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(EXECUTION VERSION)

Return to:

Stephen C. Booth, Esq.
Booth & Cook, P.A.
7510 Ridge Road
Port Richey, Florida 34668
(727) 842-9105

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COMMISSION
CLERK

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that **Aqua Utilities Florida, Inc.**, a Florida corporation (“**Seller**”), for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **Lake Osborne Waterworks, Inc.**, a Florida corporation (“**Buyer**”), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement, dated March 19, 2013, by and between Buyer and Seller (the “**Purchase Agreement**”), hereby grants, sells, assigns, and conveys to Buyer, effective as of 12:01 a.m. (EDT) on March 29, 2013 (the “**Effective Time**”), all of its right, title, and interest in and to all of its personal property, both tangible or intangible, of the Assets, as such term is defined in the Purchase Agreement, including, but not limited to, the following:

- (a) all of the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrants, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller relating to the Assets, 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 and listed on Schedule 1.1(b) to the Purchase Agreement; and
- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in the Service Area; provided, however, that confidential business records of Seller are specifically excluded as provided in Section 1.2 to the Purchase Agreement.

Notwithstanding the foregoing, Seller does not hereby convey to Buyer those certain Excluded Assets, as described in Section 1.2 of the Purchase Agreement and Schedule 1.2(l) to the Purchase Agreement.

Seller represents and warrants that it is providing all of its ownership interest in and to the above-referenced property and has removed or provided for the removal of all liens, security interests, or encumbrances, other than such liens, security interests, or encumbrances as may be listed in Seller’s Schedules to the Purchase Agreement.

Prepared by: S. Romaszewski, Esq.
Fox Rothschild LLP, 2700 Kelly Rd
Ste. 300, Warrington PA 18976

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All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference.

IN WITNESS WHEREOF, this instrument is executed on the 28th day of March, 2013, but shall become effective as of the Effective Time on the 29th day of March, 2013.

Witnessed:

AQUA UTILITIES FLORIDA, INC.,
a Florida corporation

Christopher P. Luning
Print Name: Christopher Luning

By: Richard S. Fox
Richard S. Fox, President

Carolyn Bailey
Print Name: CAROLYN BAILEY

STATE OF FLORIDA

COUNTY OF PASCO

This instrument was acknowledged before me this 28th day of March, 2013, by Richard S. Fox, as President of Aqua Utilities Florida, Inc., a Florida corporation, on behalf of said corporation. He is personally known to me or has produced NC de la as identification.



By: Carolyn Bailey
Notary Public, State of Florida
Print: _____

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

THIS ASSIGNMENT AND ASSUMPTION OF PERMITS AND GOVERNMENTAL APPROVALS (this "**Assignment**") is made and entered into this 29th day of March, 2013, by and between **AQUA UTILITIES FLORIDA, INC.**, a Florida corporation ("**Assignor**"), and **LAKE OSBORNE WATERWORKS, INC.**, a Florida corporation ("**Assignee**").

WITNESSETH:

WHEREAS, Assignor has as of this date conveyed to Assignee, pursuant to that certain Asset Purchase Agreement, dated March 19, 2013 (the "**Purchase Agreement**"), all of its real and personal property, both tangible and intangible, that comprise the Assets in connection with the Water Systems. All capitalized terms not defined herein shall have the meaning(s) ascribed to them in the Purchase Agreement;

WHEREAS, included within the Assets Assignor intends to convey to Assignee, and Assignee intends to accept, are all of Assignor's rights and obligations under all of Assignor's certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds of the Water Systems, and all rights to construct, maintain and operate the Water Systems and its plants and systems for the procuring, treatment, storage and distribution of potable and irrigation water, and for reclaimed water if any exist, and the collections and disposal of wastewater, including irrigation water, and for reclaimed water if any exist, and every right of every character whatever in connection therewith, and the obligations thereof; all water rights, flowage rights and riparian rights and all renewals, extensions, additions or modifications of any of the foregoing; together with all rights granted to Assignor under any of the foregoing, made available by or under the authority of any governmental body or pursuant to any legal requirement, to the extent they are assignable, including but not limited to, rights identified on **Exhibit "A"** attached hereto and made a part hereof (collectively, the "**Permits**"); and

WHEREAS, Assignor and Assignee wish to provide for the assignment of rights and duties contained in the Permits.

