed as evidence that LPWWI owns the land where the water and wastewater facilities are located.

II. FINANCIAL AND TECHNICAL INFORMATION

31. LPWWI has the technical and financial ability to render reasonably sufficient, adequate and efficient service to the territory.

32. Funding for the acquisition of the LP Utilities system was provided through shareholder's cash.

33. The rates for the LP Utilities systems were established by the Commission. The purchase of the LP Utilities system will not have an immediate impact on LPWWI's current rates. LPWWI plans to file a Staff Assisted Rate Case in accordance with F.A.C. 25-30.455.

III. TERRITORY DESCRIPTION AND MAPS

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

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

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

IV. ANNUAL REPORTS AND CERTIFICATES

37. Attached hereto as **Exhibit “V”** is an affidavit of Gary A. Deremer, the President and Chief Operating Officer of LPWWI, affirming that LPWWI does not have any tariffs or annual reports on file with the Commission. Shareholders also own Harbor Waterworks, Inc. which does have tariffs on file with the Commission but does not have any annual reports on file at the time of Application submittal. In addition, Shareholders also have Purchased Lakeside Waterworks, Inc. This Application of Transfer is pending with the FPSC.

38. Attached hereto as **Exhibit “W”** is LPWWI’s acknowledgement that it does not have a recent order of the Commission establishing or changing the applicant’s rates and charges.

V. **AFFIDAVIT**

39. Attached hereto as **Exhibit "X"** is an affidavit of Gary A. Deremer, the President and Chief Operating Officer of LPWWI, affirming that the facts stated herein and in the attached exhibits are true and correct.

WHEREFORE, LPWWI requests that this Commission grant LPWWI's Application and such other relief as is appropriate.

Respectfully submitted this 28th day of February, 2013.



A handwritten signature in black ink, consisting of a large, stylized letter 'D' with a vertical stroke through it, positioned above a horizontal line.

Gary Deremer
President
LP Waterworks, Inc.

EXHIBIT A
Rule 25-30.037 (2)d)

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

Officers and Directors:

President and CEO – Gary A. Deremer, 4939 Cross Bayou Blvd., New Port Richey, FL 34652
Cecil Delcher – Vice President, 11702 Forest Hills Dr., Tampa, FL 33612

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

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

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

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

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

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

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

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

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

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

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

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

Harbor Waterworks, Inc. – Lady Lake, Lake County, FL

Certificate No. 565-S and 522-W

Note: Shareholders are currently involved with another Transfer – Lakeside Waterworks, Inc. and Shangri-la By The Lake in Lake County, Florida

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

A copy of the Asset Purchase Agreement, including attachments, by and between LP Utilities Corporation and LP Waterworks, Inc. executed on December 6, 2012 is attached hereto.

THIS ASSET PURCHASE AGREEMENT, dated as of the 6th day of December 2012, by and between **LP UTILITIES CORPORATION** with an address of 7406 U.S. 27 North, Sebring, FL 33870 (“Seller”), and **LP Waterworks, Inc.**, a Florida corporation with an address of 4939 Cross Bayou Blvd. New Port Richey, FL 34652 (“LPW,” or “Buyer”), with reference to the following RECITALS:

RECITALS

A. Seller owns, maintains and operates: a) a water production and distribution system and; b) a wastewater collection and treatment system (collectively the “System”) that provide water and wastewater service to the residents within Highlands County, Florida (the “Service Area”).

B. Buyer is a public utility that furnishes water and wastewater service to the public in various portions of the State of Florida.

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

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

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

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

The Assets are being sold in “As Is” condition and Seller makes no representations, covenants or warranties with respect to the condition of the Assets, except that the Assets are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever. This paragraph shall be construed in a manner that does not limit any other representations or warranties provided by Seller within this Agreement.

1.1 Assets Further Defined

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

- (a) all the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrants, wastewater collection mains, pump stations, structures, irrigation service lines, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;
- (b) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or

approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets;

- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in Highlands County.

1.2 Excluded Assets

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

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) Any customer wastewater service lines that run from the curb clean-out area to the residences;
- (c) all piping and fixtures internal to each individual customer's structure;
- (d) Seller's cash and accounts receivables as of the date of Closing; and
- (e) Seller's Accounts Receivable

1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will include: a) a total price up to **One Hundred Sixty-Five Thousand Dollars (\$165,000.00)** for the portion of the assets attributable to the water and wastewater service. Seller will be paid 70% (\$115,500.00) upon Closing with the final payment of being paid within 30 days of the Final Official Approval Date of Transfer established by the FPSC. Final Purchase Price will be determined by any change in Rate Base as determined by the FPSC during the Approval of Transfer Application. If the FSPSC determines Rate Base to be greater than 10% higher or lower than the Purchase Price, either party has the right to unwind the Agreement with the Seller refunding the amount paid at Closing (\$115,500.00) within 30 days from being notified by the Buyer and any capital invested by the Buyer during the Transfer process that was invested due to an emergency situation that required such an investment.

Buyer will perform a final due diligence of all facilities and assets. The due diligence is to ensure all assets are in the same working condition, that all permits are valid, current and that there are no compliance infractions in force at the time of the date of this final completion of this Agreement. If, after conducting the final due diligence, Buyer determines that the assets are not in the same working condition, that any permit is no longer valid or current, or that there are compliance infractions, Seller shall have 60 days to either correct the condition or reach an agreement with Buyer for a reduction to the purchase price. If Seller refuses to correct the condition or is unable to reach agreement with Buyer concerning a reduction to the Purchase Price, Buyer may elect to terminate this Agreement without penalty or to proceed to Closing.

1.4 Contractual Obligations

Buyer shall not assume any obligations of Seller, under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied.

1.5 Non-Assumption of Liabilities

All liabilities and obligations of Seller shall remain the sole responsibility of Seller, including any and all liabilities or obligations under any employee benefit plan, practice or arrangement or pension, retirement or savings plan. Buyer shall not assume and shall not be liable for any liabilities or obligations of Seller of any nature whatsoever, whether express or implied, fixed or contingent, whatsoever.

2. CLOSING

Subject to the provisions of Sections 4 and 5, Closing hereunder (the "Closing") shall take place at the offices of Buyer located at 4939 Cross Bayou Blvd., New Port Richey, FL, commencing at 10:00 a.m. local time, on or before December 28, 2012. The date of the Closing is referred to herein as the "Closing Date". The effective time of the legal transfer hereunder shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be delivered at Closing

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

- (a) Seller shall deliver to Buyer the Assets, including, without limitation, the following:
 - (i) instruments and documents of conveyance and transfer, all in form reasonably satisfactory to Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, Buyer good and marketable title to the Assets and all rights to operate the System as such is now being operated, including, but not limited to the following documents: a Deed for each parcel to be conveyed and a Bill of Sale and Assignments.
 - (ii) a complete and accurate list of the names and addresses of all customers of Seller, both in paper form and in electronic form on a diskette that can be downloaded to a computer, along with a billing history for each customer;
 - (ii) keys to any and all buildings and gates;and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Assets.
- (b) Seller shall deliver to Buyer the agreements, opinions, certificates and other documents and instruments referred to in Section 5 hereof.
- (c) Buyer and Seller agree that final meter readings shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by the Seller for the purpose of issuing final bills, and shall constitute the opening readings for Buyer. Buyer shall use these readings to begin the billing cycle for its new customers following

Closing, and shall not be responsible for the collection of any amounts due Seller for bills issued by Seller as a result the Seller's final meter reading.

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

2.2 Transfer of Utilities

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

2.3 Further Assurances

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

3. CONDUCT OF PARTIES PENDING CLOSING

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

- (a) The business of Seller shall be conducted solely in the ordinary course consistent with past practice and shall maintain and service the tangible Assets in good working order such that they will be in proper working order at Closing.
- (b) Seller will use its best efforts to maintain its relations and goodwill with its suppliers, customers and any others having business relations with it.
- (c) Seller shall comply with all laws, ordinances, rules, regulations and orders applicable to it and to the conduct of its business.
- (d) Seller will promptly advise Buyer in writing of all events between the date hereof and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) Seller will promptly advise Buyer in writing promptly after Seller receives knowledge of the threat or commencement of any dispute, claim, action, suit, proceeding, arbitration or investigation against or involving the Assets or the sale and transfer thereof to Buyer, or of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of Seller.

