

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Black Bear Waterworks, Inc., Application )  
For Approval of Transfer of Black Bear Reserve ) Docket No. \_\_\_\_\_  
Water Corporation in Lake County, Florida ) Filed: July 8, 2015

**REDACTED BLACK BEAR WATERWORKS, INC.  
APPLICATION FOR APPROVAL OF TRANSFER  
OF BLACK BEAR RESERVE WATER CORPORATION WATER SYSTEM  
IN LAKE COUNTY, FLORIDA**

Black Bear Waterworks, Inc. ("BBW" or "Buyer"), by and through its undersigned representative, 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 System of Black Bear Reserve Water Corporation ("Seller") Certificate Nos. 654-W. In support of this Application, BWB states as follows:

**APPLICANT INFORMATION**

1. The name and address of the Buyer for purposes of this Application, and as it should appear on Black Bear Waterworks, Inc. Commission-issued water certificate are:

Gary A. Deremer, President  
Black Bear Waterworks, Inc.  
5320 Captains Court  
New Port Richey, Florida, 34652  
Tel: (727) 848 8292  
Fax: (727) 848 7701

2. The name and address of Black Bear Waterworks, Inc.'s authorized representatives are:

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Representative's Name and Title:

Gary A. Deremer, President  
Black Bear Waterworks, Inc.  
5320 Captains Court  
New Port Richey, Florida, 34652

Troy Rendell, Manager of Regulated Utilities  
Black Bear Waterworks, Inc.  
c/o 4939 Cross Bayou Boulevard  
New Port Richey, FL 34652  
727-848-8292

3. The Seller's representatives for purposes of this Application are:

Deborah Spicer, President  
Black Bear Reserve Water Corporation  
P.O. Box 13  
Mount Dora, FL 32756  
(352) 483-9522

4. The shareholders via Black Bear Reserve Water Corporation have been issued FPSC Certificate No. 654-W.

5. Attached hereto is Black Bear Waterworks, Inc.'s Application for Approval of Purchase of the Seller's system in Lake 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 BLACK BEAR RESERVE WATER CORPORATION

I. FINANCIAL AND TECHNICAL INFORMATION

6. Black Bear Waterworks, Inc. is a Florida corporation authorized to do business in Florida as of April 14, 2015. The names and addresses of Black Bear Waterworks, Inc.'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 Black Bear Waterworks, Inc.'s experience in water and wastewater utility operations, a showing of Black Bear Waterworks, Inc.'s financial ability to provide service and a statement that Black Bear Waterworks, Inc will fulfill the commitments, obligations and representations of Black Bear Reserve Water Corporation with regard to utility matters.

In addition, U.S. Water Services Corporation has been providing operations and maintenance services to the previous owner, Black Bear Reserve Water Corporation since April 1, 2012, or more than 3 years and has been providing customer service, billing, and collections since September 1, 2013.

8. Black Bear Waterworks, Inc. is a privately held corporation and does not own any other water or wastewater utilities. **Exhibit "C"** to the Application is not applicable to Black Bear Waterworks, Inc. However, **Exhibit "C"** is being provided to indicate the shareholders' other owned water and wastewater utilities.

9. The sale of the system took place on June 30, 2015. **Exhibit "D"** to the Application is a copy of the Asset Purchase Agreement, including attachments, by and between

Seller and Black Bear Waterworks, Inc., executed on or about May 19, 2015. Section 367.07(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 5.6 of the Asset Purchase Agreement provides that this sale is contingent upon Commission approval.

10. **Exhibit “E”** to the Application is a statement regarding the disposition of any outstanding regulatory assessment fees for the Seller’s system.

11. **Exhibit “F”** to the Application is a statement describing Black Bear Waterworks, Inc.’s financing of the sale.

12. **Exhibit “G”** to the Application is a list of any or all entities upon which Blackbear Waterworks, Inc. 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 Black Bear Waterworks, Inc.

13. **Exhibit “H”** to the Application is a detailed listing of the proposed net book value of the Water System as of the date of the proposed transfer. It is BBW’s understanding that Rate Base has not been established by this Commission. However, the Commission recognized that an original cost study had been performed for the completion of its 2010 Annual Report as referenced in Order No. *PSC-11-0478-PAA-WU*, issued October 24, 2011. It is also BBW’s understanding that the updated book value has been reported in the 2014 Annual Report filed by Black Bear Reserve Water Corporation. It is also BBW’s understanding there may have been invoices for capital plant items which were expensed by Black Bear Reserve Corporation

during 2014. These items should be audited to determine the appropriate accounting treatment, i.e. recorded as plant in service instead of operation expense. Finally, Schedule 1.1 attached to the Asset Purchase Agreement contains a detailed listing of the utility assets purchased at this transaction.

14. **Exhibit "I"** to the Application is a statement confirming that Black Bear Waterworks, Inc. is not requesting an acquisition adjustment.

15. The books and records of Seller 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 Seller are as follows:

Deborah Spicer  
Aegis Community Management Solutions, Inc.  
8390 Champions Gate Blvd. #304  
Champions Gate, FL 33896  
(863) 256-5052 ext. 225

16. **Exhibit "J"** to the Application is a statement from Black Bear Waterworks, Inc. regarding the federal income tax returns of Black Bear Reserve Water Corporation.

17. **Exhibit "K"** to the Application is a statement from Blackbear Waterworks, Inc. regarding the condition of the Water System being acquired and the status of its compliance with applicable standards set by the Florida Department of Environmental Protection (FDEP).

## **II. NOTICE OF ACTUAL APPLICATION**

18. In accordance with Rule 25-30.030(2), Florida Administrative Code, Black Bear Waterworks, Inc. 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 Office of Commission Clerk, 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.

19. In accordance with Rule 25-30.030(5), Florida Administrative Code, Black Bear Waterworks, Inc. 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.

20. Pursuant to Rule 25-30.030(8), Florida Administrative Code, within 15 days of filing this Application, Black Bear Waterworks, Inc. 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 18-19, along with a copy of the Notice and a copy of the list of entities obtained from the Commission.

21. In accordance with Rule 25-30.030(6), Florida Administrative Code, Black Bear Waterworks, Inc. 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 filings its Application, Black Bear Waterworks, Inc. 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.

22. In accordance with Rule 25-30.030(7), Florida Administrative Code, Black Bear Waterworks, Inc. 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, Black Bear Waterworks, Inc. 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

23. The application fee of \$750, required by Section 367.145, Florida Statutes, and Rule 25-30.020, Florida Administrative Code, has been submitted to the Commission's Office of Commission Clerk along with the filing of this Application.

### IV. TERRITORY DESCRIPTION

33. Attached hereto as **Exhibit "O"** is an accurate legal description of the water territory using township, range and section references as specified by Rule 25-30.030(2), Florida Administrative Code.

### V. OTHER

24. **Exhibit "P"** to the Application provides evidence that Black Bear Waterworks, Inc. owns the land upon which the treatment facilities for the water system are located.

25. The rates for the Seller's systems were last established by the Commission in Order No. PSC-11-0478-PAA-WU, issued October 24, 2011, granting Certificate No. 654-W.

The purchase of the Seller's system will not have an immediate impact on Black Bear Waterworks, Inc.'s current rates. As part of the asset purchase, BBW has agreed that it will not seek a general rate increase for a period of two years from closing, with the exception of index and/or pass through increases allowed by Florida Statutes.

26. In addition, Black Bear Waterworks requests the approval of a Credit Card Convenience Fee consistent with the other regulated utilities owned by the shareholders. The fee requested is consistent with the following Orders:

PSC-15-0178-TRF-WS	PSC-15-0179-TRF-WS	PSC-15-0180-TRF-WS
PSC-15-0181-TRF-WS	PSC-15-0182-TRF-WS	PSC-15-0183-TRF-WU
PSC-15-0184-TRF-WS	PSC-15-0185-TRF-WU	PSC-15-0186-TRF-WU
PSC-15-0187-TRF-WU	PSC-15-0188-TRF-WU	PSC-15-0189-TRF-WS
PSC-15-0180-TRF-WU		

The same support documentation applies for this request since the same services are being provided consistent with the related utility companies.

27. Customer deposits in the amount of \$4,122 have been transferred to Black Bear Waterworks, Inc.

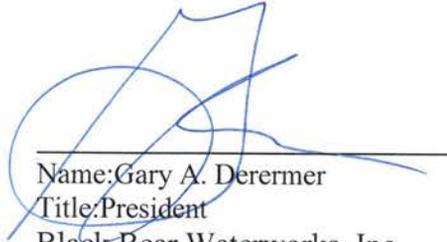
28. **Exhibit "Q"** to the Application contains sample tariff sheets for the water system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions of the Water System.

29. **Exhibit "R"** - Black Bear Waterworks, Inc. is in possession of Order No. PSC-11-0478-PAA-WU, issued October 24, 2011, granting Certificate No. 654-W.

WHEREFORE, Utility Company requests that this Commission:

- A. Grant Black Bear Waterworks, Inc.'s Application;
- B. Approve the transfer of the Water System owned by Black Bear Reserve Water Corporation to Black Bear Waterworks, Inc. as described herein and in the attached application and,
- C. Grant such other relief as appropriate.

Respectfully submitted this 8<sup>th</sup> day of July 2015.



Name: Gary A. Derermer

Title: President

Black Bear Waterworks, Inc.

5320 Captains Court

New Port Richey, FL 34652

**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.**

President and CEO – Gary A. Deremer, 5320 Captains Court, New Port Richey, FL 34652

Cecil Delcher – Vice President, 11702 Forest Hills Dr., Tampa, FL 33612

**Electronic Articles of Incorporation  
For**

P15000034036  
FILED  
April 14, 2015  
Sec. Of State  
nhaney

BLACK BEAR WATERWORKS, INC.

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

**Article I**

The name of the corporation is:

BLACK BEAR WATERWORKS, INC.

**Article II**

The principal place of business address:

24525 CR 44A  
EUSTIS, FL. 32736

The mailing address of the corporation is:

C/O  
4939 CROSS BAYOU BOULEVARD  
NEW PORT RICHEY, FL. 34652

**Article III**

The purpose for which this corporation is organized is:

ANY AND ALL LAWFUL BUSINESS.

**Article IV**

The number of shares the corporation is authorized to issue is:

1000

**Article V**

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

GARY A DEREMER  
5320 CAPTAINS COURT  
NEW PORT RICHEY, FL. 34652

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: GARY DEREMER

## Article VI

The name and address of the incorporator is:

GARY DEREMER  
5320 CAPTAINS COURT

NEW PORT RICHEY, FL 34652

Electronic Signature of Incorporator: GARY DEREMER

I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

## Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: PDS  
GARY A DEREMER  
5320 CAPTAINS COURT  
NEW PORT RICHEY, FL. 34652

Title: VP  
CECIL R DELCHER  
11702 FOREST HILLS DRIVE  
TAMPA, FL. 33612

## Article VIII

The effective date for this corporation shall be:

04/14/2015

**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 have been in the water and wastewater utility management, operations and maintenance related industry for numerous years bringing a level of Florida specific expertise that is not typical to private utility ownership within the State.

Gary Deremer – President: Over 29 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: Over 37 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 have secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection services. Both Mr. Deremer and Mr. Delcher have controlled service delivery to more than 850+ facilities within the State of Florida during their careers, including billing/collection and customer service, providing water service to more than 1,000,000 customers daily.

Currently, the shareholders of Black Bear Waterworks, Inc. are also shareholders in the following utilities:

<u>Utility</u>	<u>Certificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S

HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Lake Osborne Utility Company	053-W
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W

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

Thus, based on the above this transfer is in the public interest; the buyer has both the technical and financial ability to provide service. The buyer has also agreed not to seek a general rate increase for a period of 2 years, with the exception of annual index increases.

In addition, U.S. Water Services Corporation has been providing operations and maintenance services to the previous owner, Black Bear Reserve Water Corporation since April 1, 2012, or more than 3 years and has been providing customer service, billing, and collections since September 1, 2013.

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

**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.**

<u>Utility</u>	<u>Certificate No.</u>
Harbor Utility Company	522-W
Lakeside Utility Company	567-W & 494-S
LP Utility Company	620-W & 533-S
HC Utility Company	422-W & 359-S
Brevard Utility Company	002-W
Sunny Hills Utility Company	501-W & 435-S
Lake Osborne Utility Company	053-W
Jumper Creek Utility Company	667-W & 507-S
The Woods Utility Company	507-W & 441-S
Country Walk Utilities, Inc.	579-W
Raintree Waterworks, Inc.	539-W
Brendenwood Waterworks, Inc.	339-W
Lake Idlewild Utility Company	531-W

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

A copy of the Asset Purchase Agreement, including attachments, by and between Black Bear Reserve Water Corporation and Black Bear Waterworks, Inc. executed on May 19, 2015 is attached hereto.

**THIS ASSET PURCHASE AGREEMENT ("Agreement")**, dated as of this 19<sup>th</sup> day of May 2015, by and between **Black Bear Reserve Water Corporation**, a Florida corporation with an address of **24511 CR 44A, Eustis, FL 32736** ("Seller"), and **Black Bear Waterworks, Inc.** a Florida corporation with an address of **5320 Captains Court, New Port Richey, FL 35652** or ("Buyer"), with reference to the following RECITALS:

### RECITALS

- A. Seller owns, maintains and operates a water production and distribution system (collectively the "System") that provides water service to the residents of the following service areas located within Lake County, Florida (the "Service Area"):
- a. Black Bear Reserve consisting of Upson Downs, the Village of Black Bear and the Subdivision known as Clarmart, and
  - b. Two parcels of land north of the Estates at Black Bear Reserve originally intended to be developed into the Estates at Black Bear Reserve Phase III, an area formerly known as "Air Strip Subdivision. The two parcels, having Lake County Parcel ID numbers: 30-18-28-000300000100 and 30-18-28-000400000300, are currently owned by the James L. Gissy Trust.
- B. Buyer is a public utility that furnishes water to the public in an assigned portion of the State of Florida.
- C. Seller desires to sell, and Buyer desires to purchase the properties and rights of Seller owned and used in connection with 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 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, and distribution of water within the Service Area (the "Assets").

The Assets are being sold in "As Is" condition and Seller makes no representations, 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,

listed on Schedule 1.1 attached and incorporated herein, properties and rights of Seller. In addition to the Assets listed on Schedule 1.1, Assets shall include the following if owned by Seller:

- (a) all the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrant, pump stations, structures, 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 water services provided by Seller in Lake County to the extent such items are available and in the possession of Seller.

## 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 water service lines that run from the curb 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;
- (e) Sellers' Accounts Receivable regardless of the date of invoice; and
- (f) Seller's receivables for services provided prior to the Closing Date but which have not yet been billed or invoiced.
- (g) all rights, title and interest of Seller in any insurance policies relating in any way to the Assets or the System and all rights of Seller or any of its parents, subsidiaries, or affiliates to insurance claims, proceeds, or refunds.

## 1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will include a total price of **One Hundred Fifty Five Thousand Four Hundred Forty-nine Dollars (\$155,449.00)**. *This price is based on a Rate Base being established by the FPSC at \$124,359 plus the Buyer paying a Rate Base Multiplier of 1.25 times the Rate Base amount for the portion of the assets attributable to the water service.*

Final Purchase Price will be determined by any change in Rate Base as determined by the FPSC during the Approval of Transfer Application. Any Rate Base determination by the FPSC for the establishment of the purchase price shall not be adjusted for used and useful or working capital.

Buyer will perform an inspection of all facilities and assets within 10 days of this Agreement 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 the inspection. If, after conducting the inspection, 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 20 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 and accept the existing condition of the assets.

#### 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 not related to the water operation. Buyer shall fulfill commitments, obligations and representations of the Seller with regard to water matters only. Seller acknowledges that there are no outstanding developer agreements, guaranteed revenue contracts, or customer advances as of the date of this agreement.

#### 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, incurred or accruing prior to Closing Date.

Seller and Buyer acknowledge there is customer deposits being held by the Seller as of the date of this agreement and that all deposits will be transferred to Black Bear Waterworks Inc. at the date of Closing. The deposits will be determined by the data held within the current Customer Information System (OPUS).

## 2. CLOSING

Subject to the provisions of Sections 4 and 5, closing hereunder (the "Closing") shall take place as mutually agreed upon by the Seller and Buyer, and which shall take place on or before June 30, 2015. 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 a 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: a Deed for each parcel to be conveyed, 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;
- (iii) a complete listing of the last meter reading (ending read) in paper form and in electronic form for all customers of Seller referred to in Section 2.1(c) hereof.
- (iv) keys to any and all buildings and gates; and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Assets.
- (v) Agreements, opinions, certificates and other documents and instruments referred to in Section 5 hereof.
- (b) 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.
- (c) Accurate asset listing and depreciation schedules of all Assets updated through the Closing Date.

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.

- (d) Buyer shall pay all costs of Closing including, but not limited to, recording the deed for the land and buildings on which the assets are located, recording any easements required by this Agreement, intangible taxes, documentary stamp taxes on the deed, and any title costs, including title insurance, as required by the Buyer. Buyer also agrees to pay all Florida Department of Environmental Protection Operating Fees for the current year, if not already paid.