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

1. The foregoing recitals are true and correct and are incorporated herein.
2. Assignor hereby, conveys and assigns unto Assignee, its successors and assigns, all right, title and interest of Assignor in the Permits, together with all other related recorded or unrecorded certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds, and any other governmental approvals in connection with the

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Water Systems and the Assets to the extent that such Permits and other related recorded or unrecorded certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds, and any other governmental approvals are transferrable; provided however, that, other than as contained in the Purchase Agreement, Assignor makes no representation or warranty that the Permits are legally sufficient.

3. Between the execution date of the Purchase Agreement and the date of this Assignment, Assignor has complied with all legal requirements applicable to the Permits. Except as otherwise set forth in the Purchase Agreement, Assignee hereby accepts the transfer and assignment of the Permits as set forth in Paragraph 2 herein, and assumes the performance, obligations, duties and liabilities of Assignor under such Permits as of the date hereof. As of the date of this Assignment, and pursuant to the Purchase Agreement, Assignor's obligations and responsibilities to act under such Permits shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Permits, except for those obligations and responsibilities which accrued prior to the date of this Assignment. Assignor shall indemnify and hold Assignee harmless from and against any loss, claims, costs and expenses arising in connection with the Permits attributable to the period prior to the date hereof. Assignee shall indemnify and hold Assignor harmless from and against any loss, claims, costs and expenses arising in connection with the Permits attributable to the period after the date hereof, to the extent permitted by law without waiver of sovereign immunity.

4. Assignor covenants and agrees with Assignee and its successors and assigns that Assignor will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, any and all such further acts, instruments, papers and documents, as may be necessary, proper or convenient to carry out and effectuate the intent and purposes of this Assignment. Further, Assignor hereby irrevocably constitutes and appoints Assignee and its successors and assigns the true and lawful attorneys for Assignor to do all acts and things necessary under and pursuant to the Permits in Assignee with like power and as fully as Assignor could or might have done.

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

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

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

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

9. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Assignment.

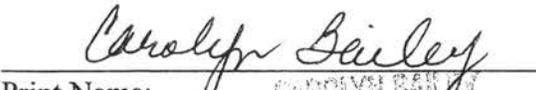
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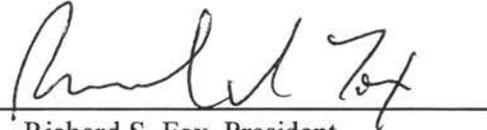
IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be duly executed and entered into on the date first above written.

WITNESS:

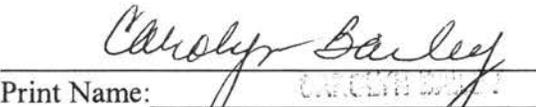

Print Name: Christopher Lewis


Print Name: CAROLYN BAILEY

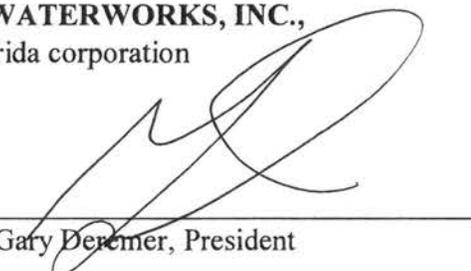
AQUA UTILITIES FLORIDA, INC.,
a Florida corporation

By: 
Richard S. Fox, President


Print Name: Christopher Lewis


Print Name: CAROLYN BAILEY

HC WATERWORKS, INC.,
a Florida corporation

By: 
Gary Deremer, President

Lake Osborne Waterworks, Inc.
Proposed Operating Proforma
Revision: 6/3/13
2013 thru 2016