- (f) Seller will conduct its business in such a manner that at the Closing the representations and warranties of Seller contained in this Agreement shall be true as though such representations and warranties were made on and as of such date. Furthermore, Seller will use its best efforts to cause all of the conditions to this Agreement to be satisfied on or prior to the Closing Date.
- (g) Seller will give to Buyer free and full access to and the right to inspect, during normal business hours, all of the premises, properties, assets, records, contracts and other documents relating to its business and operations, and shall permit them to consult with the officers, employees, accountants, counsel and agents of Seller.

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

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

4.1 Closing Certificate; Performance by Buyer

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

4.2 Litigation Affecting Closing

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

5. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

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

5.1 Satisfaction with Operational and Real Estate Title Issues

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

5.2 Closing Certificate; Performance by Seller

Seller shall have performed and complied with all agreements and conditions required by this

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

5.3 Litigation Affecting Closing

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

5.4 Seller Authorizations

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

5.5 Governmental Approvals

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

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

5.7 Material Damage

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

5.8 Satisfaction of Buyer

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

6. **REPRESENTATIONS AND WARRANTIES OF SELLER**

6.1 Seller hereby represents and warrants to Buyer as follows:

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

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

- (a) **Undisclosed Liabilities.** There are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Assets. For purposes of this

Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility accrued, absolute, contingent or otherwise.

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

6.3 Except as set forth in Schedule 6.3, Seller hereby represents and warrants to and with Buyer as follows with respect to compliance with environmental laws:

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

7. REPRESENTATIONS AND WARRANTIES OF BUYER

7.1 Buyer hereby represents and warrants to Seller as follows:

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

8. INDEMNIFICATION

8.1 Indemnification of Seller

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

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

8.2 Indemnification of Buyer

From and after the Closing, Seller will reimburse, indemnify and hold Buyer and its affiliates, and their officers, directors and employees, harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

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

8.3 General

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

9. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

All representations, warranties and agreements made by the parties in this Agreement or in any written agreement, document, or certificate furnished hereunder or in connection with the negotiation, execution and performance of this Agreement shall survive the Closing for a period of one (1) year. Notwithstanding any investigation or audit conducted before or after the Closing Date or the decision of any party to complete the Closing, each party shall be entitled to rely upon the representations, warranties and agreements set forth herein and therein.

10. **MISCELLANEOUS**

10.1 **Contents of Agreement; Parties in Interest; etc.**

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

10.2 **Binding Effect**

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

10.3 **Notices**

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by telegram or by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Buyer:

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

If to Seller:

Mr. Anthony Cozier, Owner
LP Utilities Corporation
7406 US Hwy 27N
Sebring, FL 33870

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

10.5 Florida Law to Govern

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

10.6 No Benefit to Others

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

10.7 Headings, Gender, etc.

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

10.8 Exhibits and Schedules

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

10.09 Severability

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

10.10 Counterparts

This Agreement may be executed in any number of counterparts and any signatory hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an

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

10.11 Continuance of Cooperation

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

Agreement on the date first written.

SELLER:

LP UTILITIES CORPORATION

By: _____

President

R. Anthony Cozier

By: _____

LP WATERWORKS, INC.

By: _____

President

Eric A. DeRettier

LP Waterworks, Inc.
Water and Wastewater Equipment List

Section 1.1 of Asset Purchase Agreement

Item	Year	Location
10" Well - 1,780	1989	WTP #1
Vertical Turbine Well Pump - Goulds 10.DHLO-6; 50 HP	1989	WTP #1
15,000 Gallon Hydropneumatic Tank	1989	WTP #1
Spare Motor - 50 HP	1989	WTP #1
Gas Chlorination System - Single Tank, Single Scale, Wallace & Tiernan, Regal Vacuum Monitor	??	WTP #1
Sentry-Pro Generator	??	WTP #1
6" Well - Unknown Depth	??	WTP #2
Vertical Turbine Well Pump - Goulds 63363-5; 25 HP	??	WTP #2
10,000 Gallon Hydropneumatic Tank		WTP #2
Spare Motor - 25 HP	??	WTP #2
Gas Chlorination System - Single Tank, Single Scale, Wallace & Tiernan, Regal Vacuum Monitor	??	WTP #2
One (1) Lift Station - 25 ft deep X 12 ft diameer, Two (2) Pumps 3HP Each		WWTP
Two (2) EQ Pumps - Hydromatic, 3 HP		WWTP
WWTP 50,000 Gallon; One (1) EQ Tank; Two (2) Treatment Trains w/ Aeration and Clarification;		
One (1) Digester; Two (2) CCC's		WWTP
Two (2) Disposal Ponds @ 3,000 sqft Bottom Area Each		WWTP

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

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

The fees associated for the months of January – December 31, 2012 will be due by the Owner.

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

A statement describing the financing of the purchase.

Purchase Price: \$165,000.00

Financing for this purchase was with Shareholder Cash. Initially 80% or \$115,500.00 was paid to the owner at closing.

Payable at time of FPSC transfer of ownership: Additional \$49,500.00.

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

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

N/A

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

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

The proposed net book value as of the date of the proposed transfer is \$165,000.00 Rate Base for LP Utilities Corporation water and wastewater was established in PSC-02-1739-PAA-WS. LPWWI is working with the current owner to justify the proposed transfer book value. LPWWI will also be filing a SARC with the FPSC.

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

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

Undeterminable at this time. LPWWI feels there is no acquisition adjustment at this time.

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

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

LPWWI does not have federal tax returns. Seller will be forwarding those returns to the buyer.

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

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

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

EXHIBIT L
Rule 25-30.030

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

Exhibit L will be a late-filed exhibit

EXHIBIT M
Rule 25-30.030

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

Exhibit M will be a late-file exhibit.

DECLARATION OF COVENANTS AND RESTRICTIONS OF
LAKE PLACID CAMP FLORIDA RESORT

KNOW ALL MEN BY THESE PRESENTS: THAT WHEREAS, LAKE PLACID CAMP FLORIDA RESORT, INC., is now the owner of all of the lots shown on the plat of LAKE PLACID CAMP FLORIDA RESORT, Highlands County, Florida, according to the plat thereof recorded in Plat Book 15, Page 52, of the public records of Highlands County, Florida; and

WHEREAS, LAKE PLACID CAMP FLORIDA RESORT, INC, is developing the property shown on said plat and is desirous of placing certain covenants and restrictions on the real property described in Exhibit A, said covenants and restrictions to run with the title to the aforesaid lands.

NOW, THEREFORE, for and in consideration of the premises and for other good and valuable considerations, the said LAKE PLACID CAMP FLORIDA RESORT, INC., hereinafter known as the "Developer", does hereby for itself, and its successors and assigns, restrict the use, as hereinafter provided, of all the lands shown on and which are a part of the aforesaid real property and the Developer does hereby place upon said lands certain covenants and restrictions as follows:

1. The definitions applicable to the terms included herein shall be those included in the Bylaws of CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC.

2. As a condition of ownership, the owners(s) of each lot will become members of CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC., with all rights, responsibilities and obligations as set forth in the Articles of Incorporation and Bylaws for said corporation.

3. As a condition of ownership, the owner(s) of each lot will also become members of CAMP FLORIDA COMMONS RECREATION ASSOCIATION, INC., with all rights, responsibilities and obligations as set forth in the Articles of Incorporation and Bylaws for said corporation.