## 2.2 Transfer of Utilities

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

### 2.3 Further Assurances

Only if required to effectuate and complete the transfer of Assets, Seller, 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 required in order to vest in Buyer, and/or to place Buyer fully in possession of, all of the Assets.

### 2.4 Manner of Payment

Buyer shall deliver to an escrow account held by the Closing Agent the Purchase Price twenty-four (24) hours prior to the closing.

### 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 except for changes permitted or contemplated by this Agreement. 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 the inspection period in paragraph 1.3 above and 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.

3.2 Buyer shall refrain from voluntarily taking any action which would knowingly (a) render any representation or warranty contained in this Agreement inaccurate as of the Closing Date, (b) be inconsistent with the satisfaction of the requirements, covenants, and agreements applicable to it as set forth in this Agreement, or (c) impede or prevent the conditions to the consummation of the transaction contemplated by this Agreement from being satisfied. Buyer shall promptly notify Seller of any lawsuit, claim, proceeding, or investigation which may be threatened, be brought, asserted or commenced involving the transactions called for in this Agreement or which might have an adverse impact upon 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.

##### 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.

##### 4.3 **Additional Seller Responsibilities and Obligations Upon Closing**

The Seller in addition will conform to the items listed in Schedule 1.2 attached to the Asset Purchase Agreement.

#### 5. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

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

##### 5.1 **Satisfaction with 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

Except for Seller's additional responsibilities listed in Schedule 1.2, 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 applied for and received within 12 months (365 days) of the Closing Date, 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 ownership and operation of the System Assets and to provide water service to the public in the Service Area presently being served by Seller. Seller agrees to provide complete cooperation throughout the governmental approval, including but not limited to, assisting in the financial audit of the Seller's books and records by the FPSC. Buyer and Seller will use reasonable efforts to achieve any necessary additional approvals within ninety (90) days from the official FPSC Transfer Date.

#### 5.6 Regulatory Approval Contingency.

The sale of Assets contemplated by this Agreement is subject to and contingent upon the receipt of a favorable FPSC staff recommendation and FPSC approval upon terms and conditions reasonably acceptable to Buyer and Seller as to such recommendation and approval. As provided in Section 367.071, Florida Statutes, the parties desire to close the transaction in advance of the FPSC Staff's recommendation and the FPSC's approval. In the event that the FPSC staff and/or the FPSC determines that the sale and transfer of the 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 upon terms and conditions not reasonably acceptable to Buyer and Seller then the 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 Additional Buyer Responsibilities Upon Closing

The Buyer in addition will conform to the items listed in Schedule 1.2 attached to the Asset Purchase Agreement.

### 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. Black Bear Reserve Water Corporation as a 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 **Black Bear Reserve Water 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 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, accruing prior to the Closing Date, 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 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 The Subdivision known as Clarmart, and 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.
- (d) Absence of Defaults. The execution and delivery of this Agreement does not (a) violate any provision of the Certificate of Incorporation or Bylaws of Buyer; (b) violate, conflict with or result in the breach or termination of, or constitute a default under the terms of, any agreement or instrument to which Buyer is a party or by which it or any of the Assets may be bound; (c) violate any judgment, order, injunction, decree, award, rule or regulation against, or binding upon, Buyer; or (d) constitute a violation by Buyer of any law or regulation of any jurisdiction as such law or regulation relates to Buyer.

## 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 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

For a period of one (1) year 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 (collectively referred to as "Losses") resulting from, relating to, or arising out of:

- (a) any liabilities or obligations of Seller accruing at or prior to Closing related to the provision of water services by Seller, 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; provided that Buyer notifies Seller of such claims within one (1) year from

and after the Closing Date.

- (c) the provision of water 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 during Seller's provision of water services prior to Closing Date;
- (e) the enforcement of this **Section 8**.

Buyer shall not be entitled to recover under Section 8.2 above unless and until the Losses exceed amounts covered by Seller's insurance and in no event shall Seller's liability under Section 8.2 exceed the Purchase Price. In the event of any litigation arising under this Agreement, Seller shall be entitled to direct and control the defense of any claims as well as the right to utilize joint counsel.

### 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 by registered or certified mail, postage prepaid, return receipt requested, as follows:

**If to Buyer:**

Mr. Gary A. Deremer, President  
Black Bear Waterworks, Inc.  
C/O 4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

**If to Seller:**

Ms. Deborah Spicer, President  
Black Bear Reserve Water Corporation  
P.O. Box 13  
Mount Dora, FL 32756

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 law's 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 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.

**10.12 Assignment**

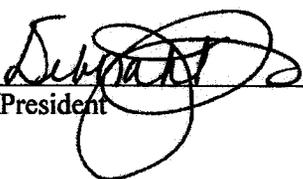
This Agreement may not be assigned by any party hereto without the prior written consent of the other party, and any attempt to assign without such consent shall be voidable by the non-assigning party.

Agreement on the date first written.

**SELLER:**

**Black Bear Reserve Water Corporation**

Date: 19 May 2015

By: 

President

Print: Deborah Spicer

**BUYER:**

**Black Bear Waterworks, Inc.**

Date: 5-17-15

By: 

President

Print: Gary Deremer

**Schedule 1.1**  
**List of System Assets**

**Schedule 1.1**  
**Asset Listing**

1. Land - TRACT M, UPSON DOWNS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 36, PAGE 4, OF THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA.
2. One (1) - Four inch (4") well constructed 1998 with Black Steel casing; 7.5 gpm Goulds pump; 7.5 hsp submersible motor
3. One (1) - Eight inch (8") well constructed 1998 with Black Steel casing; 500 gpm Deming pump; 50 hsp vertical turbine motor
4. 150kW John Deer Generator
5. 250 gallon fuel storage tank
6. One (1) - 165-gallon sodium hypochlorite storage tank, inside of a 300-gallon spill containment tank, housed in the chlorine room;
7. Two (2) Pulsatron Series E metering pumps: One Model LE13 with 0.5 gallons per hour (gph) capacity for Well #1 (70 gpm), and one Model LEH5 with 3.15 gph capacity for Well #2 (500 gpm), housed in the chlorine room.
8. One (1) emergency shower/eyewash facility is immediately outside of the chlorine room.
9. Forty-four (44) fire hydrants located throughout the water distribution system.
10. Three (3) water storage tanks consisting of:
  - a. Two (2) 15,000 gallon steel hydropneumatic ground storage tanks; and,
  - b. One (1) 6,000 gallon steel hydropneumatic gound storage tank.
11. Two (2) flow meters: 3" meter and 6" meter
12. 59,180 linear feet of PVC transmission distribution mains and service lines consisting of 2"; 4"; 6"; and 8" lines.
13. Kawasaki Mule 2510 ATV vehicle for maintenance and meter reading
14. 292 water meters located at each customer residence
15. Water treatment utility building (Structure) including pump house and chlorine room
16. Supply mains
17. Office furniture and equipment consisting of:
  - a. Desk at WTP
  - b. Laptop computer
  - c. Desktop computer
  - d. Meter reading equipment
18. Air compressor at WTP
19. Rebuilt motors at WTP
20. Various fittings and hardware at WTP
21. Tool box at WTP
22. Regal Dual Cylinder scale at WTP
23. Power Craft Pro 6" bench grinder at WTP

## **Schedule 1.2**

### **Additional Seller and Buyer Responsibilities and Obligations Upon Closing**

#### **Seller Responsibilities and Obligations:**

1. Seller agrees to work with the Buyer at no compensation in the Buyer's actions to the establishment of the Consumption Use Permit (CUP) in the name of the Buyer and to address any and all issues surrounding the permit.
2. Seller agrees to provide a Special Warranty Deed to the Buyer at Closing for what has been identified as Tract M, Upson Downs, according to the plat thereof as recorded in Plat Book 36, Pages 4 through 9, Public Records of Lake County, Florida. This specifically for the land whereupon the potable water assets for the plant, tankage, storage, piping, and all other equipment, piping, buildings, and other assets associated with the potable water company known as Black Bear Reserve Water Company are situated.
3. Seller agrees to disconnect irrigation connections from the Potable Water System (Black Bear Reserve Water Company) and make such connections to the Irrigation Company's system within thirty (30) days from the date of this Agreement. This will include removing all associated equipment, piping, timers, and any and all other related items.
4. Seller agrees to provide a complete asset listing of all assets associated with the Black Bear Reserve Water Company to the Buyer. This will include the plant assets as well as assets associated with meters, meter reading equipment, vehicle(s) of any nature, and all other assets.

#### **Buyer Responsibilities and Obligations:**

1. Buyer agrees to maintain the current monthly fee to residential customers within defined Service Area for not less than two (2) years from the Closing Date. The exception to this would be that the Buyer is allowed an index increase and pass through adjustments as allowed under the Florida Public Service Commission Guidelines. This obligation would only be affected by two events: a) due to a State Agency mandating a change in the current rate structure (flat fee) to align to a conservation rate structure. Buyer will commit to providing information/notice of such actions being taken as it relates to such action being taken by a State Agency against the Buyer; and b) a catastrophic event take place i.e., well or tankage failure.
2. Upon the two year anniversary as of the Closing Date Item one (1) under the Buyer Responsibility and Obligations will expire.
3. Buyer agrees to the establishment of the Consumption Use Permit (CUP) in its own name and to address any and all issues surrounding the issuance of such permit.

4. Buyer agrees to provide a temporary Easement for Tract M specifically to allow Black Bear Reserve's HOA to meet the obligation specified in item 3 above under Seller's Responsibilities and Obligations. Such easement to expire upon the completion of the obligations specified in item 3.
5. Buyer agrees to work with Black Bear Reserve Water Company in completing a complete asset listing of all assets associated with the Black Bear Reserve Water Company. This will include the plant assets as well as assets associated with meters, meter reading equipment, vehicle(s) of any nature, and all other assets. This may also include any such item which may have been inadvertently booked into Black Bear Reserve Water Company as operating expense instead of capital into a plant account, or an asset installed after 12/31/2014.
6. Buyer agrees that if in the future Tract M, as described above, is not used or is not anticipated to be used to provide water services to the Service Area at any time, the Home Owners Association (HOA) shall have first right of refusal to purchase the land at Tract M at book value at that time.
7. Buyer and Seller agree that the Black Bear Reserve Homeowners Association, Inc. (herein sometimes referred to as the "Black Bear Reserve HOA") is an intended third party beneficiary of this Agreement.
8. Buyer's obligations in this Schedule 1.2 survives Closing and shall not be limited by Paragraph 9 of this Agreement.

## SELLER CLOSING STATEMENT

**File Number:** 15-449 scb

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**Name of Buyer:** Black Bear Waterworks, Inc.

**Name of Seller:** Black Bear Reserve Water Corporation

**Property:** Water system in LAKE County, Florida, fee simple title to real property Parcel I.D. No. 3118282100-00M-00000; site address: Tract M, Upson Downs subdivision together with an easement interest in Tract E, Upson Downs

**Settlement Agent:** Booth & Cook, P.A.

**Place of Settlement:** 7510 Ridge Road, Port Richey, FL 34668

**Settlement Date:** June 30, 2015

**Purchase Price:** \$155,449.00

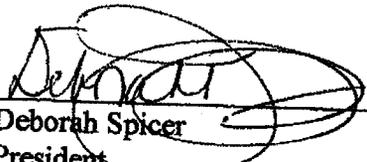
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<b>PURCHASE PRICE DISBURSED UPON CLOSING</b> (Purchase and Sale Agreement, Article 1.3; to be further adjusted, if applicable, pursuant to terms and provisions of the PSA to determine the final purchase price)	<b>\$155,449.00</b>
Prorate taxes, 1/1/15 to closing (\$336.73/year)	(\$137.64)
Prorate tangible tax, 1/1/15 to closing (\$5,906.41/year)	(\$2,396.12)
Record Bill of Sale-paid by buyer	\$0.00
Record Deed-paid by buyer	\$0.00
<b>CASH DUE TO SELLER</b>	<b>\$152,915.24</b>

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

Black Bear Reserve Water Corporation  
a Florida corporation

  
Deborah Spicer  
President

## BUYER CLOSING STATEMENT

**File Number:** 15-449 scb

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**Name of Buyer:** Black Bear Waterworks, Inc.

**Name of Seller:** Black Bear Reserve Water Corporation

**Property:** Water system in LAKE County, Florida, fee simple title to real property Parcel I.D. No. 3118282100-00M-00000; site address: Tract M, Upson Downs subdivision together with an easement interest in Tract E, Upson Downs

**Settlement Agent:** Booth & Cook, P.A.  
**Place of Settlement:** 7510 Ridge Road, Port Richey, FL 34668

**Settlement Date:** June 30, 2015

**Purchase Price:** \$155,449.00

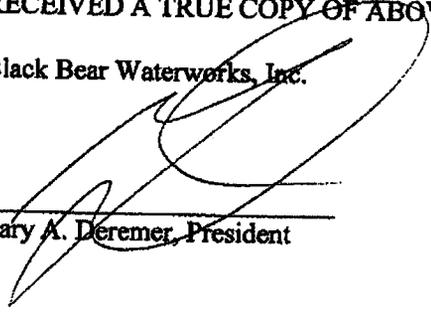
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<b>PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be adjusted, if applicable, pursuant to terms and provisions of the PSA to determine the final purchase price)</b>	<b>\$155,449.00</b>
Billed base facility charge, if any, assumed by Buyer	\$0.00
2015 Florida Dept of Environmental Protection operating fees	\$1.00
Record Affidavit of Misnomer	\$10.00
Record Bill of Sale	\$27.00
Record Grant of Temporary Easement to HOA	\$44.70
Record Quit Claim Deed	\$18.50
Documentary tax stamps on Quit Claim Deed	\$149.80
Prorate taxes, 1/1/15 to closing (\$336.73/year)	(\$137.64)
Prorate tangible tax, 1/1/15 to closing (\$5,906.41/year)	(\$2,396.12)
Title Insurance - waived by buyer	\$0.00
Survey - waived by buyer	\$0.00
Attorney fees to Booth & Cook, P.A.	\$1,250.00
Closing fees to Booth & Cook, P.A.	\$375.00
<b>CASH DUE FROM BUYER TO CLOSE*</b>	<b>\$154,791.24</b>

\*Wire funds payable to Booth & Cook, P.A.-Trust Account

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

Black Bear Waterworks, Inc.



\_\_\_\_\_  
Gary A. Dereemer, President

Closing Certificate  
of  
BLACK BEAR RESERVE WATER CORPORATION

The undersigned is the President of Black Bear Reserve Water Corporation, a Florida corporation (the "Seller") and hereby certifies on behalf of the Seller as follows:

1. The Asset Purchase Agreement dated May 19, 2015 (the "Purchase Agreement") between Black Bear Reserve Water Corporation, a Florida corporation (the "Utility") and Black Bear Waterworks, Inc., a Florida corporation (the "Buyer") and the deed and conveyance of the real property, the assignment, the bill of sale and other instruments whereby the Assets (as defined in the Purchase Agreement) have been conveyed to Buyer (collectively, the "Conveyance Instruments" and, together with the Purchase Agreement, the "Contracts") have been duly authorized, executed and delivered by Seller and constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms.
2. The Conveyance Instruments are effective to convey the Assets purportedly conveyed thereby free and clear of any lien or encumbrance which could reasonably be expected to have a material and adverse effect upon the ability of the Buyer to own or use such Assets as a part of the System.
3. Seller has either (i) caused or made provision for the release of all liens, security interests and other encumbrances other than Permitted Encumbrances and the Conveyance Instruments are effective to convey the Assets purportedly conveyed thereby free and clear of any such lien, security interest or encumbrance, or (ii) disclosed such liens, security interests or encumbrances to Waterworks in writing prior to such conveyance and Waterworks has furnished written acceptance of the same as Permitted Encumbrances.
4. Seller has performed and complied in all material respects with those covenants or obligations required to be performed or complied with under the Agreement that are due as of the date hereof.
5. Seller's representations and warranties in the Agreement (considered collectively), and each of the representations and warranties (considered individually), are accurate in all material respects as of the date hereof.
6. Performance by Seller of its obligations under the Contracts does not and will not violate any law, regulation or ruling of any governmental authority or court having jurisdiction over Seller, any provision of the bylaws or governing and/or organizational documents of Seller, or to my knowledge, any provision of any contract binding upon Seller, the breach of which could reasonably be expected to have a material and adverse effect upon the completion of the Contracts in accordance with their terms.

7. There is no litigation pending, or to my knowledge, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of Seller to perform its obligations in compliance with the Contracts.

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

Dated: 29 June 2015

SELLER:  
Black Bear Reserve Water Corporation,  
A Florida corporation

  
Deborah Spicer, President

Closing Certificate  
of  
Black Bear Waterworks, Inc.