04/01/13-03/31/14 04/01/14-03/31/15 04/01/15-03/31/16

	Osborne	Osborne	Osborne	Total for all categories
System Revenues				
Water Revenues:	\$ 298,746.00	\$ 302,032.21	\$ 305,354.56	\$ 906,132.77
Wastewater Revenues:	\$ -	\$ -	\$ -	\$ -
Other Revenues:	\$ 7,158.00	\$ 7,158.00	\$ 7,158.00	\$ 21,474.00
Index on WTR/WST Revenues (Aqua 2012):	\$ 2,987.46	\$ 3,020.32	\$ 3,053.55	\$ 9,061.33
Index = 1.1%	\$ 3,319.07	\$ 3,434.32	\$ 3,471.23	\$ 10,224.61
Proposed Rate Increase Completion 2014	\$ -	\$ 31,500.00	\$ 31,846.50	\$ 63,346.50
Total Utility Revenues:	\$ 312,210.53	\$ 347,144.84	\$ 350,883.83	\$ 1,010,239.20
Operating Expenses:				
USW O & M Customer Service & Billing - Water	\$ 50,220.81	\$ 51,325.67	\$ 52,454.83	\$ 154,001.31
USW O & M Customer Service & Billing - Wastewater	\$ -	\$ -	\$ -	\$ -
Officer Salaries	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 24,000.00
Chemicals	\$ -	\$ -	\$ -	\$ -
Sludge	\$ -	\$ -	\$ -	\$ -
Estimated Bad Debt	\$ 6,244.21	\$ 6,942.90	\$ 7,017.68	\$ 20,204.78
Purchase Water	\$ 238,603.00	\$ 245,761.09	\$ 253,133.92	\$ 737,498.01
Purchased Power	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 4,500.00
Rents (land, etc.)	\$ -	\$ -	\$ -	\$ -
Sunshine Locates	\$ 300.00	\$ 300.00	\$ 300.00	\$ 900.00
Misc. Expenses	\$ 3,122.11	\$ 3,471.45	\$ 3,508.84	\$ 10,102.39
SCADA/Phones	\$ -	\$ -	\$ -	\$ -
Total Direct Operating Expenses	\$ 307,990.13	\$ 317,301.10	\$ 325,915.27	\$ 951,206.50
Net Operating Revenues Before Other Deductions	\$ 4,220.40	\$ 29,843.74	\$ 24,968.56	\$ 59,032.71
Allowances for Other Deductions:				
Legal	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 6,000.00
FPSC Fee:	\$ 14,049.47	\$ 15,621.52	\$ 15,789.77	\$ 45,460.76

Note: 1.1% Utilized as Annual Index

Anticipate CPI 2.2% Annually

Anticipate CPI 2.2% Annually

Estimated - Trends with Revenue

Anticipated Annual Increase of 3% Annually

Estimated - Trends with Revenue

Lake Osborne Waterworks, Inc.
Proposed Operating Proforma
Revision: 6/3/13
2013 thru 2016

	04/01/13-03/31/14	04/01/14-03/31/15	04/01/15-03/31/16	
	Osborne	Osborne	Osborne	Total for all categories
Other Taxes:	\$ 2,333.00	\$ 2,333.00	\$ 2,333.00	\$ 6,999.00
Assumed Ad Valorem Tax deduction	\$ -	\$ -	\$ -	\$ -
Bank Fees	\$ 50.00	\$ 50.00	\$ 50.00	\$ 150.00
Interest Cost	\$ -	\$ -	\$ -	\$ -
Federal Accounting	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 7,500.00
Total Cost:	\$ 20,932.47	\$ 22,504.52	\$ 22,672.77	\$ 66,109.76
				\$ -
				\$ -
Total Available Funds:	\$ (16,712.07)	\$ 7,339.22	\$ 2,295.79	\$ (7,077.06)
				\$ -
Less Estimated Depreciation/R & R Replacement	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 36,000.00
Net Operations	\$ (28,712.07)	\$ (4,660.78)	\$ (9,704.21)	\$ (43,077.06)

Prior to Depreciation and
Possible CIP

Depreciation Estimated