Membership in this association will entitle lot owners to

Lake Placid Camp Florida Resort
P.O. Box 1169, Lake Placid 33852

the non-exclusive use of certain recreational facilities currently owned by the Developer, as described in Exhibit B, pursuant to the "Use Agreement" entered into between CAMP FLORIDA COMMONS RECREATION ASSOCIATION, INC. and the Developer as recorded in Official Records Book _____, Page _____ of the Public Records of Highlands County, Florida. Members will be responsible for payment of a pro-rata share of all expenses related to such recreational facilities. As set forth in the above mentioned "Use Agreement", Developer will convey the recreation facilities to CAMP FLORIDA COMMONS RECREATION ASSOCIATION, INC. at a mutually agreeable price, upon the sale of all lots in LAKE PLACID CAMP FLORIDA RESORT or December 31, 1995, whichever occurs first, or upon such earlier date as agreed to by both parties.

4. Developer reserves the right to create and give any easements required for the provision of roads, facilities, sewer lines, water lines, electrical lines, telephone lines, cable t.v., drainage, or any other utilities, including easements for ingress and egress.

The roadways within the platted R.V. park area are hereby subject to easements for pedestrian and vehicular traffic for ingress and egress for all owners of real property within the LAKE PLACID CAMP FLORIDA COMPLEX. LAKE PLACID CAMP FLORIDA COMPLEX is legally described in Exhibit C.

5. Said lots shall be used exclusively as a recreational vehicle site. All lots shall be reserved and restricted for recreational vehicle sites and recreational vehicles, including within such category, "Park Model" recreational vehicles, modern travel trailers, and motor homes. Lot owners, their guests, successors and assigns are prohibited from erecting or placing on any lot any permanent or semi-permanent structure, except in accordance with the following:

a. Screen rooms, carports, metal awnings or any type of permanent extended overhangs or attached structures may not be constructed without the prior approval of the CAMP FLORIDA PROPERTY OWNERS ASSOCIATION, INC., a Florida non-profit corpora-

tion, hereinafter known as Association, and subject to the criteria set forth in the Rules and Regulations of the Association. Any such additions or alterations must also be approved by LAKE PLACID CAMP FLORIDA RESORT, INC., so long as Developer owns and is offering lots for sale in the ordinary course of business. Such additions must comply with the Rules and Regulations of the Association and with the codes of Highlands County. All recreational vehicles, other than "park models" shall not remove axles, wheels, or tongues. In addition, any attached structure, screen rooms, carports, metal awnings or any type of permanent extended overhangs must be of the same color and basic exterior covering as the recreational vehicle unit located on the lot or in the alternative the recreational vehicle must be covered with additional material of the same color and basic exterior covering as any attached structures. Furthermore, all recreational vehicle units and any attached structures, screen rooms, carports, metal awnings or any type of permanent extended overhangs must have a roof line which is contiguous to the original recreational vehicle unit.

b. The following are specifically prohibited:

1. Mobile homes;
2. Any tent-type folding trailers or folding tents not mounted on wheels;
3. Pop-up travel trailers;
4. Pickup campers or converted buses;
6. Tables, benches, and mobile grills may be erected. No other personal property, except as provided in the Association Bylaws, shall be permitted to remain where it can be seen by other lot owners or visitors to the area. Provided further, the foregoing shall not apply to any permissible recreational vehicle which may be allowed to remain on the lot even though said lot is not in use;
7. No structure, either permanent or temporary, including, but not limited to, barbecue grills and picnic tables, shall be located on or placed within any setback area, as now or hereafter defined by the County of Highlands.
8. Any addition to any existing concrete pad must be

approved by the Association as to size, design and construction prior to the commencement of any construction thereof.

9. All lots and recreational vehicles located thereon shall be kept in a neat and attractive manner and good state of repair. All trees, lawns, shrubs, plants and flowers shall be kept in a neat, attractive, cultivated and orderly manner and in accordance with the Association's Rules and Regulations.

10. Only one permissible recreational vehicle may be located on or maintained on each lot except as provided for in the Rules and Regulations of the Association.

11. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot. Block F is excluded from this restriction. Within Block F, lots 1 through 40, no more than two (2) household pets (dogs or cats only) per lot may be kept. Household pets shall not exceed fifteen (15) pounds. Pets must be housed within the R.V. unit itself, and pets will be under leash. Waste material generated by the pet shall be the total responsibility of the owner. Repeated nuisance complaints shall be subject to the Association's discretionary regulation. Household pets belonging to owner's in Block F shall be walked only within the confines and common areas of Block F and are not be walked or carried to any other common area.

12. No sign of any kind shall be displayed to the public view on any lot. Notwithstanding the above, the Developer shall have the right to install uniform signs with the lot number and unit number on each lot for identification purposes. No sign shall be attached to any tree at any location in LAKE PLACID CAMP FLORIDA RESORT.

13. No fences or walls shall be permitted on any lot. Nothing in this paragraph shall be construed so as to disallow the building of a perimeter fence around the overall subdivision by the Developer or other areas as determined by the Developer.

14. No clotheslines, mailboxes, radio or T.V. antennas or satellite dishes shall be permitted on any lot, however, recreational vehicles which are self contained and mobile may have satel-

lite dishes if the satellite dish is located on the top or roof of the recreational vehicle and prior approval is given in writing by the Association.

15. No garbage or trash receptacles, other than those approved by the Association, shall be allowed on any lot.

16. An easement of Five Feet (5') is reserved along the side line of each lot and Ten Feet (10') along the front and back lines of each lot for the installation and maintenance of utility services, and said easement may be used by the Developer or its successors and assigns for such installation and maintenance, as the case may be.

17. No outside toilets shall be installed or allowed on any lot. Water sprinkling systems must be approved by the Association.

18. No nuisance shall be allowed upon any of the aforesaid property nor any use or practice which is a source of annoyance to lot owners, guests, lessees and other users of the aforesaid property, or which interferes with the peaceful possession or proper use of the property. All parts of the aforesaid property, including each lot and any recreational vehicle thereon, shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist.

19. No commercial activity of any kind whatsoever shall be conducted on or from any lot in LAKE PLACID CAMP FLORIDA RESORT. No outside labor or contractors shall perform services without the express permission of the Association and the Developer, so long as the Developer holds lots for sale in the ordinary course of business.

No restrictions are placed herein concerning rental, leasing or sale of lots, provided, however, that all rentals or leasing of lots, or park models or R.V.'s located on said lots, shall be accomplished through the Developer, LAKE PLACID CAMP FLORIDA RESORT, INC., as exclusive rental agent for the lot owners in accordance with a schedule or schedules to be promulgated from time to time by the Developer. Owners desiring to rent or lease

their property, as described above, shall coordinate such activities through LAKE PLACID CAMP FLORIDA RESORT, INC. as rental agent for the owners. The terms of the agreement between the owner renting their lot and the Developer as rental agent shall not be unreasonable, detrimental to the public welfare or obnoxious to public policy, but rather, shall be in accordance with usual, customary terms and practices of such agreements between such parties in the area of the subdivision at the time such agreements are entered into.

Lot owners are prohibited from placing "for sale" signs anywhere on their lots or recreational vehicle thereon.

20. Neither the lot owners nor the Association nor their use of any property in LAKE PLACID CAMP FLORIDA RESORT shall interfere with the completion of the contemplated improvements or sale of said lots by Developer. The Developer may make such use of the unsold lots and the common areas as may facilitate such completion and sale including, but not limited to, maintenance of a sales office, the displaying of "for sale" signs, the showing of the lots for sale to prospective purchasers, and the renting of unsold lots to the general public.

21. No unlicensed vehicles, with the exception of golf carts, shall be permitted within the subdivision. Furthermore, no noisy licensed vehicles shall be permitted, and no commercial trucks shall be permitted. Only two motor vehicles may be parked at any time on the aforesaid lots. Boats and boat trailers shall not be parked for over 48 continuous hours on the lots.

22. Visible repair of vehicles or outboard motors, and building, rebuilding or storage of boats or recreational vehicles shall not be permitted except in areas provided by the Association. A reasonable fee may be charged for the use of the aforesaid area.

23. LAKE PLACID CAMP FLORIDA RESORT, is an R.V. Resort Subdivision. Use is not restricted to adults only, however, the Association may adopt reasonable rules regarding use of the common areas by children.