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

1. The Asset Purchase Agreement dated May 19, 2015 (the "Purchase Agreement") between Black Bear Reserve Water Corporation, a Florida corporation (the "Utility") and the Buyer, and the deed and conveyance of the real property, the assignment, the bill of sale and other instruments whereby the Assets (as defined in the Purchase Agreement) have been conveyed to Buyer (collectively, the "Conveyance Instruments" and, together with the Purchase Agreement, the "Contracts") have been duly authorized, executed and delivered by the Buyer and constitute the legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

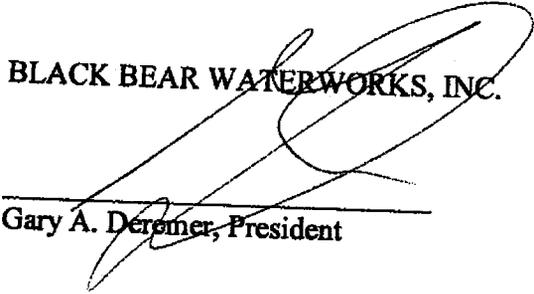
2. The Buyer is not prohibited by decree or law from consummating the transaction contemplated by the Purchase Agreement.

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

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

Dated: June 30, 2015

BLACK BEAR WATERWORKS, INC.

  
\_\_\_\_\_  
Gary A. Deromer, President

54  
Prepared by/return to:

Stephen C. Booth, Esquire  
BOOTH & COOK, P.A.  
7510 Ridge Road  
Port Richey, FL 34668  
File #15-449

**BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS that on the 29<sup>th</sup> day of June, 2015, **BLACK BEAR RESERVE WATER CORPORATION**, a Florida corporation formerly known as Black Bear Reserve Water Company ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **BLACK BEAR WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated May 19, 2015 (the "Purchase Agreement"), hereby grant, sell, assign and convey to Purchaser all of Seller's right, title and interest in and to all of the personal property, both tangible and intangible, of the Assets, as such term is defined in the Purchase Agreement, including, but not limited to, the following:

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

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

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.

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.

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

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

Signed, sealed and delivered in the presence of:

SELLER:

Black Bear Reserve Water Corporation  
A Florida corporation

Gregory E. Jamason  
Signature

Deborah Spicer  
Deborah Spicer, President

Gregory E. Jamason  
Type/print name of witness

Shirley Johnson  
Signature

Shirley Johnson  
Type/print name of witness

STATE OF FLORIDA  
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2015 by Deborah Spicer as President on behalf of said Black Bear Reserve Water Corporation, a Florida corporation. She is personally known to me or has produced FL DL as identification.

Mark Johnson  
Notary Public



Mark Johnson  
COMMISSION #FF225477  
EXPIRES: April 29, 2019  
WWW.AARONNOTARY.COM

**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 29<sup>th</sup> day of June, 2015, by and between BLACK BEAR RESERVE WATER CORPORATION, a Florida corporation ("Assignor") and BLACK BEAR 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 May 19, 2015 (the "Purchase Agreement"), all of the real and personal property, both tangible and intangible, which comprise the Assets. All capitalized terms not defined herein shall have the meaning(s) ascribed to them in the Purchase Agreement; and

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

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

1. Assignor hereby conveys and assigns unto Assignee, its successors and assigns, all right, title and interest of Assignor in the Permits except as otherwise set forth in paragraph 1.2 (a) through (e) of the Purchase Agreement; provided, however, that other than as contained in the Purchase Agreement, Assignor makes no representation or warranty that the Permits are legally sufficient.
2. Except as otherwise set forth in paragraph 1.2 (a) through (e) of the Purchase Agreement, Assignee hereby accepts the transfer and assignment of the Permits as set forth in Paragraph 1 herein, and assumes the performance, obligations, duties and liabilities of Assignor under such Permits as of the date hereof. As of the date of this Agreement, and pursuant to the Purchase Agreement, Assignor's obligations and responsibilities to act under such Permits shall cease and terminate and Assignor shall have no further liabilities or obligations with respect to the Permits, except for those obligations and responsibilities which accrued prior to the date of this Assignment. Assignor makes no representations, warranties or covenants concerning the Permits other than those set forth in the Purchase Agreement.

3. Assignor 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, property or convenient, to carry out and effectuate the intent and purposes of this Assignment.

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

5. This Assignment shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of Florida applicable to contracts made and to be performed within said State. Nothing herein shall be construed to waive any defense of sovereign immunity that Assignee may be lawfully entitled to assert under applicable Florida law.

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

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

[signature pages follow]

Signed, sealed and delivered in the presence of:

ASSIGNOR:

Black Bear Reserve Water Corporation,  
A Florida corporation

Gregory C. Johnson  
Signature

Deborah Spicer  
Deborah Spicer, President

GREGORY C. JOHNSON  
Type/print name of witness

Shirley Johnson  
Signature

Shirley Johnson  
Type/print name of witness

STATE OF FLORIDA  
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2015 by Deborah Spicer as President on behalf of said Black Bear Reserve Water Corporation, a Florida corporation. She is personally known to me or has produced FLD as identification.

Mark Johnson  
Notary Public



Mark Johnson  
COMMISSION #FF225477  
EXPIRES: April 29, 2019  
WWW.AARONNOTARY.COM

Signed, sealed and delivered in the presence of:

Carolyn Bailey  
Signature

Carolyn Bailey  
Type/print name of witness

Pamela J. Vajarsky  
Signature

Pamela J. Vajarsky  
Type/print name of witness

BUYER:

Black Bear Waterworks, Inc  
A Florida corporation

[Signature]  
Gary A. Deremer, President

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 30 day of June, 2015 by Gary A. Deremer as President on behalf of said Black Bear Waterworks, Inc., a Florida corporation. He is personally known to me.

Carolyn Bailey  
Notary Public



Signed, sealed and delivered in the presence of:

Carolyn Bailey  
Signature

Carolyn Bailey  
Type/print name of witness

Pamela J. Vajarsky  
Signature

Pamela J. Vajarsky  
Type/print name of witness

ASSIGNEE:

Black Bear Waterworks, Inc.  
A Florida corporation

[Signature]  
Gary A. Deremer, President

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 30 day of June, 2015 by Gary A. Deremer as President on behalf of said Black Bear Waterworks, Inc., a Florida corporation. He is personally known to me.

Carolyn Bailey  
Notary Public



**Exhibit "A"**  
**Permits**

**All existing permits and governmental approvals relating to the water system(s) presently serving the area designated as Black Bear Reserve consisting of The Village of Black Bear, Upson Downs and Clarmart and also two parcels of land north of the Estates at Black Bear Reserve originally intended to be developed into the Estates at Black Bear Reserve Phase II, being an area formerly known as Air Strip Subdivision, having Lake County Parcel ID numbers 30-18-28-000300000100 and 30-18-28-000400000300 located within Lake County, Florida to the extent they are assignable, including, but not limited to the following:**

**PSC Certificate No.: 654-W  
FDEP Permit No.: PWS335493  
WMD Permit No: 2959**

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

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

Seller will be responsible for all regulatory assessment fees, fines or refunds owed up to the date of the purchase (closing date) of the water system. Buyer will be responsible for outstanding regulatory assessment fees, fines or refunds owed from the date of closing forward. In addition, customer deposits in the amount of \$4,122 have been transferred to Black Bear Waterworks, Inc.

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

**A statement describing the financing of the purchase.**

The system was purchased with a combination of Shareholder's cash and loan from the Bank of Tampa.

Shareholders' cash purchase:	\$63,179.60
Bank Loan:	<u>\$93,269.40</u> (4.25% interest)
<b>Total:</b>	<b><u>\$155,449</u></b>

**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.**

The system was purchased with a combination of Shareholder's cash and bank loan from the Bank of Tampa. The utility, Black Bear Waterworks, Inc. was incorporated in the State of Florida on April 14, 2015, as such there are no financial statements of the utility. There are no other "entities" upon which the applicant is relying to provide funding to the buyer. The financial statements would be the individual shareholder's personal financial information. The financial statements for owners greater than 10% ownership interest will be supplied under separate cover letter requesting confidential treatment of such information.

Shareholders' cash purchase:	\$63,179.60
Bank Loan:	<u>\$93,269.40</u> (4.25% interest)
<b>Total:</b>	<b><u>\$155,449</u></b>

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$93,269.40	06-30-2015	07-14-2022	[REDACTED]	[REDACTED]	[REDACTED]	GSS	[REDACTED]
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** Black Bear Waterworks, Inc.  
4939 Cross Bayou Boulevard  
New Port Richey, FL 34652

**Lender:** The Bank of Tampa  
Middle Market  
Post Office Box One  
Tampa, FL 33601-0001

**Principal Amount: \$93,269.40**

**Date of Note: June 30, 2015**

**PROMISE TO PAY.** Black Bear Waterworks, Inc. ("Borrower") promises to pay to The Bank of Tampa ("Lender"), or order, in lawful money of the United States of America, the principal amount of Ninety-three Thousand Two Hundred Sixty-nine & 40/100 Dollars (\$93,269.40), together with interest on the unpaid principal balance from June 30, 2015, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.250% per annum based on a year of 360 days, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in 83 regular payments of \$705.82 each and one irregular last payment estimated at \$57,922.29. Borrower's first payment is due August 14, 2015, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 14, 2022, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: The Bank of Tampa, Post Office Box 31319 Tampa, FL 33633-1129.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Hillsborough County, State of Florida.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$35.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

**COLLATERAL.** Borrower acknowledges this Note is secured by Inventory, Chattel Paper, Accounts, Net Revenues, Equipment and General Intangibles described in a Commercial Security Agreement dated June 30, 2015.

**CROSS DEFAULT.** A default under this Note shall be and constitute a default under any and all other notes, other evidence of indebtedness,



**EXHIBIT H**  
**Rule 25-30.037 (2)(I)**

**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.**

It is BBW's understanding that Rate Base has not been established by this Commission. However, the Commission recognized that an original cost study had been performed for the completion of its 2010 Annual Report as referenced in Order No. PSC-11-0478-PAA-WU, issued October 24, 2011. Below are the values as reported in Black Bear Reserve Water Corporation's 2014 Annual Report filed with the FPSC as of December 31, 2014:

Utility Plant in Service:	\$1,494,194
Land:	5,000
Accumulated Depreciation	( 658,055)
Contributions in Aid of Construction (CIAC):	( 796,475)
Accumulated Amortization CIAC:	<u>65,846</u>
Net Rate Base (12/31/14):	<u>\$ 110,510</u>

Additional Items Below: \$ 22,715.08

For additional information, please see Schedule 1.1 of the Asset Purchase Agreement that provides detail of the utility plant-in-service, depreciation, CIAC, and amortization up to the date of the APA. In addition, it is BBW's understanding there were invoices for capital plant items which were expensed by Black Bear Reserve Corporation during 2014. These items should be audited to determine the appropriate accounting treatment, i.e. recorded as plant in service instead of operation expense.

Below are additional items either installed in January 2015 (post 12/31/14) or were inadvertently expensed by Black Bear Reserve:

<u>Invoice Number</u>	<u>Date</u>	<u>Amount</u>	<u>Vendor</u>	<u>Item</u>
805843	01/23/2015	\$9,677.08	US Water	Chlorine Analyzer/Audio Alarm/Auto Dialer
798883	08/22/2014	\$1,060.18	US Water	Pressure Switch / Hydrotank
797453	07/18/2014	\$1,567.84	US Water	Fire Hydrant repair
797375	07/15/2014	\$3,442.57	US Water	New 6" meter
794444	05/23/2014	\$2,315.50	US Water	Replace 3" meter

794406	05/22/2014	\$1,865.63	US Water	Main Repair
1324800	04/02/2014	\$2,786.28	Ferguson Ent.	Water Meters

Based on Black Bear Waterworks, Inc. calculation, the Rate Base as of January 31, 2015 should be:

Utility Plant in Service:	\$1,516,908
Land:	5,000
Accumulated Depreciation	( 667,270)
Contributions in Aid of Construction (CIAC):	( 796,475)
Accumulated Amortization CIAC:	<u>66,196</u>
Net Rate Base (01/31/15):	<u>\$ 124,359</u>

## Black Bear Reserve Water Corporation

## Balance Sheet

As of December 31, 2014

	<u>Dec 31, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
131.1 · Operating Account - SunTrust	5,486.07
Total Checking/Savings	<u>5,486.07</u>
Accounts Receivable	
141.1 · Customer Accounts Receivable	2,629.19
Total Accounts Receivable	<u>2,629.19</u>
Other Current Assets	
132 · Special Deposits	
132.1 · Electric Deposit	6,523.00
132 · Special Deposits - Other	<u>-6,523.00</u>
Total 132 · Special Deposits	<u>0.00</u>
Total Other Current Assets	<u>0.00</u>
Total Current Assets	8,115.26
<b>Fixed Assets</b>	
101 · Utility Plant in Service	
303 · Land and Land Rights	5,000.00
304 · Structures and Improvements	94,597.41
307 · Wells and Springs-Well #1	116,084.71
307.2 · Wells & Springs-Well #2	85,185.00
309 · Supply Mains	18,326.38
310 · Power Generation Equipment	44,366.64
311 · Plumbing Equipment	15,428.00
320 · Water Treatment Equipment	38,056.00
330 · Dist. Res. & Pipes-Steel Tank	81,480.00
331 · Transmission & Dist. Lines	675,563.00
333 · Services	57,034.00
334 · Meters and Meter Installation	79,882.48
335 · Hydrants	87,958.00
339 · Other Plant and Misc. Equipment	9,193.64
340 · Office Furniture & Equipment	<u>7,912.28</u>
Total 101 · Utility Plant in Service	1,416,067.54
108 · Accumulated Depreciation	
108.10 · Accum. Depr. Power Gen. Equip.	-31,943.00
108.11 · Accum. Depr. Pumping Equip.	-12,491.00
108.20 · Accum. Depr. Water Treat. Equip	-27,635.00
108.30 · Accum. Depr. Dist. Steel Tks	-35,277.00
108.31 · Accum. Depr. Trans & Dist. Line	-228,002.00
108.33 · Accum. Depr. Services	-18,951.00
108.34 · Accum. Depr. Meters & Install	-57,960.00
108.35 · Accum. Depr. Hydrants	-29,686.00
108.4 · Accum. Depr. Structures	-5,116.00
108.7 · Accum. Depr. Wells & Springs	-81,086.00
108.9 · Accum. Depr. Supply Mains	-4,309.00
108 · Accumulated Depreciation - Other	<u>-113,130.96</u>
Total 108 · Accumulated Depreciation	-645,586.96
301 · Organizational Costs	83,126.07
122 · Accumulated Amortization	<u>-12,467.96</u>
Total Fixed Assets	<u>841,138.69</u>
<b>TOTAL ASSETS</b>	<b><u>849,253.95</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
20000 · *Accounts Payable	2,503.00
Total Accounts Payable	<u>2,503.00</u>

10:47 AM

03/06/15

Accrual Basis

# Black Bear Reserve Water Corporation

## Balance Sheet

As of December 31, 2014

	<u>Dec 31, 14</u>
<b>Other Current Liabilities</b>	
Due to Irrigation Corp	9,351.90
<b>230 · Current and Accrued Liabilities</b>	
<b>235 · Customer Deposits</b>	<u>17,967.89</u>
<b>Total 230 · Current and Accrued Liabilities</b>	<u>17,967.89</u>
<b>Total Other Current Liabilities</b>	<u>27,319.79</u>
<b>Total Current Liabilities</b>	29,822.79
<b>Long Term Liabilities</b>	
224.1 · HOA Loan	111,877.45
271 · Contrib. in Aid of Const.	
271.1 · Accum. Amort. of CIAC	-65,845.75
271 · Contrib. in Aid of Const. - Other	<u>796,475.00</u>
<b>Total 271 · Contrib. in Aid of Const.</b>	<u>730,629.25</u>
<b>Total Long Term Liabilities</b>	<u>842,506.70</u>
<b>Total Liabilities</b>	872,329.49
<b>Equity</b>	
32000 · Unrestricted Net Assets	-281,647.17
Net Income	<u>258,571.63</u>
<b>Total Equity</b>	<u>-23,075.54</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>849,253.95</u></u>

CLIENT 8784

BLACK BEAR RESERVE WATER CORPORATION

59-3542429

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179/ SDA	PRIOR 179/ SDA/ DEPR	METHOD	LIFE	CURRENT DEPR
FORM 990/990-PF										
<u>AMORTIZATION</u>										
22	ORGANIZATIONAL COSTS	1/01/12		83,126			8,312	S/L	20	4,156
TOTAL AMORTIZATION				83,126		0	8,312			4,156
<u>BUILDINGS</u>										
2	STRUCTURES AND IMPROVEMEN	1/01/09		71,326			8,682	S/L	40	1,783
16	6" CONCRETE DRIVEWAY	12/28/12		19,276			482	S/L	40	482
TOTAL BUILDINGS				90,602		0	9,164			2,265
<u>IMPROVEMENTS</u>										
5	SUPPLY MAINS	1/01/98		10,509			4,835	S/L	40	263
9	DIST. RES. & PIPES-STEEL	1/01/98		81,480			39,351	S/L	40	2,037
10	TRANSMISSION & DIST. LINE	1/01/98		675,563			261,780	S/L	40	16,889
11	SERVICES	1/01/98		57,034			21,803	S/L	40	1,426
20	SUPPLY MAINS REHAB	8/21/12		7,817			260	S/L	40	195
23	NEW PLANT ENTRANCE-HARDWA	2/04/13		1,556			143	S/L	10	156
24	LIGHTNING RODS	9/09/14		2,440				S/L	40	20
TOTAL IMPROVEMENTS				836,399		0	328,172			20,986
<u>LAND</u>										
1	LAND AND LAND RIGHTS	1/01/98		5,000						0
TOTAL LAND				5,000		0	0			0
<u>MACHINERY AND EQUIPMENT</u>										
3	WELLS AND SPRINGS-WELL#1	1/01/98		85,185			44,803	S/L	40	2,130
4	WELLS AND SPRINGS-WELL#2	1/01/98		85,185			44,803	S/L	40	2,130
6	POWER GENERATION EQUIPMEN	1/01/98		43,971			34,141	S/L	40	1,099
7	PLUMBING EQUIPMENT	1/01/98		15,428			13,520	S/L	15	0
8	WATER TREATMENT EQUIPMENT	1/01/98		38,056			29,537	S/L	40	951
12	METERS & INSTALLATION	1/01/98		79,882			63,285	S/L	15	0
13	HYDRANTS	1/01/98		87,958			34,084	S/L	40	2,199
14	OTHER PLANT & EQUIP	1/01/10		9,194			1,774	S/L	15	613
15	OFFICE FURN & EQUIP	1/01/10		7,912			4,520	S/L	7	1,130