24. The lot owner shall not permit or suffer anything to

be done or kept on his lot which will increase the rate of insurance on any common property, or which will obstruct or interfere with the rights of other lot owners or annoy them by unreasonable noises, or otherwise; nor shall any lot owner commit or permit any nuisance, immoral or illegal act in or about common property.

No park models other than those purchased from or through LAKE PLACID CAMP FLORIDA RESORT, INC., are permitted.

25. No person shall use the property owned by the Association or the Developer, or any part thereof, or a lot or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Association.

26. The initial rules and regulations are as set forth in the Bylaws of the Association. The said rules and regulations shall be deemed effective until amended, as provided by the Bylaws; however, other reasonable rules and regulations governing the use and occupancy of the aforesaid property and which do not alter or are not in contravention of any of the foregoing provisions may be made and amended from time to time by the Association in the manner provided by the Articles and Bylaws of the Association.

27. The Developer shall have the right to include in any contract or deed, hereafter made, any additional covenants and restrictions which are not inconsistent with and which do not lower the standards of the covenants and restrictions set forth herein.

28. Developer shall, no later than such time when at least ninety percent (90%) of the lots in LAKE PLACID CAMP FLORIDA RESORT have been sold by the Developer, or December 31, 1995, whichever shall occur first, convey the following facilities and property to the Association, to wit: streets, fences, parks, greenbelts, landscaping, signs and all other common properties which are located on the real property described in Exhibit A. However, nothing in this paragraph shall be construed to prevent the Developer from conveying the above-mentioned property prior to such event or date occurring.

29. The Association shall levy and collect a reasonable monthly assessment from the lot owners sufficient to cover each lot

owner's proportionate share of the actual cost of operating and maintaining all common area property and facilities, including the surface water management system, providing water, electricity and garbage disposal service, sewage service, general maintenance and carrying out the duties of the Association. The Association shall also include in the said assessment a sum adequate to pay all real property taxes on the common area properties. The collection of the aforesaid sums shall be provided for in an adequate manner to assure the performance of all necessary maintenance. The assessments for expenses shall be levied in accordance with the Bylaws of the Association. The Association shall have a lien on each lot for unpaid assessments, as set forth above, which are due and payable. This lien shall include interest at the highest rate provided for in the Florida Statutes at the time the lien is imposed, said interest accruing from date said assessments are due and said lien shall also secure all attorneys' fees and costs associated with the collection of the unpaid assessments, including any costs incurred in protecting and preserving the priority of the Association's lien. Upon request, a written statement shall be provided by the Association giving the assessment fees currently due on any lot in LAKE PLACID CAMP FLORIDA RESORT, and this statement may be relied upon by any purchaser, creditor or other interested party.

The Developer hereby guarantees that total monthly assessment for the calendar years 1990 and 1991 shall not exceed Sixty-Nine Dollars (\$69.00) per month for each lot. In return for this guarantee, the Developer will be excused from payment of its prorata assessments for the lots owned by Developer during calendar years 1990 and 1991. However, Developer will be responsible for any deficit which may exist between the actual expenses of the Association and the assessments collected from lot owners other than the Developer.

Assessments collected by the Association will include the road resurfacing reserve of \$12.25 per year per lot as required by

Highlands County and assessments collected by the Association on behalf of CAMP FLORIDA COMMONS RECREATION ASSOCIATION, INC.

30. These covenants and restrictions shall run with the above-described real property and be binding on all lot owners, their heirs, executors, administrators, successors and assigns, including all guest and renters, and this declaration of covenants and restrictions may be amended or modified at any time by an instrument, properly acknowledged, executed by at least ninety (90) percent of the property owners, and recorded in the public records of Highlands County, Florida. These covenants and restrictions shall be effective for a period of ninety-nine (99) years, commencing with the date of recordation, and shall be automatically renewed for successive ten (10) year terms thereafter, provided, however, these covenants and restrictions can be terminated at any time upon consent of 100% of the lot owners and all mortgage holders thereon.

31. Enforcement of these restrictions (including such action or actions as may be necessary to collect the annual assessments or charges) shall be by action against any person or persons violating or attempting to violate the same, or failing to perform the same, either to restrain violation, enforce compliance or performance or to recover damages. The party enforcing the covenants and restrictions, if said party is successful and prevails in such action shall be entitled to recover, in addition to costs and disbursements, allowed by law, such sums as the court may have judged to be reasonable for the services of an attorney (including attorney's fees for the taking and handling of appeals from final judgment).

32. Invalidation of any of these covenants by judgment or court order in no way shall affect any of the provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has set his hand and seal this 6 day of JULY, 1990.

LAKE PLACID CAMP FLORIDA RESORT, INC.

By: Jack M. Clark, Jr.
JACK M. CLARK, its President

Attest:

By: Mitzi Clark
MITZI CLARK, its Secretary



(CORPORATE SEAL)

STATE OF Florida)
COUNTY OF Highlands)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, JACK M. CLARK, President of the Developer named in the foregoing Declaration of Covenants and Restrictions of LAKE PLACID CAMP FLORIDA RESORT, and that he acknowledged executing the same freely and voluntarily under the authority duly vested in him by said corporation, for the purposes therein expressed, and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal at Lake Placid,
County of Highlands and State of Florida, this
6 day of July, 1990.

Mitzi M. Clark
NOTARY PUBLIC/STATE OF FLORIDA

My commission expires:
Notary Public, State Of Florida At Large
My Commission Expires Nov. 27, 1993
Exempt By Law from Renewal



(SEAL)

(Rev./RIH-4/26/90)

EXHIBIT APage 1 of
2 Pages**EXHIBIT "A"****DESCRIPTION**

A portion of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, more particularly described as follows: BEGIN where the West line of the Northeast Quarter of said Section 17 intersects the South right-of-way line of County Road No. 29, thence South 89°43'16" East along the South right-of-way line of County Road No. 29 for a distance of 719.23 feet to the Point of Curvature of a circular curve to the left having a radius of 766.20 feet, a central angle of 20°41'34" and a chord bearing of North 79° 54'51" East; thence along the arc of said curvature for an arc distance of 276.72 feet to a point; thence South 89°45'09" East for a distance of 299.01 feet to a point; thence South 20°27'15" East for a distance of 193.57 feet to a point; thence South 59°07'05" West for a distance of 189.93 feet to the Point of Curvature of a circular curve concave to the Southwest and not tangent to the last described course, said curvature having a radius of 95 feet, a central angle of 54°00'00" and a chord bearing of South 26°15'00" East; thence along said curve for an arc distance of 89.54 feet to a Point of Reverse Curvature having a radius of 342 feet, a central angle of 32°10'00" and a chord bearing of South 15°20'00" East; thence along said curvature for an arc distance of 192 feet to the Point of Tangency; thence South 13°25'00" East for a distance of 10.33 feet to the Point of Curvature of a circular curve to the right having a radius of 520 feet, a central angle of 39°35'00" and a chord bearing of South 11°37'30" East; thence along said curvature for an arc distance of 359.25 feet to the Point of Tangency; thence South 8°10'00" West for a distance of 193.53 feet to the Point of Curvature of a circular curve to the right having a radius of 75.0 feet, a central angle of 60°30'00" and a chord bearing of South 38°25'00" West; thence along said curvature for an arc distance of 79.19 feet to the Point of Tangency; thence South 68°40'01" West for a distance of 172.57 feet to a Point of Curvature of a circular curve concave to the North, having a radius of 83.15 feet, a central angle of 40°10'05" and a chord bearing of South 88°45'04" West; thence along said curvature for an arc distance of 58.29 feet to the Point of Tangency; thence North 71°09'55" West for a distance of 420.77 feet to a point; thence South 21°56'30" West for a distance of 147.39 feet; thence North 71°42'46" West for a distance of 245.39 feet to a point, thence North 20°32'54" East for a distance of 170.85 feet to a point on a circular curve to the left having a radius of 1740.0 feet, a central angle of 10°51'14" and a chord bearing of North 66°18'25" West; thence along said curvature for an arc distance of 329.62 feet to a point; thence South 01°37'05" West (not radial to the last described curve) for a distance of 484.21 feet to a point; thence South 87°46'47" West for a distance of 326.33 feet to a point; thence North 71°16'27" West for a distance of 340.87 feet to a point; thence North 10°58'38" West for a distance of 236.32 feet to a point; thence North 81°58'06" West for a distance of 164.61 feet to a point; thence