12/31/14

## 2014 FEDERAL BOOK SUMMARY DEPRECIATION SCHEDULE

PAGE 2

CLIENT 8784

BLACK BEAR RESERVE WATER CORPORATION

59-3542429

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179/ SDA	PRIOR 179/ SDA/ DEPR	METHOD	LIFE	CURRENT DEPR
17	METERS & PARTS	5/31/12		14,650			1,547	S/L	15	977
18	REHAB TO WELLS	8/13/12		9,400			333	S/L	40	235
19	WELL MOTOR	8/21/12		6,850			609	S/L	15	457
21	STENNER PUMP/TUBING	10/19/12		396			66	S/L	7	57
TOTAL MACHINERY AND EQUIPME				484,067		0	273,022			11,978
TOTAL DEPRECIATION				<u>1,416,068</u>		0	<u>610,358</u>			<u>35,229</u>
GRAND TOTAL AMORTIZATION				83,126		0	8,312			4,156
GRAND TOTAL DEPRECIATION				<u>1,416,068</u>		0	<u>610,358</u>			<u>35,229</u>

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03/06/15

Accrual Basis

**Black Bear Reserve Water Corporation**  
**General Ledger**  
As of December 31, 2014

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>141.2 · Backflow Test Receivable</b>								0.00
Total 141.2 · Backflow Test Receivable								0.00
<b>141.3 · Reconnect Fees Receivable</b>								0.00
Total 141.3 · Reconnect Fees Receivable								0.00
<b>141.4 · Late Fees Receivable</b>								0.00
Total 141.4 · Late Fees Receivable								0.00
<b>141.5 · Deposits Receivable</b>								0.00
General Journal	1/31/2014	GKRB2014-10	*	CPA RECEIVABLE	TO RECORD JANUARY 2014 DEPOSITS		60.00	-60.00
General Journal	1/31/2014	GKRB2014-11	*	CPA RECEIVABLE	TO CONSOLIDATE A/R ACCOUNTS	60.00		0.00
Total 141.5 · Deposits Receivable						60.00	60.00	0.00
<b>Due from Irrigation</b>								10,000.00
Deposit	2/19/2014	GKRB2013-61		The Presentation Gr...	Legal fees paid by Water	2,117.77		12,117.77
Deposit	3/20/2014				Money owed to irrigaiton for delinquent assessments		1,571.58	10,546.19
Deposit	3/25/2014	290			Reimbursement for legal fees paid by Water		2,117.77	8,428.42
Check	3/28/2014	448		Black Bear Reserve L...	for delinquent Assessments	1,571.58		10,000.00
General Journal	5/31/2014	GKRB2014-20	*		TO CONSOLIDATE DUE TO/FROM IRRIGATION		10,000.00	0.00
Total Due from Irrigation						3,689.35	13,689.35	0.00
<b>12000 · Undeposited Funds</b>								0.00
Total 12000 · Undeposited Funds								0.00
<b>132 · Special Deposits</b>								5,168.00
<b>132.1 · Electric Deposit</b>								6,523.00
Total 132.1 · Electric Deposit								6,523.00
<b>132.3 · Legal Retainer</b>								0.00
Total 132.3 · Legal Retainer								0.00
<b>132 · Special Deposits - Other</b>								-1,355.00
General Journal	12/31/2014	GKRB2014-42	*		TO REMOVE OLD DEPOSIT RECORDED BY PRIOR AC...		5,168.00	-6,523.00
Total 132 · Special Deposits - Other						0.00	5,168.00	-6,523.00
Total 132 · Special Deposits						0.00	5,168.00	0.00
<b>151 · Plant Materials and Supplies</b>								0.00
Total 151 · Plant Materials and Supplies								0.00
<b>174 · Misc. Current and Accrued Asset</b>								0.00
<b>174.1 · Contingent Asset</b>								0.00
Total 174.1 · Contingent Asset								0.00
<b>174 · Misc. Current and Accrued Asset - Other</b>								0.00
Total 174 · Misc. Current and Accrued Asset - Other								0.00
Total 174 · Misc. Current and Accrued Asset								0.00
<b>101 · Utility Plant in Service</b>								1,413,627.54
<b>303 · Land and Land Rights</b>								5,000.00
Total 303 · Land and Land Rights								5,000.00

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03/06/15

Accrual Basis

**Black Bear Reserve Water Corporation**  
**General Ledger**  
As of December 31, 2014

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>304 · Structures and Improvements</b>								92,157.41
Bill	9/9/2014	16961		InSight Systems, LLC	Installed Lightning Rods	2,440.00		94,597.41
Total 304 · Structures and Improvements						2,440.00	0.00	94,597.41
<b>307 · Wells and Springs-Well #1</b>								116,084.71
Total 307 · Wells and Springs-Well #1								116,084.71
<b>307.2 · Wells &amp; Springs-Well #2</b>								85,185.00
Total 307.2 · Wells & Springs-Well #2								85,185.00
<b>309 · Supply Mains</b>								18,326.38
Total 309 · Supply Mains								18,326.38
<b>310 · Power Generation Equipment</b>								44,366.64
Total 310 · Power Generation Equipment								44,366.64
<b>311 · Plumbing Equipment</b>								15,428.00
Total 311 · Plumbing Equipment								15,428.00
<b>320 · Water Treatment Equipment</b>								38,056.00
Total 320 · Water Treatment Equipment								38,056.00
<b>330 · Dist. Res. &amp; Pipes-Steel Tank</b>								81,480.00
Total 330 · Dist. Res. & Pipes-Steel Tank								81,480.00
<b>331 · Transmission &amp; Dist. Lines</b>								675,563.00
Total 331 · Transmission & Dist. Lines								675,563.00
<b>333 · Services</b>								57,034.00
Total 333 · Services								57,034.00
<b>334 · Meters and Meter Installation</b>								79,882.48
Total 334 · Meters and Meter Installation								79,882.48
<b>335 · Hydrants</b>								87,958.00
Total 335 · Hydrants								87,958.00
<b>339 · Other Plant and Misc. Equipment</b>								9,193.64
Total 339 · Other Plant and Misc. Equipment								9,193.64
<b>340 · Office Furniture &amp; Equipment</b>								7,912.28
Total 340 · Office Furniture & Equipment								7,912.28
<b>101 · Utility Plant in Service - Other</b>								0.00
Total 101 · Utility Plant in Service - Other								0.00
Total 101 · Utility Plant in Service						2,440.00	0.00	1,416,067.54
<b>108 · Accumulated Depreciation</b>								-610,358.00
<b>108.10 · Accum. Depr. Power Gen. Equip.</b>								-31,943.00
Total 108.10 · Accum. Depr. Power Gen. Equip.								-31,943.00
<b>108.11 · Accum. Depr. Pumping Equip.</b>								-12,491.00
Total 108.11 · Accum. Depr. Pumping Equip.								-12,491.00

**Black Bear Reserve Water Corporation**  
**General Ledger**  
As of December 31, 2014

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>108.20 · Accum. Depr. Water Treat. Equip</b>								-27,635.00
Total 108.20 · Accum. Depr. Water Treat. Equip								-27,635.00
<b>108.30 · Accum. Depr. Dist. Steel Tks</b>								-35,277.00
Total 108.30 · Accum. Depr. Dist. Steel Tks								-35,277.00
<b>108.31 · Accum. Depr. Trans &amp; Dist. Line</b>								-228,002.00
Total 108.31 · Accum. Depr. Trans & Dist. Line								-228,002.00
<b>108.33 · Accum. Depr. Services</b>								-18,951.00
Total 108.33 · Accum. Depr. Services								-18,951.00
<b>108.34 · Accum. Depr. Meters &amp; Install</b>								-57,960.00
Total 108.34 · Accum. Depr. Meters & Install								-57,960.00
<b>108.35 · Accum. Depr. Hydrants</b>								-29,686.00
Total 108.35 · Accum. Depr. Hydrants								-29,686.00
<b>108.4 · Accum. Depr. Structures</b>								-5,116.00
Total 108.4 · Accum. Depr. Structures								-5,116.00
<b>108.7 · Accum. Depr. Wells &amp; Springs</b>								-81,086.00
Total 108.7 · Accum. Depr. Wells & Springs								-81,086.00
<b>108.9 · Accum. Depr. Supply Mains</b>								-4,309.00
Total 108.9 · Accum. Depr. Supply Mains								-4,309.00
<b>108 · Accumulated Depreciation - Other</b>								-77,902.00
General Journal	1/31/2014	GKRB2014-13	*		TO RECORD JANUARY 2014 DEPRECIATION EXPENSE		2,934.08	-80,836.08
General Journal	2/28/2014	GKRB2014-14	*		TO RECORD FEBRUARY 2014 DEPRECIATION		2,934.08	-83,770.16
General Journal	3/31/2014	GKRB2014-15	*		TO RECORD MARCH 2014 DEPRECIATION		2,934.08	-86,704.24
General Journal	4/30/2014	GKRB2014-16	*		TO RECORD APRIL 2014 DEPRECIATION		2,934.08	-89,638.32
General Journal	5/31/2014	GKRB2014-19	*		TO RECORD MAY 2014 DEPRECIATION		2,934.08	-92,572.40
General Journal	6/30/2014	GKRB2014-23	*		TO RECORD JUNE 2014 DEPRECIATION		2,934.08	-95,506.48
General Journal	7/31/2014	GKRB2014-25	*		TO RECORD JULY 2014 DEPRECIATION		2,934.08	-98,440.56
General Journal	8/31/2014	GKRB2014-26	*		TO RECORD AUGUST 2014 DEPRECIATION		2,934.08	-101,374.64
General Journal	9/30/2014	GKRB2014-31	*		TO RECORD SEPTEMBER 2014 DEPRECIATION		2,934.08	-104,308.72
General Journal	10/31/2014	GKRB2014-34	*		TO RECORD OCTOBER 2014 DEPRECIATION		2,934.08	-107,242.80
General Journal	11/30/2014	GKRB2014-35	*		TO RECORD NOVEMBER 2014 DEPRECIATION		2,934.08	-110,176.88
General Journal	12/31/2014	GKRB2014-39	*		TO RECORD DECEMBER 2014 DEPRECIATION		2,954.08	-113,130.96
Total 108 · Accumulated Depreciation - Other						0.00	35,228.96	-113,130.96
Total 108 · Accumulated Depreciation						0.00	35,228.96	-645,586.96
<b>162 · Other Current and Accrued Asset</b>								0.00
Total 162 · Other Current and Accrued Asset								0.00
<b>301 · Organizational Costs</b>								83,126.07
<b>302 · Accumulated Amortization</b>								0.00
Total 302 · Accumulated Amortization								0.00

## Black Bear Reserve Water Corporation General Ledger As of December 31, 2014

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>301 - Organizational Costs - Other</b>								
Total 301 - Organizational Costs - Other								83,126.07
Total 301 - Organizational Costs								83,126.07
<b>122 - Accumulated Amortization</b>								
General Journal	1/31/2014	GKRB2014-13	*		TO RECORD JANUARY 2014 DEPRECIATION EXPENSE		346.33	-8,654.33
General Journal	2/28/2014	GKRB2014-14	*		TO RECORD FEBRUARY 2014 DEPRECIATION		346.33	-9,000.66
General Journal	3/31/2014	GKRB2014-15	*		TO RECORD MARCH 2014 DEPRECIATION		346.33	-9,346.99
General Journal	4/30/2014	GKRB2014-16	*		TO RECORD APRIL 2014 DEPRECIATION		346.33	-9,693.32
General Journal	5/31/2014	GKRB2014-19	*		TO RECORD MAY 2014 DEPRECIATION		346.33	-10,039.65
General Journal	6/30/2014	GKRB2014-23	*		TO RECORD JUNE 2014 DEPRECIATION		346.33	-10,385.98
General Journal	7/31/2014	GKRB2014-25	*		TO RECORD JULY 2014 DEPRECIATION		346.33	-10,732.31
General Journal	8/31/2014	GKRB2014-26	*		TO RECORD AUGUST 2014 DEPRECIATION		346.33	-11,078.64
General Journal	9/30/2014	GKRB2014-31	*		TO RECORD SEPTEMBER 2014 DEPRECIATION		346.33	-11,424.97
General Journal	10/31/2014	GKRB2014-34	*		TO RECORD OCTOBER 2014 DEPRECIATION		346.33	-11,771.30
General Journal	11/30/2014	GKRB2014-35	*		TO RECORD NOVEMBER 2014 DEPRECIATION		346.33	-12,117.63
General Journal	12/31/2014	GKRB2014-39	*		TO RECORD DECEMBER 2014 DEPRECIATION		350.33	-12,467.96
Total 122 - Accumulated Amortization						0.00	4,159.96	-12,467.96
<b>100 - Utility Plant</b>								
Total 100 - Utility Plant								0.00
<b>20000 - *Accounts Payable</b>								
Bill	1/1/2014	788038		U.S. Water Services ...	Invoice #788038		765.75	-46,695.79
Bill	1/3/2014	14SDI-001-066		SDI			345.00	-47,461.54
Bill Pmt -Check	1/3/2014	430		Escape Landworks, L...	Invoice #1035	200.00		-47,806.54
Bill Pmt -Check	1/3/2014	431		U.S. Water Services ...	Invoice #788038	765.75		-48,606.54
Bill	1/9/2014			Sumter Electric Coo...			1,299.06	-48,139.85
Bill	1/13/2014	1035		Escape Landworks, L...	Invoice #1035		200.00	-48,339.85
Bill Pmt -Check	1/14/2014	427		Dumont	Invoice#297346	247.94		-48,091.91
Bill Pmt -Check	1/14/2014	428		Sumter Electric Coo...		1,299.06		-46,792.85
Bill	1/15/2014	100739		Sihle Insurance Group	Invoice #100739, Account #Black22		5,994.89	-52,787.74
Bill Pmt -Check	1/15/2014	429		Sihle Insurance Group	Invoice #100739, Account #Black22	5,994.89		-46,792.85
Bill	1/19/2014	2014,1051		Greenlee, Kurras, Ri...			950.00	-47,742.85
Bill Pmt -Check	1/27/2014	432		SDI		345.00		-47,397.85
Bill	1/28/2014	300597		Dumont			146.82	-47,544.67
Bill	1/31/2014	789042		U.S. Water Services ...			2,176.41	-49,721.08
Bill	1/31/2014	789960		U.S. Water Services ...	789960		35.00	-49,756.08
Bill	2/1/2014	789321		U.S. Water Services ...			765.75	-50,521.83
Bill	2/3/2014			Travelers			3,571.90	-54,093.73
Bill	2/5/2014	1044		Escape Landworks, L...	Feb Maintenance		200.00	-54,293.73
Bill	2/10/2014			Sumter Electric Coo...	1/7/14-2/6/14		2,043.58	-56,337.31
Bill Pmt -Check	2/13/2014	433		Bob McKee, Tax Coll...	Account #0000000000-000-89505	14,216.28		-42,121.03
Bill Pmt -Check	2/13/2014	434		Dumont		146.82		-41,974.21
Bill Pmt -Check	2/13/2014	435		Greenlee, Kurras, Ri...		950.00		-41,024.21
Bill Pmt -Check	2/14/2014	436		Escape Landworks, L...	Feb Maintenance	200.00		-40,824.21
Bill Pmt -Check	2/14/2014	437		Sumter Electric Coo...	1/7/14-2/6/14	2,043.58		-38,780.63
Bill Pmt -Check	2/14/2014	438		Travelers		3,571.90		-35,208.73
Bill Pmt -Check	2/14/2014	439		U.S. Water Services ...		2,942.16		-32,266.57
Bill Pmt -Check	2/21/2014	440		U.S. Water Services ...		841.91		-31,424.66
Bill	2/25/2014	302680		Dumont	302680		158.06	-31,582.72
Bill	3/1/2014	790714		U.S. Water Services ...	790714		765.75	-32,348.47
Bill	3/1/2014	790304		U.S. Water Services ...			2,147.91	-34,496.38
Bill Pmt -Check	3/7/2014	441		Dumont	302680	158.06		-34,338.32
Bill Pmt -Check	3/7/2014	442		U.S. Water Services ...		2,913.66		-31,424.66