EXHIBIT APage 2 of2 Pages

North 35° 18' 13" West for a distance of 256.10 feet to a point; thence South 88° 19' 15" West for a distance of 135.89 feet to a point; thence North 69° 05' 48" West for a distance of 43.11 feet to a point on a circular curve concave to the Northeast and having a radius of 215.0 feet, a central angle of 151° 29' 55" and a chord bearing of North 10° 35' 14" West; thence along said curvature for an arc distance of 568.43 feet to a point; thence North 28° 06' 15" West for a distance of 49.42 feet to a point; thence North 75° 29' 10" East for a distance of 73.84 feet to a Point of Curvature of a circular curve to the right having a radius of 377.51 feet, a central angle of 38° 53' 05" and a chord bearing of South 85° 04' 18" East; thence along the arc of said curve for an arc distance of 256.20 feet to the Point of Tangency; thence South 65° 37' 45" East for a distance of 53.24 feet to the Point of Curvature of a circular curve to the right having a radius of 951.07 feet, a central angle of 1° 32' 14" and a chord bearing of South 64° 51' 38" East; thence along said curvature for an arc distance of 25.52 feet to a point; thence North 36° 40' 10" East, not radial to the last described curve, for a distance of 364.48 feet to a point on the Southerly right-of-way line of County Road No. 29; thence South 89° 46' 50" East along said Southerly right-of-way line for distance of 544.99 feet to the POINT OF BEGINNING.

Containing 57.27 acres, more or less.

RECREATION AREA
SHEET 1 of 2

BK 1115 PG 0502

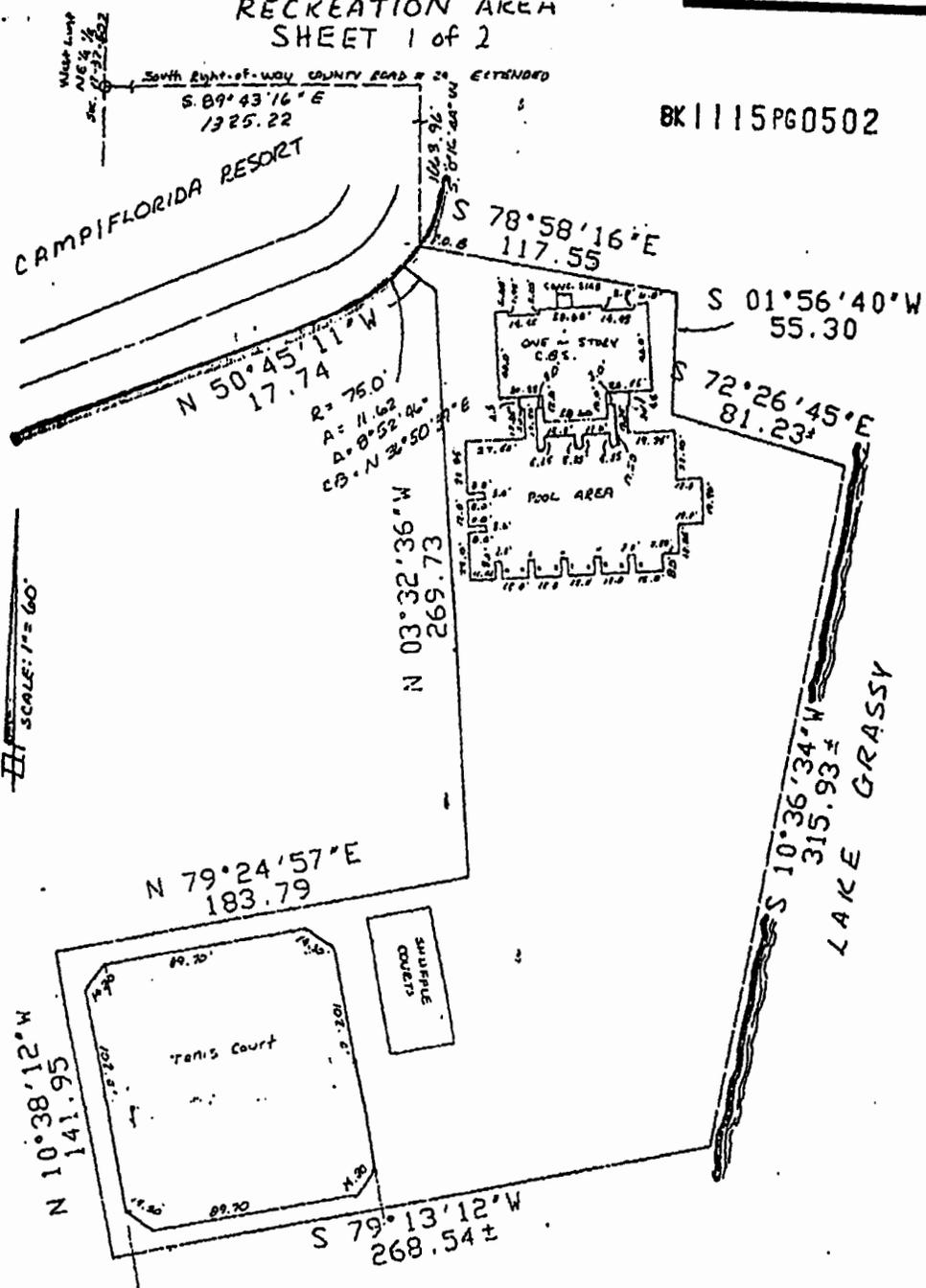


EXHIBIT B
Page 1 of
4 Pages

B

SKETCH OF LEGAL DESCRIPTION FOR RECREATION AREA
SHEET 2 OF 2

DESCRIPTION:

A portion of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, more particularly described as follows: COMMENCE where the West line of the Northeast Quarter of said Section 17 intersects the South right-of-way line of County Road No. 29; thence South 89°43'16" East along the South right-of-way line and the South right-of-way line extended of County Road No. 29 for a distance of 1325.22 feet to a point; thence South 0°16'44" West for a distance of 1063.96 feet to the POINT OF BEGINNING, said point being on a circular curve concave to the Northwest; thence South 78°58'16" East for a distance of 117.55 feet to a point; thence South 1°56'40" West for a distance of 55.30 feet to a point; thence South 72°26'45" East for a distance of 81.23 feet, more or less, to the shoreline of Lake Grassy; thence South 10°36'34" West along the shoreline of Lake Grassy for a distance of 315.93 feet, more or less to a point; thence South 79°13'12" West for a distance of 268.54 feet, more or less to a point; thence North 10°38'12" West for a distance of 141.95 feet to a point; thence North 79°24'57" East for a distance of 183.79 feet to a point; thence North 3°32'36" West for a distance of 269.73 feet to a point; thence North 50°45'11" West for a distance of 17.74 feet to a point on a circular curve concave to the Northwest and having a radius of 75.0 feet, a central angle of 8°52'46" and a chord bearing of North 36°50'39" East; thence along said curvature for an arc distance of 11.62 feet to the POINT OF BEGINNING.
Containing 1.836 acres, more or less.

Jack Clark
March 14, 1990

NOTES:

1. This is not a survey, sketch of legal only.
2. Legal description created at owners request.
3. Bearings based on the North line of the Northeast Quarter of Section 17-37-30 being North 89°45'09" West.