**Black Bear Reserve Water Corporation  
General Ledger  
As of December 31, 2014**

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>230 · Current and Accrued Liabilities - Other</b>								0.00
Total 230 · Current and Accrued Liabilities - Other								0.00
Total 230 · Current and Accrued Liabilities						276,808.09	3,177.04	-17,967.89
<b>231 · Accounts Payable</b>								0.00
Total 231 · Accounts Payable								0.00
<b>24000 · Payroll Liabilities</b>								0.00
Total 24000 · Payroll Liabilities								0.00
<b>224.3 · HOA Loan #3</b>								0.00
Total 224.3 · HOA Loan #3								0.00
<b>224.2 · HOA Loan #2</b>								0.00
Total 224.2 · HOA Loan #2								0.00
<b>224.1 · HOA Loan</b>								-111,877.45
Total 224.1 · HOA Loan								-111,877.45
<b>271 · Contrib. in Aid of Const.</b>								-751,449.25
<b>271.2 · Contrib. in Aid of Const-Other</b>								0.00
Total 271.2 · Contrib. in Aid of Const-Other								0.00
<b>271.1 · Accum. Amort. of CIAC</b>								45,025.75
General Journal	12/31/2014	GKRB2014-44	*		TO RECLASS AMORTIZATION EXPENSE	20,820.00		65,845.75
Total 271.1 · Accum. Amort. of CIAC						20,820.00	0.00	65,845.75
<b>271 · Contrib. in Aid of Const. - Other</b>								-796,475.00
General Journal	1/31/2014	GKRB2014-13	*		TO RECORD JANUARY 2014 DEPRECIATION EXPENSE	1,735.00		-794,740.00
General Journal	2/28/2014	GKRB2014-14	*		TO RECORD FEBRUARY 2014 DEPRECIATION	1,735.00		-793,005.00
General Journal	3/31/2014	GKRB2014-15	*		TO RECORD MARCH 2014 DEPRECIATION	1,735.00		-791,270.00
General Journal	4/30/2014	GKRB2014-16	*		TO RECORD APRIL 2014 DEPRECIATION	1,735.00		-789,535.00
General Journal	5/31/2014	GKRB2014-19	*		TO RECORD MAY 2014 DEPRECIATION	1,735.00		-787,800.00
General Journal	6/30/2014	GKRB2014-23	*		TO RECORD JUNE 2014 DEPRECIATION	1,735.00		-786,065.00
General Journal	7/31/2014	GKRB2014-25	*		TO RECORD JULY 2014 DEPRECIATION	1,735.00		-784,330.00
General Journal	8/31/2014	GKRB2014-26	*		TO RECORD AUGUST 2014 DEPRECIATION	1,735.00		-782,595.00
General Journal	9/30/2014	GKRB2014-31	*		TO RECORD SEPTEMBER 2014 DEPRECIATION	1,735.00		-780,860.00
General Journal	10/31/2014	GKRB2014-34	*		TO RECORD OCTOBER 2014 DEPRECIATION	1,735.00		-779,125.00
General Journal	11/30/2014	GKRB2014-35	*		TO RECORD NOVEMBER 2014 DEPRECIATION	1,735.00		-777,390.00
General Journal	12/31/2014	GKRB2014-39	*		TO RECORD DECEMBER 2014 DEPRECIATION	1,735.00		-775,655.00
General Journal	12/31/2014	GKRB2014-44	*		TO RECLASS AMORTIZATION EXPENSE		20,820.00	-796,475.00
Total 271 · Contrib. in Aid of Const. - Other						20,820.00	20,820.00	-796,475.00
Total 271 · Contrib. in Aid of Const.						41,640.00	20,820.00	-730,629.25
<b>30000 · Opening Balance Equity</b>								0.00
Total 30000 · Opening Balance Equity								0.00
<b>32000 · Unrestricted Net Assets</b>								281,647.17
General Journal	1/31/2014	GKRB2014-11	*	CPA RECEIVABLE	TO CONSOLIDATE A/R ACCOUNTS		60.00	281,587.17
General Journal	1/31/2014	GKRB2014-12	*		TO CONSOLIDATE A/R ACCOUNTS	60.00		281,647.17
Total 32000 · Unrestricted Net Assets						60.00	60.00	281,647.17

**Table 1**  
**Black Bear Reserve Water Company**  
**Water Plant and Water Distribution System**  
**Estimated Replacement Cost Less Depreciation and Original Cost Less Depreciation at December 31, 2010**

Line No.	GL NARUC Account	Description	Year Installed (2)	Life (Yrs.)	Age (Yrs.)	FPSC (3) Depreciation Rate (%)	Costing Method	Index Values (1)/ % Depr.		Today's Replacement Cost (5)	Estimated Original Cost	Accumulated Depreciation	Original Cost Less Accum. Depreciation
								Test Yr	Yr. Installed				
1	303	Land and Land Rights	1999		11.5					\$5,000	\$5,000	\$0	\$5,000
2	304	Structures and Improvements	1999	28	11.5	3.57% Trended	381.30	288.00	13,800	3,777	1,550	2,226	48,903
3	307	Wells and Springs - Well #1	1999	27	11.5	3.70% % Deprec.	42.59%	0.00	200,000	85,185	36,283	48,903	48,903
4	307	Wells and Springs - Well #2	1999	27	11.5	3.70% % Deprec.	42.59%	0.00	200,000	85,185	36,283	48,903	48,903
5	309	Supply Mains	1999	32	11.5	3.13% Trended	415.41	293.00	14,900	10,509	3,783	6,727	14,226
6	310	Power Generation Equipment	1999	17	11.5	5.88% % Deprec.	67.65%	0.00	65,000	43,971	29,745	4,996	14,226
7	311	Pumping Equipment	1999	17	11.5	5.88% Trended	646.87	499.00	20,000	15,428	10,433	4,996	4,996
8	320	Water Treatment Equipment	1999	17	11.5	5.88% Trended	469.01	365.00	48,900	38,056	25,733	12,322	12,322
9	330	Distribution Reservoirs & Standpipes											
10		-Steel Tanks	1999	33	11.5	3.33% Trended	328.92	268.00	100,000	81,480	31,203	50,277	50,277
11	331	Transmission and Distribution Lines	1999	40	11.5	2.50% Trended	261.91	192.00	921,559	675,563	194,224	481,338	481,338
12	333	Services	1999	35	11.5	2.86% Trended	335.01	263.00	62,350	48,949	16,099	32,849	32,849
13	334	Meters and Meter Installations	1999	17	11.5	5.88% Trended	250.95	197.00	89,125	69,965	47,310	22,655	22,655
14	335	Hydrants	1999	40	11.5	2.50% Trended	615.19	473.00	114,400	87,958	25,288	62,670	62,670
15		Total Net Cost Plant In Service							\$1,855,034	\$1,251,025	\$457,933	\$793,091	\$793,091

**Footnotes:**

- (1) Based on Handy Whitman Construction Cost Indices for South Atlantic Region.
- (2) As indicated in information provided by Black Bear Reserve Water Company
- (3) Depreciation rates based on FPSC Order No. 13060 dated March 7, 1984.
- (4) Black Bear was not able to obtain any actual invoices or support for the original plant investment. Therefore, this original cost study shall be used to support the original plant investment.
- (5) Represents the estimated cost today for similar facilities based upon the replacement cost analysis.

WATER TREATMENT FACILITIES

Table 2

Black Bear Reserve Water Company  
Replacement Cost For Water System Per As Built Plans

Line No.	Description	Unit	Quantity	Unit Price	Total Cost
<b>Potable Water Transmission/Distribution System</b>					
<b>Pipe Installation</b>					
1	1" PVC	LF	0	\$5.00	\$0
2	1-1/2" PVC	LF	0	\$5.25	0
3	2" PVC	LF	2,800	\$5.50	15,400
4	3" PVC C-900	LF	0	\$5.50	0
5	4" PVC C-900	LF	5,375	\$8.00	43,000
6	6" PVC C-900	LF	19,080	\$12.00	228,960
7	8" PVC C-900	LF	31,925	\$15.00	478,875
8	Sub Total Transmission and Distribution				766,235
9	Allowance for T/D Fittings @ 10%				76,624
10	Total Transmission and Distribution				842,859
<b>Valves, Backflow Preventers, and Fire Hydrants</b>					
11	2" Gate Valve	Each	9	\$475.00	4,275
12	3" Gate Valve	Each	0	\$525.00	0
13	4" Gate Valve	Each	5	\$585.00	2,925
14	6" Gate Valve	Each	66	\$715.00	47,190
15	8" Gate Valve	Each	34	\$715.00	24,310
16	Total T&D Valves				78,700
17	Fire Hydrant	Each	44	\$2,600.00	114,400
<b>Service Laterals</b>					
18	1" Single Service	Each	31	\$250.00	7,750
19	1" Double Service	Each	182	\$300.00	54,600
20	Total Services		213		62,350
21	5/8" Water Meters/Box/Fittings Installed	Each	395	\$175.00	69,125
22	Total Water Transmission/Distribution System				1,167,434
<b>Potable Water Treatment Facilities</b>					
23	6" Well #1	Lump Sum	1	\$200,000.00	200,000
24	6" Well #2	Lump Sum	1	\$200,000.00	200,000
25	Well Pump/Motor	Each	1	\$10,000.00	10,000
26	Well Pump/Motor	Each	1	\$10,000.00	10,000
27	Hydropneumatic Tanks (Size of each????)	Each	2	\$50,000.00	100,000
28	6" Flow Meter	Each	2	\$10,000.00	20,000
29	6" /4" Gate Valve	Each	4	\$1,000.00	4,000
30	6" /4" Swing Check Valve	Each	4	\$1,000.00	4,000
31	6" DIP	LF	260	\$15.00	3,900
32	10" DIP	LF	100	\$30.00	3,000
33	Operation Building	SQ. Ft.	640	\$20.00	12,800
34	6' Chain Link Fence	LF	100	\$10.00	1,000
35	Emergency Generator ( KW ?????)	KW	1	\$65,000.00	65,000
36	Chlorination System	Each	1	\$5,000.00	5,000
37	Coleman Air Compressor	Each	2	\$3,200.00	6,400
38	Control Panel	Lump Sum	1	\$7,500.00	7,500
39	Electrical	Lump Sum	1	\$30,000.00	30,000
40	Total Water Treatment Facilities				682,600
41	Estimated Land Value (Tract M)				5,000
42	Total Estimated Replacement Cost				<u>\$1,855,034</u>

Note: WTF area of 0.5 acres based on site plan.  
 Estimated value per acre is \$10,000.

10:51 AM

03/06/15

Accrual Basis

## Black Bear Reserve Water Corporation General Ledger As of December 31, 2014

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>618 · Chemicals</b>								
Bill	1/28/2014	300597		Dumont	Invoice #300597	146.82		146.82
Bill	1/31/2014	789960		U.S. Water Services ...	Invoice #789960	35.00		181.82
Bill	2/25/2014	302680		Dumont	Invoice #302680	158.06		339.88
Bill	3/25/2014	304508		Dumont	INvoice #304508	247.94		587.82
Bill	4/22/2014	307315		Dumont		247.94		835.76
Bill	5/20/2014	309893		Dumont		247.94		1,083.70
Bill	6/17/2014	312520		Dumont		236.70		1,320.40
Bill	8/1/2014	314742		Dumont	#314742	191.76		1,512.16
Bill	8/12/2014	316898		Dumont		203.00		1,715.16
Bill	9/9/2014	319530		Dumont		158.06		1,873.22
Bill	10/7/2014	321691		Dumont		135.59		2,008.81
Bill	11/4/2014	324170		Dumont	INvoice #324170	169.29		2,178.10
Bill	12/12/2014	326501		Dumont		169.29		2,347.39
Total 618 · Chemicals						2,347.39	0.00	2,347.39
<b>620 · Materials and Supplies</b>								
Check	2/20/2014	DR		Lowe's	Splices & Batteries	24.49		24.49
Bill	3/18/2014	1325401		Ferguson Enterprise...	50 lockseal stud regular & lockseal hd W/alum seal Invioc...	141.78		166.27
Bill	4/2/2014	1324800		Ferguson Enterprise...	Invoice #1324800	2,786.28		2,952.55
Check	4/29/2014	DR		Lowe's		36.28		2,988.83
Bill	5/7/2014	1330528		Ferguson Enterprise...	12 5/8 x 3/4 meter low lead	0.00		2,988.83
Bill	11/19/2014			Rick Daun	wire stripper, batters for handheld meter readers, & wire c...	36.24		3,025.07
Total 620 · Materials and Supplies						3,025.07	0.00	3,025.07
<b>621 · Plant Repairs</b>								
Bill	5/31/2014			U.S. Water Services ...	Finance Charges on Pump motor per May's Statement	2,749.57		2,749.57
Bill	7/15/2014	797372		U.S. Water Services ...	Materials & Labor to complete scope of service	3,442.57		6,192.14
Total 621 · Plant Repairs						6,192.14	0.00	6,192.14
<b>631 · Contractual Svcs-Engineering</b>								
Total 631 · Contractual Svcs-Engineering								0.00
<b>632 · Contractual Svcs-Accounting</b>								
<b>632.1 · Accounting Fees-Tax Returns</b>								
Total 632.1 · Accounting Fees-Tax Returns								0.00
<b>632 · Contractual Svcs-Accounting - Other</b>								
Bill	1/19/2014	2014.1051		Greenlee, Kurras, Ri...		950.00		950.00
Bill	5/28/2014	2014.3755		Greenlee, Kurras, Ri...	January-April 2014	3,150.00		4,100.00
Bill	8/18/2014	2014.4407		Greenlee, Kurras, Ri...	May & June bkg, May-July bill pay & deposits	875.00		4,975.00
Bill	8/22/2014	2014.3880		Greenlee, Kurras, Ri...	January-April bkg	395.00		5,370.00
Bill	8/22/2014	2014.4193		Greenlee, Kurras, Ri...	2013 Tax Return Form 990	790.00		6,160.00
Bill	10/15/2014	2014.4901		Greenlee, Kurras, Ri...	Aug & Sept bill pay INvoice #2014.4901	705.00		6,865.00
Bill	12/3/2014	2014.5100		Greenlee, Kurras, Ri...	Sept & Oct Bookkeeping	200.00		7,065.00
Bill	12/31/2014	2014.5214		Greenlee, Kurras, Ri...		315.00		7,380.00
Total 632 · Contractual Svcs-Accounting - Other						7,380.00	0.00	7,380.00
Total 632 · Contractual Svcs-Accounting						7,380.00	0.00	7,380.00
<b>633 · Contractual Svcs-Legal</b>								
Bill	3/31/2014	40026		Rutledge Ecenia, P.A.		315.00		315.00
Bill	8/1/2014	40703		Rutledge Ecenia, P.A.		140.00		455.00
Total 633 · Contractual Svcs-Legal						455.00	0.00	455.00

## Black Bear Reserve Water Corporation General Ledger As of December 31, 2014

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>634 · Contractual Svcs-Mgmt Fee</b>								0.00
Total 634 · Contractual Svcs-Mgmt Fee								0.00
<b>635 · Contractual Svcs-Testing</b>								0.00
Bill	1/1/2014	788038		U.S. Water Services ...	Invoice #788038	765.75		765.75
Bill	2/1/2014	789321		U.S. Water Services ...	Invoice #789321	765.75		1,531.50
Bill	3/1/2014	790714		U.S. Water Services ...	Invoice #790714	765.75		2,297.25
Bill	4/1/2014	792656		U.S. Water Services ...	Invoice #792656	777.23		3,074.48
Bill	5/1/2014	793619		U.S. Water Services ...		777.23		3,851.71
Bill	6/1/2014	794768		U.S. Water Services ...		777.23		4,628.94
Bill	6/30/2014	796501		U.S. Water Services ...		154.68		4,783.62
Bill	8/1/2014	797926		U.S. Water Services ...		777.23		5,560.85
Bill	8/13/2014	798706		U.S. Water Services ...	2013- Annual CCR	700.00		6,260.85
Bill	8/31/2014	800021		U.S. Water Services ...		600.70		6,861.55
Bill	9/1/2014	799192		U.S. Water Services ...		777.23		7,638.78
Bill	10/1/2014	800639		U.S. Water Services ...		777.23		8,416.01
Bill	11/1/2014	802075		U.S. Water Services ...		777.23		9,193.24
Total 635 · Contractual Svcs-Testing						9,193.24	0.00	9,193.24
<b>636 · Contractual Svcs-Other</b>								0.00
<b>636.1 · Customer Work Orders</b>								0.00
Bill	3/31/2014	791853		U.S. Water Services ...	pulled meter at 24931 Saranac Ct (squatter in home)	110.00		110.00
Bill	3/31/2014	791854		U.S. Water Services ...	36525 Danbury Ct	945.03		1,055.03
Bill	5/22/2014	794406		U.S. Water Services ...		1,865.63		2,920.66
Bill	5/23/2014	794444		U.S. Water Services ...		2,315.50		5,236.16
Bill	7/18/2014	797453		U.S. Water Services ...	36628 Honey Tree Court	1,567.84		6,804.00
Bill	8/22/2014	798883		U.S. Water Services ...		1,060.18		7,864.18
Total 636.1 · Customer Work Orders						7,864.18	0.00	7,864.18
<b>636.2 · Contract Labor</b>								0.00
Total 636.2 · Contract Labor								0.00
<b>636.3 · Customer Service &amp; Meter Readin</b>								0.00
Bill	1/31/2014	789042		U.S. Water Services ...	Invoice #789042	2,176.41		2,176.41
Bill	3/1/2014	790304		U.S. Water Services ...	Invoice #790304	2,147.91		4,324.32
Bill	3/13/2014	788713		U.S. Water Services ...	(3) Meter Base Replacements, 1-disconnection, & 2- turn ...	303.50		4,627.82
Bill	3/31/2014	791729		U.S. Water Services ...		1,599.91		6,227.73
Bill	4/30/2014	793185		U.S. Water Services ...		2,109.41		8,337.14
Bill	5/31/2014	794513		U.S. Water Services ...		1,213.91		9,551.05
Bill	6/30/2014	796026		U.S. Water Services ...		1,583.91		11,134.96
Bill	7/1/2014	796216		U.S. Water Services ...		777.23		11,912.19
Bill	7/31/2014	797754		U.S. Water Services ...		1,895.11		13,807.30
Bill	8/31/2014	798955		U.S. Water Services ...	August 2014	1,472.91		15,280.21
Bill	10/1/2014	800434		U.S. Water Services ...		3,695.11		18,975.32
Bill	11/18/2014	801869		U.S. Water Services ...	Invoice #801869	3,006.16		21,981.48
Bill	12/1/2014	803383		U.S. Water Services ...		777.23		22,758.71
Bill	12/16/2014	803742		U.S. Water Services ...		3,459.46		26,218.17
Total 636.3 · Customer Service & Meter Readin						26,218.17	0.00	26,218.17



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	805843
Date	1/23/2015
Due Date	2/22/2015
Account #	2474
P.O. No.	