EXHIBIT B

Page 2 of
4 Pages

A. and V. Land Surveying Services, Inc.

PO Box 524

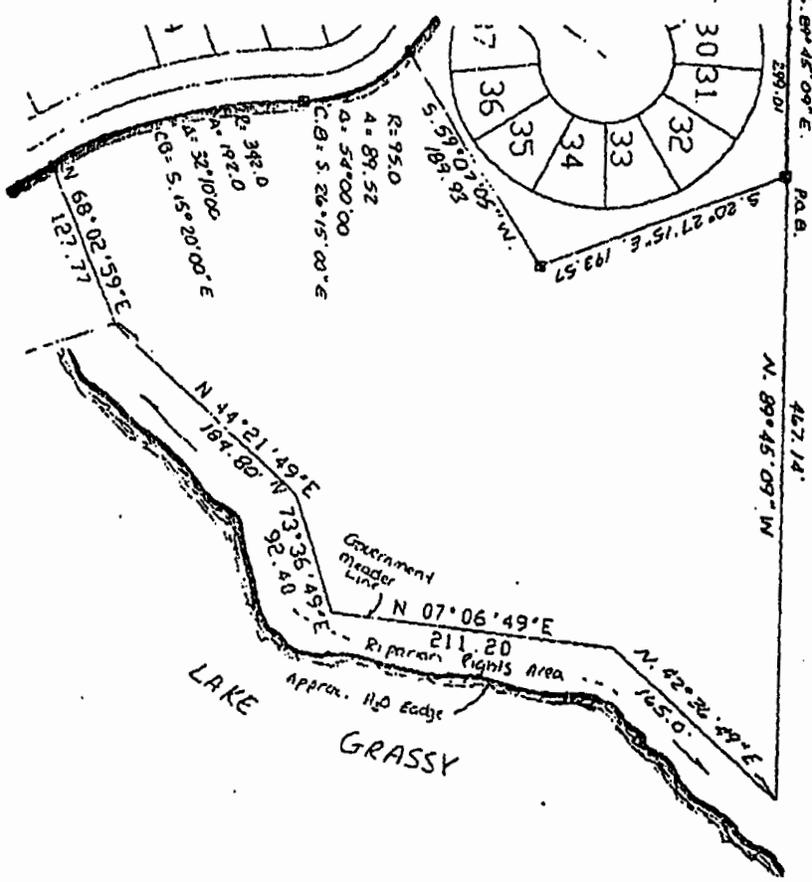
A&V
Lake Placid, Florida 33852

813-465-4445

BK 1115 PG 0504

LINE
W. & 1/4 SEC. 17-27-20
S. 89° 43' 16" E.
718.23
S. 89° 43' 16" E.
A. 216.72
D. 20° 41' 34"
E. 106.80
C. 117° 55' 51" E.
Sum. Edge of way
County Road # 27

CAMP FLORIDA RESORT



LAKE ACCESS PROPERTY
SHEET 1 of 2

EXHIBIT B
Page 3 of
4 Pages

SCALE: 1" = 100'

#c

A and V Land Surveying Services, Inc.

PO BOX 524

813-465-4446

Lake Placid, Florida 33852

SKETCH OF LEGAL DESCRIPTION FOR LAKE ACCESS
SHEET 2 OF 2

DESCRIPTION:

A portion of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, more particularly described as follows: COMMENCE where the West line of the Northeast Quarter of said Section 17 intersects the South right-of-way line of County Road No. 29; thence South 89°43'16" East along the South right-of-way line to County Road No. 29 for a distance of 719.23 feet to the Point of Curvature of a circular curve to the left having a radius of 766.20 feet, a central angle of 20°41'34" and a chord bearing of North 79°54'51" East; thence along the arc of said curvature for an arc distance of 276.72 feet to a point; thence South 89°45'09" East for a distance of 299.01 feet to the POINT OF BEGINNING; thence South 20°27'15" East for a distance of 193.57 feet to a point thence South 59°07'05" West for a distance of 189.93 feet to the Point of Curvature of a circular curve concave to the Southwest not tangent to the last described course, said curvature having a radius of 95 feet, a central angle of 54°00'00" and a chord bearing of South 26°15'00" East; thence along said curve for an arc distance of 89.54 feet to a Point of Reverse Curvature having a radius of 342 feet, a central angle of 32°10'00" and a chord bearing of South 15°20'00" East; thence along said curvature for an arc distance of 192.0 feet to a point; thence North 68°02'59" East for a distance of 127.77 feet to a point on the Government meander line of Lake Grassy; thence North 44°21'49" East along said meander line for a distance of 184.80 feet to a point; thence North 73°36'49" East along said meander line for a distance of 92.40 feet to a point; thence North 7°06'49" East along said meander line for a distance of 211.20 feet to a point; thence North 42°36'49" East along said meander line for a distance of 165.00 feet to a point on the North line of said Section 17; thence North 89°45'09" West for a distance of 167.14 feet to the POINT OF BEGINNING.
 Containing 3.751 acres, more or less.
 TOGETHER WITH the riparian rights of the above described property.

NOTES:

1. This is not a survey, sketch of legal only.
2. Bearings based on the North line of the Northeast Quarter of Section 17-37-30 being North 89°45'09" West.
3. Legal description created at owners request.

EXHIBIT BPage 4 of4 Pages

A. and V. Land Surveying Services, Inc.

PO Box 524



813-465-4446

Lake Placid, Florida 33852

EXHIBIT C
Page 1 of
1 Pages

07/06/90 03:43 PM
EARL RICH
CLERK OF COURTS
HIGHLANDS COUNTY
RECORD VERIFIED
000 LAKE PLACID CAMP FLORIDA RESORT
REC BY: CAROL SCHOTT

Real estate located in Highlands County, Florida described as:

The West Half of the Northwest Quarter East of U. S. Highway No. 27 (a/k/a State Road No. 25 and f/k/a Federal Road 19) Right-of-Way, and the West Half of the East Half of the Northwest Quarter East of U. S. Highway No. 27 (a/k/a State Road No. 25 and f/k/a Federal Road 19) Right-of-Way less the South 413.15 feet thereof, and less Road Right-of-Way for State Road No. 29 in Section 17, Township 37 South, Range 30 East, Highlands County, Florida.

And

The fractional Northeast Quarter and the East Half of the East Half of the Northwest Quarter, less the South 413.15 feet thereof, and less Road Right-of-Way for State Road No. 29 in Section 17, Township 37 South, Range 30 East, Highlands County, Florida.

EARL RICH
CLERK OF COURTS
HIGHLANDS COUNTY
RECORD VERIFIED
07/06/90 03:44 PM
CAROL SCHOTT 01 00025490 0066 CAT:011
000 LAKE PLACID CAMP FLORIDA RESORT
BOOK & PAGE : 1115/490
FIRST ENTRY : INDIV ENTRY
LAST ENTRY : INDIV ENTRY

050	REC FEE 1P		5.00
053	MODERN 1P		1.00
051	16 REC FEE 2P	4.00	64.00
054	16 MODERN 2P	.50	8.00
001	17 PAGES 2	1.00	17.00
00025490 TOTAL			95.00

BY: *Carol Schott* DEPUTY CLERK

Prepared By:
CLIFFORD R. RHOADES, P.A.
2141 LAKEVIEW DRIVE
SEBRING, FLORIDA 33870

10.00

**ASSIGNMENT OF INTEREST IN EASEMENTS,
PERMITS AND OTHER GOVERNMENT APPROVALS**

In consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, the undersigned hereby assigns to **LP WATER WORKS, INC.**, and/or its assigns, any and all interest the undersigned had, now has or may have in all easements, express or implied serving the undersigned's waster production and distribution system and the undersigned's waste water collection and treatment system (collectively the "System") and the permits and other government approvals for the operation of the System as the same are identified on the attached Schedule.



Dated the 27th day of December, 2012.

Signed, sealed and delivered in the presence of:

Witness:

Printed Name: CLIFFORD R. RHOADES

LP UTILITIES CORPORATION

Witness:

Printed Name: Ernest Lavette

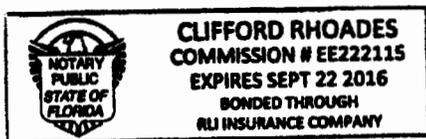
BY: R. ANTHONY COZIER, as President

Acknowledged before me the 27th day of December by **R. ANTHONY COZIER**, who (x) is personally known to me or () has produced a drivers license as identification.