**PAID**  
1/23/2015  
02/24/2015

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2474-35 Auto Dialer/Chlorine Analyzer

Date	Description	Qty or Hrs	Unit	Rate	Amount
	Installed a Continuous Chlorine Analyzer, with Audible- Visual Alarm, and a Auto-Dialer system for emergency response notification as required by the FDEP inspection dated September 11, 2014 . Installed all equipment for the monitoring of chlorine levels, including water supply to be monitored for chlorine level, electrical supply to operate the analyzer, including the installation of the Audible-Visual alarm system.				
1/6/2015	Install ATI Q46H-62 Free Chlorine Analyzer, Audible -Visual Alarm, 400 Sensaphone 4 Channel Auto-Dialer FGD-0023 ISOTEL Surge Protector, Electrical Receptacle, Water line and Labor.	1	LS	5,282.08	5,282.08
	Engineering Cost	1	LS	3,495.00	3,495.00
	Permitting Fee's for FDEP	1	LS	900.00	900.00

Please remit payment to the above address. We appreciate your business!		<b>Total</b>	\$9,677.08
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Phone #	Fax #
727-848-8292	727-848-7701

<b>Payments/Credits</b>	-\$9,677.08
<b>Balance Due</b>	\$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	802636
Date	10/31/2014
Due Date	12/4/2014
Account #	2474
P.O. No.	

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

**PAID**  
11/24/2014

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2474-34 Soft Start Replacement

Date	Description	Qty or Hrs	Unit	Rate	Amount
10/30/2014	Replaced soft start at irrigation well control panel and new mercoid pressure switch at irrigation tank. Materials and Labor to Complete Scope of Service	1	LS	3,716.70	3,716.70

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

**Total** \$3,716.70

**Payments/Credits** -\$3,716.70

**Balance Due** \$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	798883
Date	8/22/2014
Due Date	9/21/2014
Account #	2474
P.O. No.	

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

**PAID**  
09/16/2014

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2474-33 irrigation/potable well inop

Date	Description	Qty or Hrs	Unit	Rate	Amount
8/8/2014	Emergency call. Irrigation/potable well out of service. Arrived at site and found irrigation and small potable well out of operation. After troubleshooting, found fuse and phase monitor bad on small potable well. Replaced fuse and bypassed phase monitor to get running. Irrigation well not getting control voltage at mercoid switch. Supply voltage from soft start not present. Called Central Florida Controls for assistance with troubleshooting system. Maintenance Supervisor	5	Hours	78.14	390.70
8/9/2014	Met with CFC to confirm that supply voltage for auto operations was supplied by soft start. Bypassed the soft start and installed a pressure switch on hydro tank. Changed supply to 120v and rewired HOA switch to accommodate hand and auto operations. Maintenance Supervisor Central Florida Controls Labor Fuel surcharge for scheduled visits to the facility.	3 1 1	Hours LS	78.14 422.63 12.43	234.42 422.63 12.43

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

<b>Total</b>	\$1,060.18
<b>Payments/Credits</b>	-\$1,060.18
<b>Balance Due</b>	\$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	797453
Date	7/18/2014
Due Date	8/17/2014
Account #	2474
P.O. No.	

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

**PAID**  
08/11/2014

**All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.**

Project
2474-32 fix fire hydrant Honey Tree Ct

Date	Description	Qty or Hrs	Unit	Rate	Amount
7/2/2014	Received e-mail approval from Deb Spicer to fix the buried fire hydrant at 36628 Honey Tree Court in Black Bear. The top of it shows near the road next to the driveway. Hand excavated a 4'x4'x3' deep hole to expose hydrant barrel and bolts. Closed valve and disassembled existing hydrant to install 2" extension from manufacturer. Installed shaft extension and gaskets. Reinstalled and back filled hole. Raised valve and installed new concrete pad.				
	Maintenance Supervisor	5	Hours	78.14	390.70
	Tradesman	5	Hours	57.91	289.55
	Tradesman	5	Hours	57.91	289.55
	Materials to Complete Scope of Service	1	LS	585.61	585.61
	Fuel surcharge for scheduled visits to the facility.	1		12.43	12.43

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

<b>Total</b>	\$1,567.84
<b>Payments/Credits</b>	-\$1,567.84
<b>Balance Due</b>	\$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	797372
Date	7/15/2014
Due Date	8/14/2014
Account #	2474
P.O. No.	

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

**PAID**  
08/11/2014

**All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.**

Project
2474-30 Prop 6" well meter

Date	Description	Qty or Hrs	Unit	Rate	Amount
7/10/2014	Installed new 6" Mccrometer meter and modified existing piping. Calibrated new meter as per DEP. Materials and Labor to Complete Scope of Service	1	LS	3,442.57	3,442.57
				0.00	0.00

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

<b>Total</b>	\$3,442.57
<b>Payments/Credits</b>	-\$3,442.57
<b>Balance Due</b>	\$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	794444
Date	5/23/2014
Due Date	6/22/2014
Account #	2474
P.O. No.	

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

**PAID**  
06/19/2014

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2474-24 Prop WTP 3" well meter

Date	Description	Qty or Hrs	Unit	Rate	Amount
5/21/2014	Replaced the inoperable 3" McCrometer flow meter @ the WTP with a direct replacement. Installed new meter utilizing existing piping and calibrated new meter while on site. Calibrated the (2) remaining well meters while on site as per DEP requirements.	1	LS	1,945.50	1,945.50
	Materials and Labor to Complete Scope of Service Additional Meter calibrations	2	LS	185.00	370.00

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

<b>Total</b>	\$2,315.50
<b>Payments/Credits</b>	-\$2,315.50
<b>Balance Due</b>	\$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	794406
Date	5/22/2014
Due Date	6/21/2014
Account #	2474
P.O. No.	

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

**PAID**  
06/19/2014

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2474-29 water leak 24041 Milford Dr

Date	Description	Qty or Hrs	Unit	Rate	Amount
4/30/2014	Emergency call. Water leak at 24041 Milford Dr. Arrived at site and found water coming out of valve box. Hand dug 2"x2"x5' hole to expose 8" water main. Leak was slight and can wait until morning to repair. Spoke with Rick and notified him that we would be back with machine to expose leak and repair. Maintenance Supervisor	2.5	Hours	55.00	137.50
5/1/2014	Dropped off tractor and called in emergency locates. Did not get cleared until late afternoon. Will return in morning to repair. Maintenance Supervisor	2	Hours	55.00	110.00
5/2/2014	Arrived at site and excavated an 8'x8'x5' deep hole with tractor and used pump to maintain water leak. Found 2" galvanized on 8" water main with broken male adaptor. Got valve closed to isolate section to get leak under control. Cut out and removed broken piece of male adaptor from valve. Installed new brass compression, male adaptor and reconnected with new pipe and fittings. Once repaired, turned 2" back on to check for leaks. Covered hole, graded area and raked. Installed new concrete ring over valve box to help prevent future damage from vehicles. Maintenance Supervisor Tradesman Tradesman Materials to Complete Scope of Service Fuel surcharge for scheduled visits to the facility.	8 8 8 1 1	Hours Hours Hours LS	55.00 55.00 55.00 273.08 25.05	440.00 440.00 440.00 273.08 25.05

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

<b>Total</b>	\$1,865.63
<b>Payments/Credits</b>	-\$1,865.63
<b>Balance Due</b>	\$0.00



4939 Cross Bayou Blvd.  
New Port Richey, FL 34652

# Invoice

Invoice #	791853
Date	3/31/2014
Due Date	4/30/2014
Account #	2474
P.O. No.	

**PAID**  
04/30/2014

Bill To
Black Bear Reserve Water Corporation PO Box 13 Mount Dora, FL 32757

All service pricing anticipates payment by Check or ACH. Due to additional costs incurred, services paid by credit card will require an additional "pass through" 3% processing fee in order to be accepted.

Project
2474-27 pull meter 24931 Saranac Court

Date	Description	Qty or Hrs	Unit	Rate	Amount
3/17/2014	Pulled meter at 24931 Saranac Court. (Squatter in home)				
	Labor - Lead	1		55.00	55.00
	Labor - Helper	1		55.00	55.00

Please remit payment to the above address. We appreciate your business!

Phone #	Fax #
727-848-8292	727-848-7701

<b>Total</b>	\$110.00
<b>Payments/Credits</b>	-\$110.00
<b>Balance Due</b>	\$0.00



801 THORPE ROAD  
ORLANDO, FL 32824-8016

Please contact with Questions: 800-456-1488

INVOICE NUMBER	CUSTOMER	PAGE
1324800	43157	1 of 1

PLEASE REFER TO INVOICE NUMBER WHEN  
MAKING PAYMENT AND REMIT TO:

FEI-ORLANDO WATERWORKS #126  
PO BOX 100286  
ATLANTA, GA 30384-0286

1799 1 AB 0.406 E0067X 10112 D830848292 P1901666 0001:0001



BLACK BEAR RESERVE WATER CORPO  
PO BOX 13  
MOUNT DORA FL 32756-0013

SHIP TO:

BLACK BEAR RESERVE WATER CORP  
RICK DAUN  
24008 WELDON DRIVE  
EUSTIS, FL 32736

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH ID
1113	1113	FL2LAK	METERS	229	METERS	04/02/14	81692
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION		UNIT PRICE	UM	AMOUNT
12	12	SP-V0HS29193	3/4 442,SI,IB,SG,TRL6,I-LPHR		217.000	EA	2604.00
			INVOICE SUB-TOTAL				2604.00
			TAX		Lake		182.28
<p>LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION. PRODUCTS WITH "NP" IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION.</p>							

**Don't let the Post Office Slow You Down - Switch to Email Billing**

Email Billing delivers our invoices to you overnight, so you can update your cost several days sooner. It's an exact copy of the paper bill in PDF format that you can easily save and review.



Call us at the number above to switch to email delivery today!

TERMS: NET 10TH PROX	ORIGINAL INVOICE	TOTAL DUE	\$2,786.28
----------------------	------------------	-----------	------------

All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at [http://wolseley.com/terms\\_conditionsSale.htm](http://wolseley.com/terms_conditionsSale.htm) and are incorporated by reference. Seller may convert checks to ACH.

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

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

To be determined by the FPSC. However, no acquisition adjustment is requested.

**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.**

Seller has provided any and all Federal income tax returns to 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, it has been determined that the system acquired from Black Bear Reserve Water Corporation appears to be 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.**

To be provided late-filed.

**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.**

To be provided late-filed.

**EXHIBIT N**  
**Rule 25-30.030**

**Immediately upon completion of the 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.**

To be provided late-filed.

## **EXHIBIT O**

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

**Black Bear Water Reserve Corporation  
Description of Water Territory  
Lake County**

**Township 18 South, Range 28 East  
Sections 30 and 31**

A parcel of land in Sections 30 and 31, Township 18 South, Range 28 East, Lake County Florida, more particularly described as follows:

**Section 30:** The Southwest 1/4, less the West 909.26 feet; together with the Northwest 1/4 of the Southeast 1/4 of Section 30.

**Section 31:** The portion of Section 31 North of County Road 44A.

**EXHIBIT P**  
**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.**

See Attached.

1 of 1

Prepared by/Return to:  
Stephen C. Booth, Esquire  
BOOTH & COOK, P.A.  
7510 Ridge Road  
Port Richey, Florida 34668  
File #15-449

**AFFIDAVIT OF MISNOMER**

BEFORE ME, the undersigned authority, personally appeared the undersigned, who first being duly sworn and on oath, deposes and states:

That the correct name of the corporation is **BLACK BEAR RESERVE WATER CORPORATION** (the Corporation), formerly known as **Black Bear Reserve Water Company**, and

That the name of **BLACK BEAR WATER COMPANY** set forth as Grantee in that certain Corrective Deed recorded in Official Records Book 2795, Page 1820 of the Public Records of Lake County, Florida, is a misnomer which occurred by virtue of a scrivener's error, and

That there was no other corporation by the same name listed as active in the Division of Corporations of the Office of the Secretary of State of the State of Florida on the recording date of said deed, nor has the undersigned ever transacted business under the name of Black Bear Water Company, and

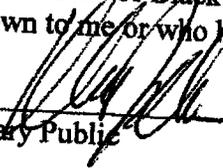
Further, Affiant sayeth naught.

(corporate seal)

**Black Bear Reserve Water Corporation**  
a Florida corporation

  
Deborah Spicer, President  
P.O. Box 13  
Mount Dora, FL 32756-0013

Sworn to and subscribed before me this 29<sup>th</sup> day of June, 2015 by Deborah Spicer, as President of Black Bear Reserve Water Corporation, a Florida corporation, who is personally known to me or who has produced a driver's license as identification.

  
Notary Public

commission expires on:

April 29, 2019



**Mark Johnson**  
COMMISSION #FF225477  
EXPIRES: April 29, 2019  
WWW.AARONNOTARY.COM

seal

29

Parcel I.D. No. 3118282100-00M-00000  
Alt. Key #3793881

This Instrument Prepared by/Return to:  
**Stephen C. Booth, Esquire**  
**BOOTH & COOK, P.A.**  
**7510 Ridge Road**  
**Port Richey, Florida 34668**

File # 15-449

Consideration: \$21,322.00

THIS INSTRUMENT WAS PREPARED WITHOUT EXAMINATION OF TITLE FROM INFORMATION GIVEN BY THE PARTIES HEREIN. MARKETABILITY OF TITLE OR ACCURACY OF DESCRIPTION IS NEITHER GUARANTEED NOR INSURED.

**QUIT CLAIM DEED**

THIS INDENTURE, made this 29<sup>th</sup> day of June, 2015, Between **BLACK BEAR RESERVE WATER CORPORATION**, a Florida corporation formerly known as **Black Bear Reserve Water Company**, also erroneously known as **Black Bear Water Company**, of the County of Polk and State of Florida, Party of the First Part or Grantor, whose Post Office Address is: P.O. Box 13, Mount Dora, FL 32756-0013, and **BLACK BEAR WATERWORKS, INC.**, a Florida corporation, of the County of Pasco and State of Florida, Party of the Second Part or Grantee, whose post office address is: 4939 Cross Bayou Blvd., New Port Richey, FL 34652;

WITNESSETH, that the said party of the first part, for and in consideration of the sum of Ten Dollars, in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has remised, released and quitclaimed, and by these presents does remise, release and quitclaim unto the said party of the second part all the right, title, interest, claim and demand which the said party of the first part has in and to the following described lot, piece or parcel of land, situate, lying and being in the County of LAKE, State of FLORIDA, to wit:

**Tract M, UPSON DOWNS**, according to the plat thereof as recorded in Plat Book 36, Page 4, of the Public Records of Lake County, Florida, and all appurtenances;

**SUBJECT TO ALL EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.**

**SUBJECT TO taxes and assessments accruing subsequent to December 31, 2014.**

Whenever used herein, the term "party" shall include the heirs, personal representatives, successors and/or assigns of the respective parties hereto; the use of the singular number shall include the plural, and the plural the singular; the use of any gender shall include all genders; and, if used, the term "note" shall include all the notes herein described if more than one.

**TO HAVE AND TO HOLD** the same, together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest and claim whatsoever of the said party of the first part, either in law or equity, to the only proper use, benefit and behoof of the said party of the second part.