Notary stamp:

NOTARY PUBLIC

Print name: **CLIFFORD R. RHOADES**



31



This instrument prepared by:
Clifford R. Rhoades, Esquire
CLIFFORD R. RHOADES, P.A.
2141 Lakeview Drive
Sebring, FL 33870

BILL OF SALE

Know All Men By These Presents:

That this 27th day of December, 2012, LP UTILITIES, CORPORATION, of the County of Highlands, State of Florida, first party, and LP WATERWORKS, INC., whose address is 4939 Cross Bayou Blvd., New Port Richey, FL 34652, of the County of Pasco, State of Florida, second party.

Witnesseth that the First Party, for and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration in hand paid to First Party by Second Party, the receipt and sufficiency of which is hereby acknowledged, have granted, bargained, sold, transferred and delivered to the Second Party and Second Party's heirs and assigns forever the following goods and chattels:

**SEE EXHIBIT "A" FOR
DESCRIPTION OF ASSETS CONVEYED**

To Have and To Hold the same unto Second Party, and Second Party's heirs, personal representatives, successors and assigns forever;

Conditioned only upon compliance with Section 1.3 of the Asset Purchase Agreement.

And the First Party covenants with the Second Party, and Second Party's heirs, personal representatives, successors and assigns that the First party is the lawful owner of said goods and chattels; that they are free from all encumbrances; that the First Party has good right to sell and transfer said property, goods and chattels; and that the First Party will warrant and defend the sale and transfer of the said property, goods and chattels hereby made to the Second Party, and Second Party's heirs, personal representatives, successors and assigns against the lawful claims and demands of all persons whomsoever. This covenant shall be binding upon the First Party and the First Party's heirs, personal representatives, successors and assigns

In Witness Whereof, First Party has hereunto set their hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of:

Witness:

Print name:

Clifford B. Rhoades

LP UTILITIES CORPORATION

Witness:

Print name:

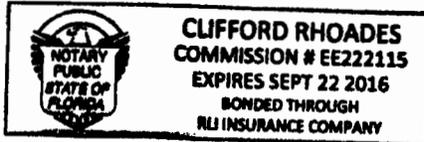
Rose A. Lovellette

By: R. ANTHONY COZIER, as
President

STATE OF FLORIDA)
COUNTY OF HIGHLANDS)

The foregoing instrument was acknowledged before me on the 27th day of
December, 2012 by R. ANTHONY COZIER, who (X) is personally known to me or ()
produced _____ as identification

Notary Stamp/Seal:



NOTARY PUBLIC, State of Florida
Print name: CLIFFORD R. RHOADES
My Commission Expires: _____

EXHIBIT "A"

- (a) all the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrants, wastewater collection mains, pump stations, structures, irrigation service lines, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;
- (b) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets;
- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in Highlands County.

Excluded Assets

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

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) Any customer wastewater service lines that run from the curb clean-out area to the residences;
- (c) all piping and fixtures internal to each individual customer's structure; and
- (d) Seller's cash and accounts receivables as of the date of Closing.

AM
127.00
1155.00

Prepared by and return to:
CLIFFORD R. RHOADES
Attorney at Law
CLIFFORD R. RHOADES, P.A.
2141 Lakeview Drive
Sebring, FL 33870
863-385-0346
File Number: 418.10



[Space Above This Line For Recording Data]

Warranty Deed

This Warranty Deed made this 28th day of December, 2012 between L.P. UTILITIES CORPORATION, a Florida corporation whose post office address is 7406 US 27 N, Sebring, FL 33870, grantor, and LP WATERWORKS, INC., a Florida corporation whose post office address is 4939 Cross Bayou Blvd., New Port Richey, FL 34652, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Highlands County, Florida to-wit:

See Exhibit "A" attached hereto and made a part hereof as if fully set forth herein.

This conveyance is subject to the following:

1. Ad valorem taxes and solid waste charges subsequent to 2012;
2. Zoning, restrictions, prohibitions and other requirements imposed by governmental authority;
3. Restrictions and matters appearing on the plat or otherwise common to the subdivision;
4. Public utility easements of record.

GRANTOR MAKES NO WARRANTY REGARDING INGRESS AND EGRESS.

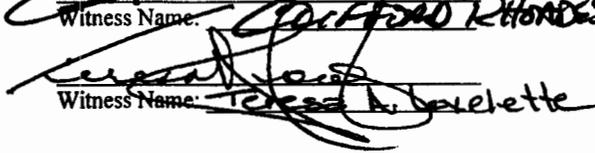
Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

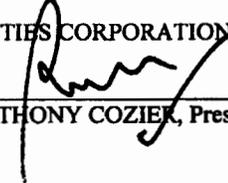
To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 2012.

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:


 Witness Name: CLIFFORD RHOADES

 Witness Name: Teresa A. Cavallette

L.P. UTILITIES CORPORATION, a Florida corporation
 By: 
R. ANTHONY COZIER, President

(Corporate Seal)



State of Florida
 County of Highlands

The foregoing instrument was acknowledged before me this 28th day of December, 2012 by R. ANTHONY COZIER, President of L.P. UTILITIES CORPORATION, a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced a driver's license as identification.

[Notary Seal]


 Notary Public

Printed Name: CLIFFORD R. RHOADES

My Commission Expires: _____



EXHIBIT "A"

WATER PLANT No. 1

A parcel of land located in the Northeast 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: BEGINNING at the Northeast corner of Lot 3, Block K, A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, Page 93, Highlands County, Florida; thence S70° 46'35" E along the North line of said Lot 3, extended, a distance of 36.23 feet; thence N68° 40'00" E, a distance of 147.45 feet to the West line of Lot 21, Block K of said Replat; thence S08° 10'00" W, along said West line, a distance of 57.45 feet, to the Southwest corner of Lot 22, Block K of said Replat; thence S68° 40'00" W along the Northwesterly line of Lots 23 through 27, Block K, a distance of 147.08 feet; thence N71° 09'55" W, along the North line of Lots 27 and 28, Block K, a distance of 41.05 feet to the Northwest corner of Lot 28, Block K; thence S19° 45'00" W, along the West line of Lot 28, Block K, a distance of 65.01 feet to the Southwest corner of Lot 28, Block K and the North line of Shoreline Drive; thence N71° 09'55" W, along the North line of Shoreline Drive a distance of 7.00 feet to the Southeast corner of Lot 1, Block K; thence N19° 45'00" E, along the East line of Lots 1 through 3, Block K, a distance of 121.48 feet to the POINT OF BEGINNING, containing 0.234 acres, more or less.

WATER PLANT No. 2

A parcel of land located in the Northwest 1/4 of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commencing at the Southerly most point of A Replat of a Portion of Lake Placid Camp Florida Resort as recorded in Plat Book 15, at Page 93, Highlands County, Florida and the Easterly right-of-way line of U.S. Highway 27; thence N65° 07'11" E along the Southerly line of said Replat extended a distance of 320.00 feet; thence N24° 52'49" W, a distance of 282.81 feet to the POINT OF BEGINNING; thence continuing N24° 52'49" W, a distance of 311.76 feet to a point on the Southerly boundary line of said Replat, (the following four (4) calls are along the boundary of said Replat); (1) thence N65° 07'11" E, a distance of 138.06 feet; (2) thence S69° 05'48" E, a distance of 8.86 feet; (3) thence N88° 19'15" E, a distance of 135.89 feet; (4) thence S35° 18'13" E, a distance of 256.10 feet; thence S65° 07'11" W, a distance of 315.47 feet to the POINT OF BEGINNING, containing 1.9648 acres, more or less.