**IN WITNESS WHEREOF**, the said party of the first part has hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Black Bear Reserve Water Corporation, a Florida corporation

*Gregory C. Johnson*  
GREGORY C. JOHNSON  
Print name of first witness

*Deborah Spicer*  
Deborah Spicer, President

*Shirley Johnson*  
Shirley Johnson  
Print name of second witness

State of Florida  
County of LAKE:

I HEREBY CERTIFY, that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, Deborah Spicer, as President of Black Bear Reserve Water Corporation, a Florida corporation,

       who is personally known to me or  
 who has produced \_\_\_\_\_ (type of identification) as identification,

and who executed the foregoing instrument and acknowledged before me that he/she/they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal in the County and State aforesaid this 29<sup>th</sup> day of JUNE, 2015.

my commission expires:  
APRIL 29, 2019  
seal

*Mark Johnson*  
Notary Public  
Mark Johnson  
Printed, typed or stamped name of notary



**EXHIBIT Q**  
**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 the water system.**

See Attached.

WATER TARIFF

BLACK BEAR WATERWORKS, INC.

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

BLACK BEAR WATERWORKS, INC.

5320 Captains Court

New Port Richey, Florida, 34652

(727) 848-8292

(Business Telephone)

(888) 228-2134

(After Hours Emergency Service)

FILEDWITH

FLORIDA PUBLIC SERVICE COMMISSION

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

TABLE OF CONTENTS

	Sheet Number
Communities Served Listing.....	4.0
Description of Territory Served.....	3.1
Index of	
Rates and Charges Schedules.....	12.0
Rules and Regulations.....	6.0
Service Availability Policy .....	26.0
Standard Forms.....	21.0
Technical Terms and Abbreviations.....	5.0
Territory Authority.....	3.0

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER - 654-W

COUNTY - LAKE

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>
PSC-11-0478-PAA-WU	11/24/2011	100085-WU

{Continued to Sheet No. 3.1}

Filing Type

Transfer Application

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 3.0)

BLACK BEAR RESERVE WATER CORPORATION  
DESCRIPTION OF TERRITORY SERVED  
LAKE COUNTY, FLORIDA  
WATER SERVICE ONLY

ORDER NO. PSC-11-0478-PAA-WU

Township 18 South, Range 28 East  
Sections 30 and 31

A parcel of land in Sections 30 & 31, Township 18 South, Range 28 East, Lake County Florida, more particularly described as follows:

**Section 30**

The Southwest 1/4, less the West 909.26 feet; together with the Northwest 1/4 of the Southeast 1/4 of Section 30.

**Section 31**

The portion of Section 31 North of County Road 44A.

**GARY DEREMER**  
ISSUING OFFICER  
**President**  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
Lake	Clar-Mart I	GS, RS	13.0, 14.0
Lake	Clar-Mart II	GS, RS	13.0, 14.0
Lake	The Estates at Black Bear Bear Reserve Phase 111	GS, RS	13.0, 14.0
Lake	The Lakes at Black Bear	GS, RS	13.0, 14.0
Lake	The Villages at Black Bear Reserve	GS, RS	13.0, 14.0
Lake	Upson Downs	GS, RS	13.0, 14.0

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY BLACK BEAR WATERWORKS, INC.

WATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is Black Bear Waterworks, Inc.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 5.0)

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises.....	9.0	14.0
Adjustment of Bills.....	10.0	22.0
Adjustment of Bills for Meter Error .....	10.0	23.0
All Water Through Meter .....	10.0	21.0
Application .....	7.0	3.0
Applications by Agents .....	7.0	4.0
Backflow Prevention Assembly Installation, Repair and Location .....	11.0	27.0
Backflow Prevention Assembly Tests .....	11.0	26.0
Change of Customer's Installation .....	8.0	11.0
Continuity of Service .....	8.0	9.0
Customer Billing .....	9.0	16.0
Delinquent Bills.....	7.0	8.0
Extensions.....	7.0	6.0
Filing of Contracts .....	10.0	25.0
General Information .....	7.0	1.0
Inspection of Customer's Installation .....	9.0	13.0
Limitation of Use.....	8.0	10.0
Meter Accuracy Requirements .....	10.0	24.0
Meters .....	10.0	20.0
Payment of Water and Wastewater Service Bills Concurrently .....	10.0	18.0

(Continued to Sheet No. 6.1)

**GARY DEREMER**  
ISSUING OFFICER  
**President**  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 6.0)

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

GARY DEREMER  
 ISSUING OFFICER  
President  
 TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.
- The Company shall provide water service to an Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.
- 2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.
- 3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled A Your Water and Wastewater Service. prepared by the Florida Public Service Commission.
- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.
- 5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.
- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.
- 7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled, located and protected or which may adversely affect the water service. The company reserves the right to discontinue or withhold water service to such apparatus or device.
- 8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 7.0)

- 9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, an Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

- 10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, rereaming, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from rereaming.)

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(9), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

(Continued on Sheet No. 11.0)

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 10.0)

**26.0 BACKFLOW PREVENTION ASSEMBLY TESTS** – The Florida Department of Environmental Protection (DEP) requires each Customer having a backflow prevention assembly to have a field test performed by a certified backflow prevention assembly contractor upon installation or repair and at least once per year thereafter. Field tests at more frequent intervals may be required if the DEP deems the hazard is great enough. These tests shall be made at the Customer's expense and are required to be performed by a certified backflow prevention assembly contractor. It shall be the duty of the Customer to ensure that these tests are made by a certified contractor in a timely manner. The Company will send a reminder notice to the Customer 30 days in advance of the required testing date. The Customer may choose to have the test performed by the Company's certified contractor or hire independent certified contractor. Prior to an independent certified contractor commencing work, the contractor must provide evidence to the Company of its certification and give the Company the time and date of the field test so that the Company may have an official representative present to witness the field tests, if so desired. When assemblies are found to be defective, they shall be repaired, overhauled, or replaced at the Customer's expense. Records of the tests, repairs, and overhaul must be provided to the Company which shall make the information available to the DEP.

In the event the required test has not been completed within the 30-day reminder period as provided by the Company, the Company's certified contractor shall test the backflow prevention assembly at the charge stated in Sheet 18.0 or less, which will be added to the Customer's water bill the following month.

**27.0 BACKFLOW PREVENTION ASSEMBLY INSTALLATION REPAIR AND LOCATION** – All Customers must have a double check valve backflow assembly approved in writing by the Company, installed on potable service lines.

Backflow prevention assembly installation, maintenance and repair are the Customer's responsibility and must be performed at the Customer's expense. Installation, repair and replacement must be performed by certified backflow prevention assembly contractor chosen by the Customer. Backflow prevention assemblies must be installed on the Customer's side of the water meter, before any branching of the line to accommodate any additional taps, faucets or hose connections.

Any backflow prevention assembly located on the Company's side of the meter as of October 4, 2011, that requires repair or replacement must be removed from the Company's facilities and relocated to the Customer's side of the meter by a licensed underground utility and excavation contractor or licensed plumbing contractor approved by the Company, prior to such repair or replacement. The approved contractor shall notify the Company in advance of the removal and coordinate scheduling so that a Company representative can inspect the work on the Company's facilities before the contractor backfills the work site. A list of approved contractors is available from the Company.

**GARY DEREMER**  
ISSUING OFFICER  
**President**  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Backflow Prevention Assembly Test Charge .....	18.0
Customer Deposits .....	16.0
General Service. GS.....	13.0
Held for Future Use.....	15.0
Meter Test Deposit.....	17.0
Miscellaneous Service Charges.....	19.0
Residential Service, RS .....	14.0
Service Availability Fees and Charges .....	20.0

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all Customers for which no other schedule applies.

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

BILLING PERIOD - Monthly

RATE -

<u>All Meter Sizes</u>	<u>Base Facility Charge</u>
Up to 5,000 Gallons	\$ 31.44
5,001 to 10,000 Gallons	\$ 5.89
Over 10,000 Gallons	\$ 8.41

MINIMUM CHARGE - \$31.44

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer Application

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY – Available throughout the area served by the Company.

APPLICABILITY – For water service for all purposes in private residences and individually metered apartment units.

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

BILLING PERIOD – Monthly

RATE –

<u>All Meter Sizes</u>	<u>Base Facility Charge</u>	
5 Up to 5,000 Gallons	\$	31.44
5,001 to 10,000 Gallons	\$	5.89
Over 10,000 Gallons	\$	8.41

MINIMUM CHARGE – \$31.44

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

EFFECTIVE DATE –

TYPE OF FILING – Transfer Application

GARY DEREMER  
 ISSUING OFFICER  
President  
 TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

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

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	<u>\$60.00</u>	<u>\$60.00</u>
1"	_____	_____
1 1/2"	_____	<u>\$80.00</u>
Over 2"	_____	_____

ADDITIONAL DEPOSIT - Under Rule 25-30.311 (7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customer's account during the month of November each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>CHARGE</u>
5/8" x 3/4"	<u>\$20.00</u>
1" and 1 1/2"	<u>\$25.00</u>
2" and over	<u>Actual Cost</u>

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE -

TYPE OF FILING - Transfer Application

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

BACKFLOW PREVENTION ASSEMBLY TEST CHARGE

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - The Florida Department of Environmental Protection (DEP) requires each Customer having a backflow prevention assembly to have a field test performed by a certified backflow prevention assembly contractor at least once per year. The Company will send a reminder notice to the Customer 30 days in advance of the required testing date. This tariff applies to Customers who choose to have the Company's certified contractor to perform the annual test required by the DEP or who fail to have the annual test completed by an independent certified contractor within the 30-day reminder period as provided by the Company. See Rule 26.0 on Sheet 11.0 for details.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Annually
- RATE - Flat Rate \$35.00 or less
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Transfer Application

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION CHARGE - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION CHARGE - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION CHARGE - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

HOME INSPECTION TEMPORARY SERVICE CHARGE - This charge may be levied when a service representative visits a premises to briefly reconnect service for purposes of home inspection prior to closing on a sale, followed by disconnection after the inspection is complete.

PREMISES VISIT CHARGE - This charge may be levied when a service representative is requested to visit a premises, including in visits response to a Customer complaint where the cause of the complaint is a matter that is not the Company's responsibility.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

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

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

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

(Continued on Sheet No. 18.1)

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY BLACK BEAR WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 18.0)

Schedule of Miscellaneous Service Charges

	<u>Regular Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$ 16.00	Not applicable
Normal Reconnection Charge	\$ 16.00	Not applicable
Violation Reconnection Charge	\$ 32.00	<u>\$64.00</u>
Home Inspection Temporary Service Charge	\$ 32.00	Not applicable
Premises Visit Charge	\$ 16.00	Not applicable
Premises Visit Charge (in lieu of disconnection)	\$ 16.00	Not applicable
Late Payment Charge	\$ 5.00	Not applicable
Convenience Charge	\$ 2.60	
Return Check Charge	Statutory amount pursuant to Section 68.064, Florida Statutes	

EFFECTIVE DATE –

TYPE OF FILING – Transfer

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

Refer to Service Availability Policy

<u>Description</u>	<u>Amount</u>	<u>Sheet No.</u>
<u>Main Extension Charge</u>		
Residential per ERC .....	\$1,689.00	
Over 5/8" x 3/4" .....	[actual cost]	
<u>Meter Installation Charge</u>		
5/8" x 3/4" .....	\$420.00	
Over 5/8" x 3/4" .....	(actual cost)	
<u>Tap-in Charge</u>		
5/8" x 3/4" .....	\$320.00	
Over 5/8" x 3/4" .....	[actual cost]	

EFFECTIVE DATE -

TYPE OF FILING -      Transfer Application

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

INDEX OF STANDARD FORMS

<u>DESCRIPTION</u>	<u>SHEET NO.</u>
APPLICATION FOR WATER SERVICE	21.0
COPY OF CUSTOMER'S BILL	22.0

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

Application For Water Service

BLACK BEAR WATERWORKS, INC.  
 5320 Captains Court  
 New Port Richey, Florida, 34652  
 Tel: (727) 848 8292  
 Fax: (727) 848 7701

APPLICATION FOR WATER AND WASTEWATER SERVICE

Please read and complete the form below. Indicate exactly how you would like the name on the account to read.

A security deposit may be required to establish an account with the utility Company. Any required deposit will be charged on the first bill along with an initial connection fee, in accordance with the utility's approved tariff. This deposit shall not preclude the utility from discontinuing service covered by this deposit for nonpayment of all or any portion of the amount due to the Company, regardless of the sufficiency of the deposit to cover such indebtedness for service. The deposit is not negotiable or transferable between individuals. Any deposits are credited on the account after 23 months of satisfactory payment record on the account. The utility Company reserves the right to require a new deposit or increase a deposit amount due to an unsatisfactory payment record.

This application must be completed, signed and returned within 14 days of beginning service or service is subject to disconnection.

PLEASE PRINT

Customer Name: \_\_\_\_\_

Spouse Name: \_\_\_\_\_

Service Address: \_\_\_\_\_

Mailing Address (if different):

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Previous Address (if served by utility):

Social Security No.: \_\_\_\_\_ Drivers License No.: \_\_\_\_\_

Local Home Phone No.: \_\_\_\_\_ Cell Phone No.: \_\_\_\_\_

\*Business Phone No.: \_\_\_\_\_ Alternate Phone No. \_\_\_\_\_

How many persons will be living in your household? \_\_\_\_\_ Date Service is to begin: \_\_\_\_\_

( ) water service      ( ) wastewater service      ( ) water and wastewater service

I (we) the undersigned agree to abide by the rules and regulations of the utility company as contained in its approved Tariff. In addition, the Customer has received from the company a copy of the brochure, "Your Water and Wastewater Service" produced by the Florida Public Service Commission. I (we) agree to pay the water and/or wastewater bills in a prompt manner. I (we) have been informed of and agree to all connection fees and water and/or wastewater fees due for connection to the utility company.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner ( )      Tenant ( )      Agent ( )      Print Name: \_\_\_\_\_      Phone: \_\_\_\_\_

For Office Use Only

Residential ( ) General Service ( ) Deposit and Initial Connection Fee Charged ( ) Date:

Company \_\_\_\_\_ Account Number \_\_\_\_\_ CSR Initials: \_\_\_\_\_

GARY DEREMER  
 ISSUING OFFICER  
President  
 TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

COPY OF CUSTOMER'S BILL

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

<u>Description</u>	<u>Sheet Number</u>
Schedule of Fees and Charges ... ..	19.0
Service Availability Policy .....	24.0

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

SERVICE AVAILABILITY POLICY**TERMS & ABBREVIATIONS**

- 1.0 **"ACTIVE CONNECTION"** - Means a connection to the Company's system at the point of delivery of service, whether or not service is currently being provided.
- 2.0 **"BACK FLOW PREVENTOR"** - Means a valve or device installed in order to prevent contamination of the potable water in the lines of the Company by virtue of a cross connection or flow from the Customers' property into the Company's system.
- 3.0 **"CONTRIBUTION(S)-IN-AID-OF-CONSTRUCTION" (CIAC)** - Means any amount or item of money, services, or property received by the Company from an Applicant, any portion of which is provided at no cost to the Company, which represents an addition or transfer to the capital of the Company, and which is utilized to offset the acquisition, improvement, or construction costs of the Company's property, facilities, or equipment used to provide utility services to the public. The term includes plant capacity charges, main extension charges, meter and service installation charges.
- 4.0 **"CONTRIBUTOR"** - Means a person, builder, developer or other entity who makes a contribution-in-aid-of-construction.
- 5.0 **"CUSTOMER CONNECTION CHARGE"** - Means any payment made to the Company for the cost of installing a connection from the Company's water or wastewater lines, including but not limited to the cost of piping and the meter installation fee.
- 6.0 **"CUSTOMER INSTALLATION"** - Means all pipes, shut-offs, valves, fixtures, and appliances or apparatus of every kind and nature which are located on the Customer's side of the "Point of Delivery" and used in connection with or forming part of the installation necessary for rendering water service to the Customer's premises regardless of whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 7.0 **"DEVELOPER'S AGREEMENT"** - Means a written agreement setting forth in detail the terms and conditions under which the Company will render services to a developer's property.
- 8.0 **"ECONOMIC FEASIBILITY"** - Means a test by which the operating income of the Company to be earned from prospective customers within the area to be served by a proposed expansion of facilities is divided by the investment in such facilities to determine if the Company will earn a fair return on its investment in the proposed extension.
- 9.0 **"EQUIVALENT RESIDENTIAL CONNECTION" (ERC)** - Means (a) 350 gallons per day, (b) the number of gallons the Company demonstrates is the average daily flow for a single residential unit, or (c) the number of gallons which has been approved by the Department of Environmental Protection for a single residential unit.

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

**TERMS & ABBREVIATIONS**

- 10.0 **"GUARANTEED REVENUE AGREEMENT"** - Means a written agreement by which an applicant agrees to pay a charge designed to cover the Company's costs including, but not limited to, the cost of operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the Company, for facilities that are subject to the agreement, a portion of which may not be used and useful to the Company or its existing customers.
- 11.0 **"HYDRAULIC SHARE"** - Means the pro rata share of the capabilities of the Company's facilities to be made available for service to the contributor. The pro rata share is multiplied by the unit cost (per gallon) of providing the facilities to determine the proportional share of the cost to be borne by the contributor.
- 12.0 **"INSPECTION FEE"** - Means either the actual or the average cost to the Company of inspecting, or having inspected, the facilities constructed by a contributor or by an independent contractor for connection to the facilities of the Company.
- 13.0 **"MAIN EXTENSION CHARGE"** - Means a charge made by the Company for the purpose of covering all or part of the Company's capital costs in extending its off-site water or wastewater facilities to provide service to specified property. The charge is determined on the "Hydraulic Share" basis or other acceptable method reasonably related to the cost of providing the service.
- 14.0 **"METER INSTALLATION FEE"** - Means the amount authorized by the Commission which is designed to recover the cost of installing the water measuring device at the Point of Delivery including materials and labor required.
- 15.0 **"OFF-SITE FACILITIES"** - Means either the water transmission mains and facilities or the wastewater collection trunk mains and facilities, including, but not limited to, manholes, wastewater force mains and wastewater pumping stations, the purpose of which is either to provide water service to properties within the service territory of the service Company or to collect wastewater received from properties within the territory.
- 16.0 **"ON-SITE FACILITIES"** - Means the portion of the water distribution system or the wastewater collection and treatment system that has been, or is to be, located wholly within the property to which service is to be extended. If off-site facilities cross the property of the Customer via an easement, the on-site facilities shall mean the water distribution system or the wastewater collection system that is located on the Customer's property, exclusive of the off-site facilities.
- 17.0 **"REFUNDABLE ADVANCE"** - Means money paid or property transferred to the Company by the Applicant for the installation of facilities which may not be used and useful for a period of time. The advance is made to temporarily defray the Company's costs so that the proposed extension may be rendered economically feasible and, in turn, so that service may be obtained. As additional Customers connect to the system, portions of the advance will be returned to the Applicant over a specified period of time in accordance with a written agreement.

**GARY DEREMER**  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

**TERMS & ABBREVIATIONS**

- 18.0 **"SERVICE AVAILABILITY POLICY"** - Means the section of the Company's tariff which sets forth a uniform method of determining the plant capacity charge or other charges to be paid and conditions to be met, by Applicants for service in order to obtain water or wastewater service.
- 19.0 **"SPECIAL SERVICE AVAILABILITY CONTRACT"** - Means an agreement for charges for the extension of service which is not provided for in the Company's Service Availability Policy.
- 20.0 **"SYSTEM (PLANT) CAPACITY CHARGE"** - Means the charge made by the Company for each new connection to the system which charge is designed to defray a portion of the cost of the utility system.
- 21.0 **"UTILITY SERVICE FEES"** - Means fees that the Company will credit against the Service Availability Charges that are effective at the time application for service is made.
- 22.0 **"TREATMENT FACILITIES"** - Treatment Facilities means the facilities used for the production and treatment of water or for the treatment and disposal of wastewater.

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

**SERVICE AVAILABILITY POLICY**

- I. **PURPOSE** The Company is implementing this Service Availability Policy (hereinafter "Policy") to set forth the terms and conditions under which the Company will be the sole provider of service from Company facilities to individual or developer Applicants within its certificated area; and describes the charges which are intended to defray portions of the costs associated with existing and new facilities of the Company in a fair and nondiscriminatory manner.
- II. **APPLICABILITY** The provisions of this policy are applicable to all Customers and potential customers within the Certificated Service Area of the Company.
- III. **GENERAL PROVISIONS** The following provisions apply to all extensions to the Company's facilities. No service will be provided until the Company receives the Commission's approval, as provided below, and where applicable, all terms of Section 367.045, Florida Statutes are met. The Applicant must agree to pay all costs associated with a request for service that requires an expansion of the Company's exclusive service area which is set forth in its Certificate of Authorization.
  1. **Commission Approval** The terms and conditions of the Company's Service Contracts, Developer's Agreements and Refundable Advance Agreements are subject to the approval of the Commission as outlined below:
    - a. Extensions that are in accordance with the Standard Service Contract, Standard Developer's and/or Standard Refundable Advance Agreements, approved by the Commission for use with this Service Availability Policy, will not need additional Commission approval.
    - b. Where situations exist that are not provided for in the Company's standard agreements, the Company may enter into a Special Service Availability Contract with a developer provided, however, that the Commission approve said Special Service Availability Contract before any extension is made.
    - c. Approval of a developer's agreement does not preclude the Commission from affecting its provisions in the future if, pursuant to Commission approval, the terms and conditions of the Company's service availability policy are changed.
  2. **Extension Only Within Certificated Service Areas** The Company will make extensions to its facilities, to all customers within its certificated service area as may be required by one or more customers, provided the revenues to be derived therefrom shall be sufficient to afford a fair and reasonable return on the Company's investment in providing the service. To this end the Company will require, depending upon the specific circumstances, conveyance of title as described in Section V-3-b of this Service Availability Policy, service availability charges, refundable advances, contributions-in-aid-of-construction (CIAC), and/or allowance for funds prudently invested (AFPI) charges be paid by the Applicant.

**GARY DEREMER**  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

## WATER TARIFF

3. **Extensions Where Economically and Operationally Feasible** If service is requested for property not in the Company's existing Certificated Service Area, the Company may agree to provide service where economically and operationally feasible subject to appropriate approval(s) from regulatory authorities.
4. **Obligations of the Company** As provided in this policy, the Company's obligations are to extend its existing facilities within its Certificated Service Area, and to provide service to all customers within its certificated area under the terms and conditions herein. The Company will respond to each Applicant within 30 days. Where a proposed main extension is involved, only those services specifically provided for in the Company's Commission-approved Service Contracts, Developer's Agreements or Refundable Advance Agreements, which are properly executed by the Applicant and the Company, shall obligate the Company to perform any task, or furnish any service to an Applicant or any other party.
5. **General Application for Service** The Commission requires that all Applicants for utility services within its certificated area shall make a written request (Application) for the service desired from the Company. (The Company's Application Form is in SECTION VII - MISCELLANEOUS of this tariff). This application is notice to the Company that service is desired and an expression of the Applicant's willingness to conform to the Company's policies, tariffs, rules and regulations which are in effect and on file with the Commission.
6. **On-Site Facilities** The Company shall be entitled to inspect all connections (including on-site facilities) to Company facilities. The Applicant shall reimburse the Company for all costs associated with the performance of these inspections.
7. **Refusal of Service** The Company may refuse commencement of service to an Applicant for any of the following reasons:
  - a. **Proposed Service is not lawful.** The proposed service is not lawful under the current Statutes and Rules of the Commission, or
  - b. **Conditions not yet met.** A condition of the Service Availability Policy, Service Contract, Developer's Agreement or Refundable Advance Agreement has not yet been met, or
  - c. **Adverse effects on existing customers.** The proposed service would adversely affect the quality or reliability of service to existing customers (e.g. capacity of existing Company facilities is insufficient), or
  - d. **Economic feasibility.** The proposed service is not economically feasible as defined in Chapter 25-30.515, Florida Administrative Code (Commission Rules), or
  - e. **Property outside certificated service area.** Property for which service is requested is outside of the Company's certificated service area and the Company has determined that extension of its certificated service area is not economically justified.

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

WATER TARIFF

**SERVICE AVAILABILITY POLICY**

V. **MAIN EXTENSION RULES** Where there is not an existing main available, the Company will extend its main to provide service provided the Applicant has first entered into a Commission-approved Service Contract, Developer's Agreement or Refundable Advance Agreement with the Company.

1. **Applications for Main Extensions** Whenever an extension to one of the Company's mains is involved, it shall be in accordance with the following rules:

Any Applicant shall, in addition to the general application for service, make a written request regarding the specific main extension desired from the Company. Said application, as required by Commission Rules (Chapter 25-30.525, Florida Administrative Code) shall include, but not be limited to the following information, if applicable:

- a. A legal description of the property including reference to section, township and range.
- b. A drawing of the property showing its boundaries.
- c. The present zoning classification of the property.
- d. A plat map.
- e. Three sets of a site and utility plan (and floor plan for commercial developments).
- f. The intended land use of the development, including densities and types of use.
- g. The name and address of the person or entity making the application for extension of service.
- h. The nature of the Applicant's title to or interest in the described property.
- i. The date, or estimated date, service will be needed.

2. **Rules for Extending Mains to a Single Residence or a Single Commercial Facility** Where an extension of the Company's facilities is required to provide service to a single residence or a single commercial facility, the Company will furnish a cost estimate of the proposed extension, a preliminary sketch of the extension, and the terms and conditions to be contained in the Service Contract necessary for service to be extended.

3. **Rules for Extending Mains to Developer Facilities** Service to a developer requiring an extension of the Company's facilities will be conducted under the terms and conditions of a Developer's Agreement or a Refundable Advance Agreement wherein the Company will negotiate with the developer whether it will design, construct and install extensions from existing facilities to the property to be served or have the developer undertake these activities. If the company installs the necessary facilities, it will prepare a Developer's Agreement detailing the cost estimate and other items necessary for such extensions to be made. If the developer is to perform the design, construction and installation, the developer must obtain approval of the Company as outlined in the Commission's Rules. Developer's Agreements are subject to the approval of the Commission and shall be in accordance with the following:

**GARY DEREMER**  
ISSUING OFFICER  
**President**  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

## WATER TARIFF

- a. **Existing facilities to a development.** If the request is for service to a development, and the provision of service will be by the extension of existing facilities through Company investment, the Company shall be responsible for all engineering, planning, design, and construction.
- b. **Developer providing facilities.** If the request is for service to a development and the developer will be providing the necessary facilities for the extension, or will be paying for the construction of the facilities, the developer shall be responsible for the planning, design, and development of construction drawings needed to extend the existing facilities to serve the proposed development. The plans, designs and development drawings shall be in accordance with applicable laws or ordinances. The Company will furnish general construction specifications, an estimate of all costs to be borne by the developer (including all applicable Service Availability Charges) that are in addition to the costs of the facilities the developer is to construct, and a quotation of advances to be made upon execution of a Developer's Agreement. By way of further explanation, the Developer will be responsible for the following:
  - (1) **Design of new water facilities.** The developer will retain the services of a registered professional engineer to prepare all plans and specifications for water facilities (hereinafter "facilities") to connect to the Company's facilities at points designated by the Company. Said plans and specifications must be approved by the Company prior to submission to any regulatory agency for review.
  - (2) **Approvals and permits.** The developer shall be required to obtain all necessary approvals and permits for construction of the new facilities from the appropriate regulatory agencies.
  - (3) **Construction of facilities.** The developer will, at its own expense, construct and install all facilities in accordance with the plans and specifications as approved by the Company. Additionally, the developer shall be responsible for certifying to the appropriate regulatory agency that the facilities have been installed and tested in accordance with the plans and specifications prepared by the developer's engineer.
  - (4) **Warranty on workmanship.** The developer shall warrant all facilities against defect in materials and workmanship for a period of one year from the date of acceptance of said facilities by the Company.
  - (5) **Inspection of facilities.** The Company shall have the right to inspect the construction of the facilities and to

GARY DEREMER  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

## WATER TARIFF

recommend reasonable changes. Additionally, within sixty (60) days after the completion and certification of the facilities, the Company may perform an inspection of the facilities. The developer shall reimburse the Company for all costs associated with the performance of these inspections, as provided for in this tariff.

- (6) **Conveyance of title.** Prior to a letter of acceptance being issued by the Company, the developer shall immediately convey title of the facilities to the Company, and before accepting the responsibility for operation and maintenance of the facilities, the developer shall provide, without charge to the Company, the following information:
- (a) Cost Report - which shall detail, as provided for in the National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts, all costs incurred in the construction of the facilities, including engineering, inspection, and administrative costs,
  - (b) Three copies of "As-Built-Plans" - Shall be 24"x36" Mylar, showing precise location of all lines and appurtenances in relation to an identifiable property line or referenced monument,
  - (c) Easements - as required,
  - (d) Contractor's waiver and release of lien,
  - (e) Contractor's Letter of Warranty or Developer's Contract Bond,
  - (f) Absolute Bill of Sale,
  - (g) All required fees and charges.

4. **Company Extends for Its Own Future Benefit** If the company installs (or has installed) facilities for its future benefit capacity in excess of what would normally be required for the requested extension, the incremental cost for this excess capacity shall not be included in cost estimates to Applicants; and shall be the Company investment or recovered by a Refundable Advance Agreement.

- VI. **SERVICE AVAILABILITY CHARGES** The following charges will be applied, if applicable. The charges are subject to change from time to time as deemed necessary by the Company and the Commission. These charges are defined as a CIAC, and do not entitle the Applicant to any rights of ownership. The Company will own and maintain the facilities for which these charges are levied. The specific charges, as approved by the Commission and provided in the rates portion of this tariff, are described as follows:

**GARY DEREMER**  
ISSUING OFFICER  
President  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

## WATER TARIFF

1. **Plant Capacity Charges** The Company will collect a fee, designed to defray a portion of the cost of the facilities not covered in other Service Availability Charges.
2. **Meter Installation Charges** The Company will collect, for water service installations, a fee to cover the costs required to install a meter, including meter boxes, fittings, etc. at the point of delivery.
3. **Service Installation Charges** The Company will collect a fee to cover the costs required to install a service line from the Company's main to the point of delivery.
  - a. **Short Service** - Tapping into the main line, which would be located on the same side of the street as property to be served and putting in the service line.
  - b. **Long Service** - Tapping into the main line, which would be located on the opposite side of an "unpaved" road of the property to be served and putting in the service line.
  - c. **Long Service** - Tapping into the main line, which would be located on the opposite side of "paved" road of property to be served. Putting in the service line by method of jacking or boring the service line under the street.
4. **Main Extension Charges** The Company will collect a fee to offset a portion of the cost of the mains. Where there is an existing main available, the charges to the Applicant will be the charges as provided in this tariff. Where there is not an existing main available, the charges to the Applicant for the Company to extend its main to service the Applicant will be the actual cost, which will be recovered either through a Service Contract, Developers Agreement or Refundable Advance Agreement, all of which are subject to prior Commission approval.
5. **Allowance for Funds Prudently Invested (AFPI)** The Company will collect Commission-approved fee designed to cover the carrying costs of actual Company investment in plant prudently constructed for future customer use. Such investment will include plant and may include distribution lines, and will be applicable to all NEW connections utilizing such plant. When application is made for service, AFPI charges will be collected at the same time that payment(s) are made for other Service Availability Charges. The AFPI charge will increase for the maximum period allowed by the Commission, after which time it will remain constant. It will continue to be charged to all NEW connections until such time as the total Equivalent Residential Connections (ERC's) equal or exceed the capacity of the plant for which the charge is being collected.
6. **Inspection Fee** - Not applicable
7. **Backflow Prevention Device** Customers who wish to have reclaimed water service must pay a fee for a backflow prevention device which the Company will install on the Customer's water service line. This requirement is mandated by the

**GARY DEREMER**  
ISSUING OFFICER  
**President**  
TITLE

NAME OF COMPANY: BLACK BEAR WATERWORKS, INC.

## WATER TARIFF

Florida Department of Environmental Protection to prevent any possible cross-connection or backflow from contaminating the water supply line with reclaimed water. The Company may also require Customers with other cross-connection hazards to install and pay for a backflow prevention device as specified by Company engineers.

VII. **SPECIAL CONDITIONS** Under certain circumstances, as outlined below, special funding arrangements will be necessary or have been arranged for payment of the charges described in this Service Availability Policy.

1. **Refundable Advances** Where extensions are required for contiguous properties for which service has not yet been provided (hereinafter "Qualified Property") and, where the Company determines that an extension is economically justified or is appropriate to improve system reliability or enhance the quality of service to existing customers; a separate Refundable Advance Agreement may be undertaken by the Applicant and the Company, at the time of the request for service, temporarily defray the cost of any off-site extension of mains and other facilities necessary to provide service to the Applicant's property.
  - a. **Basis of Refundable Advance.** The amount of the refundable advance will be based on the actual cost of the off-site mains and other facilities. Such facilities shall be designed and constructed in accordance with the Company's plans for service to the immediate surrounding area.
  - b. **Charges Paid by the Applicant.** Charges paid by the Applicant over and above the Applicant's hydraulic share of the facilities shall be refunded, interest free, in accordance with the terms and conditions of a Commission-approved Refundable Advance Agreement which the Company will execute with the Applicant.
  - c. **Prorated Share of the Capacity.** The Company will collect fees from other Applicants of the Qualified Property based upon their prorated hydraulic share of the facilities. Within sixty (60) days of collection of said fees by the Company, a refund of said fees shall be made to the Applicant in accordance with the Refundable Advance Agreement.
  - d. **Limits on Refund.** Notwithstanding any other provisions of this section, the life of the Refundable Advance Agreement shall be as provided in the Agreement, after which time the balance of any possible refund not already made to the Applicant pursuant to the terms and conditions of the Refundable Advance Agreement will be retained by the Company and such Refundable Advance Agreement will be canceled. In no event shall an Applicant recover an amount (without interest) greater than the difference between the capitalized cost of such improvements and the Applicant's own hydraulic share of the cost of such improvements.

**GARY DEREMER**  
ISSUING OFFICER  
**President**  
TITLE

**EXHIBIT R**  
**Rule 25-30.037 (2)(t)**

Black Bear Waterworks, Inc. is in possession of Order No. PSC-11-0478-PAA-WU, issued October 24, 2011, granting Certificate No. 654-W.