WASTEWATER TREATMENT PLANT

A Portion of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the aforesaid Section 8; thence run N89° 46'50" W along the South line of said Southwest 1/4 of Section 8 for a distance of 668.03 feet to the intersection with the West line of the East 1/2 of the East 1/2 of said Southwest 1/4; thence run N1° 09'49" W along the West line of the East 1/2 of the East 1/2 of the Southwest 1/4 for a distance of 450.01 feet to the POINT OF BEGINNING of the Tract of land hereinafter to be described; thence continue N1° 09'49" W along the last described course for a distance of 300.00 feet to a point; thence run S89° 46'50" E parallel to the South line of said Southwest 1/4 of Section 8 for a distance of 410.00 feet to a point; thence run S1° 09'49" E, parallel to the West line of the East 1/2 of the East 1/2 of said Southwest 1/4 for a distance of 300.00 feet to a point; thence run N89° 46'50" W parallel to the South line of said Southwest 1/4 of a distance of 410.00 feet to the POINT OF BEGINNING.

SUBJECT to that certain Florida Power Corporation Easement recorded in O.R. Book 261, Page 300, Public Records of Highlands County, Florida; AND the right of ingress and egress over and upon that certain easement described as the East 50.01 feet of the West 260.01 feet of the South 450.01 feet of the East 1/2 of the East 1/2 of the Southwest 1/4 of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

EXHIBIT N
Rule 25-30.030

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

Exhibit N will be a late-filed exhibit

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

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

LPWWI owns the where the facilities are located.

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

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

See attached sample tariffs

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

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

LPWWI has requested the Certificates from the Owner.

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

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

All documents associated with Exhibit R are contained within Exhibit O of this Application.

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

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

Water and Wastewater Territory Served

Commence at the Northwest corner of Section 17, Township 37 South, Range 30 East, Highlands County, Florida; thence East along the North Line of said section 17, 824 feet, more or less, to the intersection of the North line of said Section 17 and the East right-of-way line of U.S. Highway 27 extended, being the Point of Beginning; thence continue East along the said North line of Section 17, 3700 feet, more or less, to the shoreline of Lake Grassy; thence South and Southwesterly along the shoreline of said Lake Grassy, 5600 feet, more or less, to the South line of said Section 17 and the said East right-of-way line of U.S. Highway 27; thence Northwest along said East right-of-way line, 5950 feet, more or less, to the Point of Beginning.

DESCRIPTION OF TERRITORY SERVED

Begin at a point on the North line of Section 17, Township 37 South, Range 30 East, Highlands County, Florida, 660 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Easterly along the North line of Section 17 a distance of 2,975 feet, more or less, to the shoreline of Lake Grassy; thence run Southerly and Southwesterly along the shoreline of Lake Grassy (a straight line to this point a distance of 2,250 feet, more or less) to a point that is 413.15 feet North of the South line of the Northeast ¼ and the Northwest ¼ of Section 17; thence run Westerly along a line 413.15 feet North of the South line of said Northeast ¼ and 413.15 feet North of the South line of said Northwest ¼ to a point that is 600 feet Easterly of the East right-of-way line of U.S. Highway 27, as measured at right angles; thence run Northwesterly 660 feet East of and parallel to the Easterly right-of-way line of U.S. Highway 27 to the Point of Beginning. And the North 300 feet of the South 750 feet of the West 410 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 37 East, Highlands County, Florida. And the West 210 feet of the South 450 feet of the East ½ of the East ½ of the Southwest ¼ of Section 8, Township 37 South, Range 30 East, Highlands County, Florida.

Township 37 South, Range 30 East, Section 17 - that portion of Lake Placid Camp Florida Resort, as recorded in Plat Book 15, Page 93, Highlands County, Florida, previously being part of the territory described in Highlands Utilities Corporation Service Area, being more particularly described as follows: Commence on the North line of Section 17, Township 37 South, Range 30 East, 660 feet Easterly of, as measured at right angles to the East right-of-way line of U.S. Highway 27; thence Southeasterly along a line that is 660 feet east of and parallel with the said East right-of-way line, 300 feet, more or less, to the North line of said Lake Placid Camp Florida Resort and the Point of Beginning; thence continuing Southeasterly along the line 660 feet East of and parallel with the said right-of-way line, 778.39 feet, more or less, to the South line of said Lake Placid Camp Florida Resort; the following 15 calls are along the boundary line of said Lake Placid Camp Florida Resort, (1) thence North 81°58'06" West, 29.61 feet; (2) thence North 35°18'13" West, 256.10 feet; (3) thence South 88°19'15" West, 135.89 feet; (4) thence North 69°05'48" West, 8.86 feet; (5) thence South 65°07'11" West, 291.84 feet; (6) thence North 24°52'49" West, 174.00 feet; (7) thence South 65°07'11" West, 165.76 feet; (8) thence North 24°49'46" West, 157.95 feet; (9) thence North 65°08'22" East, 25.57 feet; (10) thence North 24°51'38" West, 219.42 feet; (11) thence North 80°20'00" East, 107.91 feet; (12) thence North 87°00'00" East, 218.15 feet; (13) thence North 50°00'00" East, 166.49 feet; (14) thence North 75°29'10" East, 115.12 feet; (15) thence North along the arc of a curve to the right with a central angle of 08°24'16", whose radius is 377.51 feet, with a chord bearing of North 79°41'18" East, and a chord distance of 55.33 feet, an arc distance of 55.38 feet to the Point of Beginning.

Exhibit T

Rule 25-30.036 (3)(i)

One copy of the official county tax assessment map or other map showing township, range and section, with a scale such as 1" = 200' or 1"= 400', with the proposed territory plotted there on by use of metes and bounds or quarter sections and with a defined reference point of beginning.

LP Utilities nor LP Waterworks, Inc. possesses an official county tax assessment map

EXHIBIT U
Rule 25-30.036 (3)(f)

One copy of a detailed system map showing the proposed lines, treatment facilities, and the territory proposed to be served. The map shall be of sufficient scale and detail to enable correlation with the description of the territory.

Attached hereto are maps received from LP Utilities showing the information that the owner has on the maps

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

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

Attached is an affidavit of Gary A. Deremer President & Chief Operating Officer of LPWWI, affirming that LPWWI does not currently have tariffs on file with the FPSC.

LP Utilities Corporation does have tariffs and annual reports on file. Harbor Waterworks, Inc. – owned by Mr. Deremer and Mr. Delcher has tariffs on file but do not have annual reports on file.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: LP Waterworks, Inc.'s Application)
for Approval of Transfer of LP Utilities Corp.)
Water and Wastewater System in Highlands,)
County Florida.)
_____)

Docket No. _____

Filed: February 27th 2013

AFFIDAVIT

STATE OF FLORIDA:
COUNTY OF PASCO:

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

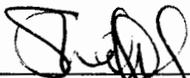
1. That I, Gary A. Deremer, am the President of LP Waterworks, Inc.
2. That I hereby affirm that LP Waterworks, Inc. does not have tariffs on file nor Annual Reports.
3. Further, Affiant sayeth not.



GARY A. DEREMER

STATE OF FLORIDA:
COUNTY OF PASCO:

Subscribed and sworn to before me this 27th day of February 2013, by Gary A. Deremer, who is personally known to me.



NOTARY PUBLIC
My Commission Expires:



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

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

PSC – 02-1739-PAA-WS

EXHIBIT X

Attached hereto is an affidavit of Gary A. Deremer, President & Chief Operating Officer of LPWWI, affirming that the facts stated herein and in the attached exhibits are true and correct.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: LP Waterworks, Inc.'s Application)
for Approval of Transfer of LP Utilities Corp.)
Water and Wastewater System in Highlands,)
County Florida.)
_____)

Docket No. _____

Filed: February 27th 2013

AFFIDAVIT

STATE OF FLORIDA:
COUNTY OF PASCO:

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

1. That I, Gary A. Deremer, am the President of LP Waterworks, Inc.
2. That I hereby affirm that the facts stated in LP Waterworks, Inc.'s Application for Approval of Transfer, Application for Transfer LP Utilities Corp. Water and Wastewater System in Highlands County, Florida and the attached exhibits thereto are true and correct.
3. Further, Affiant sayeth not.



GARY A. DEREMER

STATE OF FLORIDA:
COUNTY OF PASCO:

Subscribed and sworn to before me this 27th day of February 2013, by Gary A. Deremer, who is personally known to me.



NOTARY PUBLIC
My Commission Expires:

