

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Brendenwood Waterworks, Inc., Application)
For Approval of Transfer of Brendenwood Utilities, LLC) Docket No. _____
Water System in Lake County, Florida) Filed: June 5, 2014

**BRENDENWOOD WATERWORKS, INC.
APPLICATION FOR APPROVAL OF TRANSFER
OF BRENDENWOOD UTILITIES LLC'S WATER SYSTEM
IN LAKE COUNTY, FLORIDA**

Brendenwood Waterworks, Inc. ("Brendenwood Waterworks" 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 Brendenwood Utilities, LLC ("Seller") Certificate Nos. 339-W. In support of this Application, Brendenwood Waterworks states as follows:

APPLICANT INFORMATION

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

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

RECEIVED-FPSC
14 JUN -5 AM 8:29
COMMISSION
CLERK

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

COM
• AFD
• APA
• ECO
• ENG 3
• GCL
• IDM
• TEL
• CLK

Representative's Name and Title:

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

Troy Rendell, Manager of Regulated Utilities
4939 Cross Bayou Boulevard
New Port Richey, FL 34652
727-848-8292

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

Gerard Connolly, President
Brendenwood Utilities, LLC
P.O. Box 350065
Grand Island, FL 32735
(352) 459-8747

4. The shareholders via Brendenwood Utilities, LLC have been issued FPSC Certificate No. 339-W.

5. Attached hereto is Brendenwood 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 BRENDENWOOD UTILITIES, LLC

I. FINANCIAL AND TECHNICAL INFORMATION

6. Brendenwood Waterworks, Inc. is a Florida corporation authorized to do business in Florida as of May 8, 2014. The names and addresses of Brendenwood 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 Brendenwood Waterworks, Inc.'s experience in water and wastewater utility operations, a showing of Brendenwood Waterworks, Inc.'s financial ability to provide service and a statement that Brendenwood Waterworks, Inc. will fulfill the commitments, obligations and representations of Brendenwood Utilities, LLC with regard to utility matters.

8. Brendenwood 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 Brendenwood Waterworks, Inc. However, the primary shareholder also own Harbor Hills Waterworks, Inc.; LP Waterworks, Inc; and Lakeside Waterworks, Inc.

9. The sale of the system took place on May 23, 2014. **Exhibit "D"** to the Application is a copy of the Asset Purchase Agreement, including attachments, by and between Seller and Brendenwood Waterworks, Inc., executed on or about May 14, 2014. 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 Brendenwood Waterworks, Inc.’s financing of the sale.

12. **Exhibit “G”** to the Application is a list of any or all entities upon which Brendenwood 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 Brendenwood 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 Brendenwood Waterworks, Inc.’s understanding that Rate Base was last established in Order No. PSC-10-0167-PAA-WS, issued March 23, 2010. It is also Brendenwood Waterworks, Inc.’s understanding that the updated book value has been reported in the 2013 Annual Report filed by Brendenwood Utilities, LLC.

14. **Exhibit “I”** to the Application is a statement confirming that Brendenwood 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:

Gerard Connolly, President
Brendenwood Utilities, LLC
13711 Devenshire Court
Grand Island, FL 32735
(352) 602-4170

16. **Exhibit “J”** to the Application is a statement from Brendenwood Waterworks, Inc. regarding the federal income tax returns of Brendenwood Utilities, LLC.

17. **Exhibit “K”** to the Application is a statement from Brendenwood 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, Brendenwood 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, Brendenwood 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, Brendenwood 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 19-20, 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, Brendenwood 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, Brendenwood 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, Brendenwood 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, Brendenwood 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 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 Brendenwood 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-10-0167-PAA-WU, issued March 23, 2010. The purchase of the Seller's system will not have an immediate impact on Brendenwood Waterworks, Inc.'s current rates.

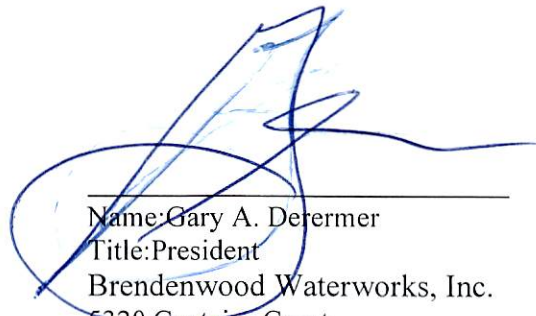
26. **Exhibit "Q"** to the Application contains sample tariff sheets for the water system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions of the Water System.

27. **Exhibit "R"** - Brendenwood Waterworks, Inc. is in possession Order No. PSC-11-0552-FOF-WS, issued December 7, 2011 which contains Certificate 339-W.

WHEREFORE, Brendenwood Waterworks, Inc. requests that this Commission:

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

Respectfully submitted this 5th day of June, 2014.



Name: Gary A. Dermer
Title: President
Brendenwood 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

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: 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: 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 also own Harbor Waterworks, Inc.; LP Waterworks, Inc.; and Lakeside Waterworks, Inc. which are regulated by the FPSC.

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 550+ facilities within the State of Florida during their careers, including billing/collection and customer service to more than 80,000 customers daily.

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

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

LP Waterworks, Inc. – Certificate Nos. 620-W & 533-S

Lakeside Waterworks, Inc. – Certificate Nos. 567-W & 494-S

Harbor Waterworks, Inc. – Certificate Nos. 522-W

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

A copy of the Asset Purchase Agreement, including attachments, by and between Brendenwood Waterworks, Inc. and Brendenwood Utilities, Inc. executed on May 14, 2014 is attached hereto.

THIS ASSET PURCHASE AGREEMENT, dated as of the ____ day of ____ 2014, by and between **Brendenwood Utilities, LLC** with an address of **P.O. Box 350065, Grand Island, FL 32735** ("Seller"), and **Brendenwood Waterworks, Inc.**, a Florida corporation with an address of **5320 Captains Court, New Port Richey, FL 35652** ("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 Brendenwood Development located within Lake County, Florida (the "Service Area").

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, covenants or warranties with respect to the condition of the Assets, except that the Assets are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever. This paragraph shall be construed in a manner that does not limit any other representations or warranties provided by Seller within this Agreement.

1.1 Assets Further Defined

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

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

practice or authorization, relating to the Assets;

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

1.2 Excluded Assets

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

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) Any customer 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; and
- (e) Seller's Accounts Receivable

1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will include a total price up to **Twenty Thousand Dollars (\$20,000.00)** for the portion of the assets attributable to the water service. Seller will be paid 70% (\$14,000.00) upon Closing with the final payment of being paid within 30 days of the Final Official Approval Date of Transfer established by the FPSC. Final Purchase Price will be determined by any change in Rate Base as determined by the FPSC during the Approval of Transfer Application. Buyer will perform a final due diligence of all facilities and assets. The due diligence is to ensure all assets are in the same working condition, that all permits are valid, current and that there are no compliance infractions in force at the time of the date of this final completion of this Agreement. If, after conducting the final due diligence, Buyer determines that the assets are not in the same working condition, that any permit is no longer valid or current, or that there are compliance infractions, Seller shall have 60 days to either correct the condition or reach an agreement with Buyer for a reduction to the purchase price. If Seller refuses to correct the condition or is unable to reach agreement with Buyer concerning a reduction to the Purchase Price, Buyer may elect to terminate this Agreement without penalty or to proceed to Closing. If the final Rate Base as determined by the FPSC varies from the Purchase Price as stated above by more than 10%, then Seller may elect to terminate this Agreement without penalty. If Seller elects to terminate this Agreement for this reason, all Water System Assets shall revert back to the Seller and any and all agreements or understandings will be null and void between the Seller and Buyer. The Seller shall then refund the \$14,000 already paid to the Buyer at Closing.

1.4 Contractual Obligations

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

1.5 Non-Assumption of Liabilities

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

2. CLOSING

Subject to the provisions of **Sections 4 and 5**, Closing hereunder (the "Closing") shall take place as agreed upon by the Seller and Buyer. The date of the Closing is referred to herein as the "Closing Date". The effective time of the legal transfer hereunder shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be delivered at Closing

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

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

bills issued by Seller as a result the Seller's final meter reading.

- (d) Accurate asset listing and depreciation schedules 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.

- (e) 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, intangible taxes, 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.

2.2 Transfer of Utilities

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

2.3 Further Assurances

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

3. CONDUCT OF PARTIES PENDING CLOSING

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

- (a) The business of Seller shall be conducted solely in the ordinary course consistent with past practice and shall maintain and service the tangible Assets in good working order such that they will be in proper working order at Closing.
- (b) Seller will use its best efforts to maintain its relations and goodwill with its suppliers, customers and any others having business relations with it.
- (c) Seller shall comply with all laws, ordinances, rules, regulations and orders applicable to it and to the conduct of its business.
- (d) Seller will promptly advise Buyer in writing of all events between the date hereof and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) Seller will promptly advise Buyer in writing promptly after Seller receives knowledge of

the threat or commencement of any dispute, claim, action, suit, proceeding, arbitration or investigation against or involving the Assets or the sale and transfer thereof to Buyer, or of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of Seller.

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

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

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

4.1 Closing Certificate; Performance by Buyer

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

4.2 Litigation Affecting Closing

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

5. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

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

5.1 Satisfaction with Operational and Real Estate Title Issues

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

conveyed to Buyer from Seller.

5.2 Closing Certificate; Performance by Seller

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

5.3 Litigation Affecting Closing

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

5.4 Seller Authorizations

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

5.5 Governmental Approvals

Buyer shall have received within 12 months (365 days), all governmental approvals and authorizations needed for the transfer of the Assets, including, but not limited to, the FPSC, FDEP, and the Water Management District, upon terms and conditions acceptable to Buyer, to enable Buyer to assume ownership and operation of the System Assets and to provide water service to the public in the service territory presently being served by Seller. 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 Florida Public Service Commission ("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 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.** **Brendenwood Utilities, LLC.** as a Limited Liability Company 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 **Brendenwood Utilities, LLC.**
- (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, 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 Laws, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record keeping requirements under the Environmental Laws.

7. REPRESENTATIONS AND WARRANTIES OF BUYER

7.1 Buyer hereby represents and warrants to Seller as follows:

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

8. INDEMNIFICATION

8.1 Indemnification of Seller

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

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

8.2 Indemnification of Buyer

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

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

8.3 General

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

9. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

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

10. **MISCELLANEOUS**

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

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

10.2 **Binding Effect**

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

10.3 **Notices**

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

If to Buyer:

Mr. Gary A. Deremer, President
Brendenwood Water works, Inc.
C/O 4939 Cross Bayou Blvd.
New Port Richey, FL 34652

If to Seller:

Mr. Gerard Connolly
PO Box 350065
Grand Island, FL 32735

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

10.5 Florida Law to Govern

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

10.6 No Benefit to Others

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

10.7 Headings, Gender, etc.

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

10.8 Exhibits and Schedules

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

10.9 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.

Agreement on the date first written.

SELLER:

Brendenwood Utilities, LLC.

By: Gerard P. Connolly
President and Managing Member

Print: Gerard P. Connolly

Brendenwood Waterworks, Inc.

By: _____
President

Print: Gary Deremer

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 provide all regulatory assessment fees, fines or refunds owed up to the date of the purchase of the Systems.

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

A statement describing the financing of the purchase.

The system was purchased with Shareholder's cash.

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.

Not Applicable

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

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

Net Book Value of Rate Base to be determined by the FPSC. However, below are the values as reported in Brendenwood Utilities, LLC 2013 Annual Report filed with the FPSC as of December 31, 2013:

| | |
|--|------------------|
| Utility Plant in Service: | \$ 26,787 |
| Land: | 1,100 |
| Accumulated Depreciation | (7,846) |
| Contributions in Aid of Construction (CIAC): | (1,577) |
| Accumulated Amortization CIAC: | <u>1,577</u> |
| Net Rate Base: | <u>\$ 20,041</u> |

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, based on the Rate Base reported in the 2013 Annual Report and the purchase price, no acquisition adjustment is appropriate or 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 will provide any and all Federal income tax returns. Seller has all applicable tax returns.
Buyer will obtain all federal income tax returns of the seller.

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).

Brendenwood Waterworks, Inc.
Brendenwood and Jeremy Estates Subdivisions
Lake County
Description of Water Territory

PER ORDER NO. PSC-11-0552-FOF-WS:

The North 660 feet of the East 924 feet of the Northwest 1/4 of the Southeast 1/4 of Section 32, Township 18 South, Range 26 East, Lake County, Florida. Also described as: Begin at the Northeast corner of the Northwest 1/4 of the Southeast 1/4 of Section 32, Township 18 South, Range 26 East, Lake County, Florida, run thence S89°53'07" W along the North Line of the Northwest 1/4 of the Southeast 1/4 of Section 32, Township 18 South, Range 26 East a distance of 924.00 feet, then S0°36'29" E parallel to the East line of said Northwest 1/4 of the Southeast 1/4 of Section 32 a distance of 660.00 feet, thence N89°53'07" E parallel to the aforesaid North line of the Northwest 1/4 of the Southeast 1/4 of Section 32 a distance of 924.00 feet, thence N0°36'29" W 660.00 feet to the point of beginning.

PER ORDER NO. PSC-11-0552-FOF-WS:

Township 18 South, Range 26 East
In Section 32

Jeremy Estates

From the Southeast corner of the Northwest 1/4 of the Southeast 1/4 of Section 32, Township 18 South, Range 26 East, Lake County, Florida. Run N 00°35'29"W along the East Line of said Northwest 1/4 of the Southeast 1/4 a distance of 369.20 feet; thence S 89°58'23"W, 25.00 feet to a point on the Westerly right-of-way line of Fish Camp Road and the POINT OF BEGINNING of this description; from said POINT OF BEGINNING run S 89°58'23"W, 508.92 feet; thence N 00°37'31"W, 297.73 feet; thence N 89°53'07"E, 509.09 feet to a point on the Westerly right-of-way line of Fish Camp Road; thence S 00°35'29"E along said Westerly right-of-way line, 298.51 feet to the POINT OF BEGINNING.

Grand Island Post Office

The East 275 feet of the Southwest 1/4 of the Northeast 1/4 all lying South of Highway No. 44 and West of Fish Camp Road.

PER ORDER NO. PSC-11-0552-FOF-WS:

Township 18 South, Range 26 East, Lake County, Florida

Section 32: The East 278.35 feet of the North 156.50 feet of the South 369.2 feet of the Northwest
 1/4 of the Southeast 1/4 of Section 32, Township 18 South, Range 26 East in Lake
 County, Florida
 LESS the East 33 feet for Rd R/W.

FLORIDA PUBLIC SERVICE COMMISSION

Previously authorized

Brendenwood Utilities, LLC

pursuant to

Certificate Number 339-W

to provide water service in Lake County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

| <u>Order Number</u> | <u>Date Issued</u> | <u>Docket Number</u> | <u>Filing Type</u> |
|---------------------|--------------------|----------------------|--|
| 10184 | 08/05/81 | 810079-W | Original Certificate |
| 22398 | 01/10/90 | 891122-WU | Amendment |
| 22425 | 01/17/90 | 891121-WU | Transfer of Majority Organizational Control |
| PSC-03-0118-FOF-WU | 01/21/03 | 020996-WU | Name Change |
| PSC-04-1054-PAA-WU | 10/27/04 | 040276-WU | Transfer of Majority Organizational Control |
| PSC-05-0678-FOF-WU | 06/20/05 | 050255-WU | Amendment |
| PSC-11-0552-FOF-WU | 12/07/11 | 110255-WU | Transfer of Certificate |

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.

BUYER CLOSING STATEMENT

File Number: 14-369 scb

Name of Buyer: Brendenwood Waterworks, Inc.

Name of Seller: Brendenwood Utilities, LLC

Property: Water system in LAKE County, Florida, fee simple title to real property Parcel I.D. No. 32-18-26-005000A00000; site address: Tract A, NWC South Fish Camp Rd. And Devenshire Ct.

Settlement Agent: Booth & Cook, P.A.

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

Settlement Date: May 30, 2014

Purchase Price: \$20,000.00

| | |
|---|-------------|
| PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be adjusted pursuant to terms and provisions of the PSA to determine the final purchase price) | \$14,000.00 |
| Billed base facility charge, if any, assumed by Buyer | \$0.00 |
| Record Bill of Sale | \$27.00 |
| Record Deed | \$27.00 |
| Documentary tax stamps on Deed | \$127.40 |
| Prorate taxes, 1/1/14 to closing (\$270.13/year) | (\$111.74) |
| Title Insurance - waived by buyer | \$0.00 |
| Survey - waived by buyer | \$0.00 |
| Attorney fees to Booth & Cook, P.A. | \$750.00 |
| Closing fees to Booth & Cook, P.A. | \$375.00 |
| CASH DUE FROM BUYER TO CLOSE* | \$15,194.66 |

*Cashier's check or wire funds payable to Booth & Cook, P.A.-Trust Account

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

Brendenwood Waterworks, Inc.

Gary Deremer, President

S:\CAROLYN\DATA\CLIENTS\U S Water\Brendenwood\buyer clo stat.wpd

SELLER CLOSING STATEMENT

File Number: 14-369 scb

Name of Buyer: Brendenwood Waterworks, Inc.

Name of Seller: Brendenwood Utilities, LLC

Property: Water system in LAKE County, Florida, fee simple title to real property
Parcel I.D. No. 32-18-26-005000A00000; site address: Tract A, NWC
South Fish Camp Rd. And Devenshire Ct.

Settlement Agent: Booth & Cook, P.A.

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

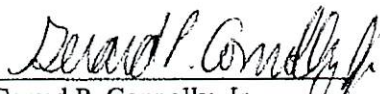
Settlement Date: May 30, 2014

Purchase Price: \$20,000.00

| | |
|---|-------------|
| PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be further adjusted pursuant to terms and provisions of the PSA to determine the final purchase price) | \$14,000.00 |
| Prorate taxes, 1/1/14 to closing (\$270.13/year) | (\$111.74) |
| Record Bill of Sale-paid by buyer | \$0.00 |
| Record Deed-paid by buyer | \$0.00 |
| CASH DUE TO SELLER | \$13,888.26 |

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

Brendenwood Utilities, LLC,
a Florida limited liability company


Gerard P. Connolly, Jr.,
Its sole Member and Manager

Limited Liability Company Affidavit

Before me, the undersigned authority, personally appeared GERARD P. CONNOLLY, JR. ("Affiant"), who being by me first duly sworn, on oath, depose(s) and say(s) under penalties of perjury that:

[When used, "Affiant" includes singular or plural as context so requires or admits]

1. This affidavit is made with regard to the property described as follows:

See the attached Exhibit "A".

2. Brendenwood Utilities, LLC, a Florida limited liability company (the "Owner" or "LLC"), is the owner of the property described in item 1 above ("Property") by virtue of deed recorded in Official Records Book 4118, Page 644, Public Records of Lake County, Florida.
3. Neither the entity authorized as signatory under any operating agreement of the Owner nor any of the members of the Owner are debtors in bankruptcy and none have been a debtor in bankruptcy since becoming a member or manager of the LLC.
4. The limited liability company that is the owner of the Property is one of a family or group of entities, but none of the other entities in this family or group of entities is a debtor in bankruptcy.
5. The limited liability company that is the owner of the Property is a single member limited liability company, but there are no creditors who have acquired or are attempting to acquire control of the LLC by executing on or attaching or seizing the member's interest in the limited liability company.
6. This affidavit is made to induce Brendenwood Waterworks, Inc., a Florida corporation, to purchase the real property described in item 1 above. Affiant, individually and on behalf of the limited liability company described in item 2 above agrees to indemnify the purchaser and hold it harmless from any loss or damage resulting from the purchaser's reliance on the matters set forth in this affidavit.

Gerard P. Connolly Jr.
Gerard P. Connolly, Jr.

State of Florida; County of Seminole:

Sworn to and subscribed before me this 22 day of May, 2014 by Gerard P. Connolly, Jr.,

who is/are personally known to me or

who has/have produced FLDLCS40 (type of identification) as identification.

295 693270

M. Valle
Notary Public

commission expires on:

6/19/17

seal

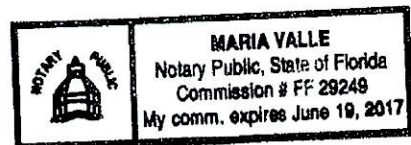


EXHIBIT "A"

Tract A, BRENDENWOOD, according to the map or plat thereof as recorded in Plat Book 25, Page 21, of the Public Records of Lake County, Florida.

CONTINUATION OF EXHIBIT "A"

TOGETHER WITH all of the Assets described in the Asset Purchase Agreement dated May 14, 2014 between Brendenwood Utilities, LLC, a Florida limited liability company, as Seller, and Brendenwood Waterworks, Inc., a Florida corporation, as Purchaser.

RE: Escrow File #14-369
Brendenwood Utilities, LLC - conveyance to Brendenwood Waterworks, Inc.
- water treatment plant, fee simple interest, appurtenant to the utility service district
serving Brendenwood, Lake County, Florida

DISCLOSURE AND HOLD HARMLESS

The undersigned purchaser, after full disclosure, has elected to proceed with the closing of the above described transaction, and hereby acknowledges and agrees to hold and save the firm of Booth & Cook, P.A. harmless from any loss or damages and all liability arising from the following matters:

A. The purchaser is proceeding without the benefit of a title search or an owner's title insurance policy insuring the leasehold interest and/or the easement interests necessary for the operation of the water and sewer service district facilities.

B. The purchaser is proceeding without the benefit of an updated survey of the lands which are the subject of the captioned transaction, notwithstanding the inability to determine with accuracy whether the necessary access easements and utility system easements are located within the boundaries of the grant of easement or assignment of easement and/or the sketch of land lease area delivered at closing in consummation of the Asset Purchase Agreement between the parties.

C. The purchaser has elected to proceed without obtaining the consent and subordination of any potential lender whose mortgage may encumber the underlying fee simple title in and to the beneficial easement interest which is the subject of the captioned transaction.

D. The purchaser has elected to proceed without obtaining the consent required, if any, of the homeowner's association to the conveyance of any beneficial easement interest and/or the fee simple interest which are the subject of the captioned transaction.

Dated this 30 day of may, 2014

PURCHASER:

Brendenwood Waterworks, Inc.

A Florida corporation



Gary Deremer, President

Prepared by/return to:

R:
Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668
File #14-369

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that on the 23rd day of May, 2014, **BRENDENWOOD UTILITIES, LLC**, a Florida limited liability company, ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **BRENDENWOOD WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated May 14, 2014 (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.

SELLER:

Signed, sealed and delivered in the presence of:

Sofia Teles
Signature

SOHIA TELES
Type/print name of witness

CALED CHAMAN
Signature

CALED CHAMAN
Type/print name of witness

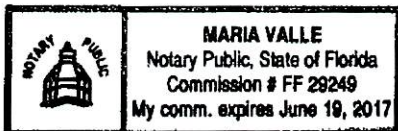
Brendenwood Utilities, LLC,
A Florida limited liability company

Gerard P. Connolly, Jr.
Gerard P. Connolly, Jr.
Its sole Member and Manager

STATE OF Florida
COUNTY OF Seminole

The foregoing instrument was acknowledged before me this 22 day of May, 2014 by Gerard P. Connolly, Jr., the sole Member and Manager on behalf of said Brendenwood Utilities, LLC, a Florida limited liability company. He is personally known to me or has produced FIDUCS40 29569 3270 as identification.

Maria Valle
Notary Public



Signed, sealed and delivered in the presence of:

Carolyn Bailey
Signature

Carolyn Bailey
Type/print name of witness

Patricia Coffman
Signature

PATRICIA COFFMAN
Type/print name of witness

STATE OF FLORIDA
COUNTY OF PASCO

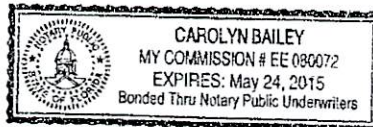
The foregoing instrument was acknowledged before me this 30 day of May, 2014 by Gary Deremer as President on behalf of said Brendenwood Waterworks, Inc., a Florida corporation. He is personally known to me.

Carolyn Bailey
Notary Public

BUYER:

Brendenwood Waterworks, Inc.
A Florida corporation

Gary Deremer
President



**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 23rd day of May, 2014, by and between BRENDENWOOD UTILITIES, LLC, a Florida limited liability company ("Assignor") and BRENDENWOOD 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 14, 2014 (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:

Sofia Teles

Signature

SOFIA TELES

Type/print name of witness

Caleb Chapman

Signature

CALEB CHAPMAN

Type/print name of witness

STATE OF Florida
COUNTY OF Seminole

The foregoing instrument was acknowledged before me this 25 day of May, 2014 by Gerard P. Connolly, Jr., the sole Member and Manager on behalf of said Brendenwood Utilities, LLC, a Florida limited liability company. He is personally known to me or has produced FDL C540295693270 as identification.

Maria Valle

Notary Public

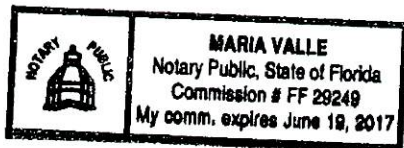
ASSIGNOR:

Brendenwood Utilities, LLC,
A Florida limited liability company

Gerard P. Connolly Jr.

Gerard P. Connolly, Jr.

Its sole Member and Manager



Signed, sealed and delivered in the presence of:

Carolyn Bailey
Signature

Carolyn Bailey
Type/print name of witness

Patricia Coffman
Signature

PATEICIA COFFMAN
Type/print name of witness

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 30 day of May, 2014 by Gary Deremer as President on behalf of said Brendenwood Waterworks, Inc., a Florida corporation. He is personally known to me.

Carolyn Bailey
Notary Public

ASSIGNEE:

Brendenwood Waterworks, Inc.
A Florida corporation

Gary Deremer
President

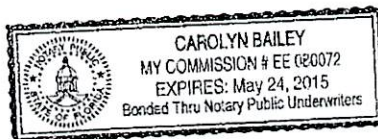


Exhibit "A"
Permits

All existing permits and governmental approvals relating to the water system serving the Brendenwood service area in Lake County, Florida to the extent they are assignable, including, but not limited to the following:

That certain Florida Dept. Of Environmental Regulation Permit # _____ with
regard to _____, Permittee, in re: Water System I.D. No.
3354043

Parcel # 32-18-26-005000A00000
Alt. Key 2931141

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

Consideration: \$18,153.00

File #14-369

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.

SPECIAL WARRANTY DEED

THIS INDENTURE, made this 23RD day of May, 2014 by and between **BRENDENWOOD UTILITIES, LLC, a Florida limited liability company**, whose address is P.O. Box 350065, Grand Island, FL 32735, hereinafter called the Grantor, and **BRENDENWOOD WATERWORKS, INC., a Florida corporation**, whose address is c/o 4939 Cross Bayou Blvd., New Port Richey, FL 34652, hereinafter called the Grantee.

WITNESSETH, that the said Grantor, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars in hand paid by the Grantee and other valuable considerations, the receipt whereof is acknowledged, hereby grants, bargains and sells to the said Grantee, forever, the following described land in the County of **LAKE**, Florida, to wit:

See the attached Exhibit "A" incorporated herein by reference.

TO HAVE AND TO HOLD the above referenced property with appurtenances, unto the said Grantee, its successors and assigns forever.

SUBJECT TO all easements, restrictions and reservations of record and taxes for 2014 and subsequent years.

AND SAID GRANTOR does hereby fully specially warrant the title to said lands and will defend the same against the lawful claims of any person whomsoever claiming by, through or under the said Grantor, but against none other.

IN WITNESS WHEREOF, the above named corporate Grantor has caused these presents to be signed in its name by its undersigned officers, and its seal affixed the day and year first hereinabove written.

BRENDENWOOD UTILITIES, LLC
a Florida limited liability company

Gerard P. Connolly, Jr.
Gerard P. Connolly, Jr., its sole Member and Manager

Signed, sealed and delivered
in the presence of:

Sofia Teles
Witness signature
SOFIA TELES
print name of witness

Caleb Chapman
Witness signature
CALEB CHAPMAN
print name of witness

STATE OF Florida

COUNTY OF Seminole

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Gerard P. Connolly, Jr., as the sole Member and Manager of Brendenwood Utilities, LLC, a Florida limited liability company,

☒ who is/are personally known to me or
☐ who has/have produced FDLCS 540295 (type of identification) as
identification 693270

and who acknowledged before me that the foregoing instrument was executed for the reasons expressed therein.

Witness my hand and official seal this 22 day of May, 2014.

my commission expires on: 6/19/17 S. Valle

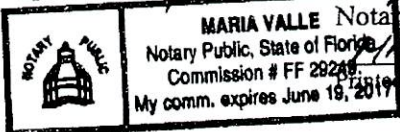
seal of notary  MARIA VALLE
Notary Public, State of Florida
Commission # FF 28245
My comm. expires June 19, 2017
typed or stamped name of notary

Exhibit "A"

Tract A, BRENDENWOOD, according to the map or plat thereof as recorded in Plat Book 25, Page 21 of the Public Records of Lake County, Florida.

Closing Certificate
of
BRENDENWOOD UTILITIES, LLC

The undersigned is the sole Member and Manager of Brendenwood Utilities, LLC, a Florida limited liability company (the "Seller") hereby certifies on behalf of the Seller as follows:

1. The Asset Purchase Agreement dated May 14, 2014 (the "Purchase Agreement") between Brendenwood Utilities, LLC, a Florida limited liability company (the "Utility") and Brendenwood 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: May 23, 2014

SELLER:

Brendenwood Utilities, LLC,
A Florida limited liability company

Gerard P. Connolly, Jr.
Gerard P. Connolly, Jr.,
Its sole Member and Manager

Closing Certificate
of
Brendenwood Waterworks, Inc.

The undersigned is the President of Brendenwood Waterworks, Inc. (the "Buyer") and hereby certifies on behalf of the Buyer as follows:

1. The Asset Purchase Agreement dated May 14, 2014 (the "Purchase Agreement") between Brendenwood Utilities, LLC, a Florida limited liability company (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.

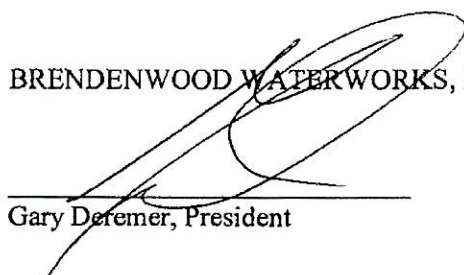
2. The Buyer is not prohibited by decree or law from consummating the transaction contemplated by the Purchase Agreement.

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: May 30, 2014

BRENDENWOOD WATERWORKS, INC.



Gary Deremer, President

CORPORATION RESOLUTION/INCUMBENCY CERTIFICATE

The undersigned officer(s) of **BRENDENWOOD WATERWORKS, INC.**, a Florida corporation (the "Company") hereby certify that the Company is a corporation organized and existing under the laws of the State of Florida, having its chief executive office, principal place of business, registered office and registered agent at c/o 4939 Cross Bayou Blvd., New Port Richey, FL 34652; that the following copy is a true and correct copy of the resolution duly adopted at a meeting of the Board of Directors of the Company, held on or about May 30, 2014, that said meeting was duly authorized by the Bylaws of the Company; that the actions taken at such meeting and reflected in said resolution are authorized by the Bylaws of the Company; and that said resolution is now in full force and effect and has not been modified or amended.

WHEREAS, the Company desires to authorize Gary Deremer in his capacity as the President of the Company ("Agent") to enter into and execute for and on behalf of and in the name of the Company the documentation required to effectuate the purchase of the property described on the attached Exhibit "A" (the "Property") without the necessity for consent or joinder of any other person.

NOW THEREFORE, IT IS HEREBY:

RESOLVED, that the Agent is hereby authorized and empowered in the name and on behalf of the Company from time to time as it shall deem appropriate to:

(i) execute on behalf of the Company in such form as may be required by the Closing Agent or Title Insuring Agent and deemed advisable by the Agent, the Closing Statement and such other instruments or documents required as a condition to the consummation of the purchase transaction; and

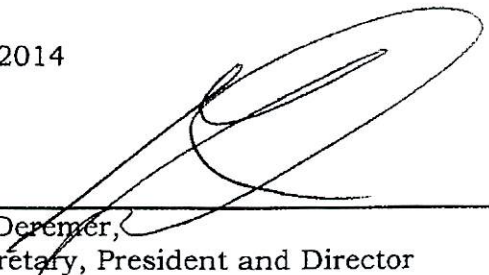
FURTHER RESOLVED, that the Agent is authorized and directed to execute and deliver in the name and on behalf of the Company any other agreements, certificates or documents as the Agent may consider necessary or appropriate in order to consummate the transaction contemplated in this resolution; and

FURTHER RESOLVED, that the approval and agreement of the Agent and the Company of and to the conditions contained in the agreements, certificates, documents and other instruments executed by the Agent in connection with purchase transaction contemplated in this resolution shall be conclusively established by its execution thereof; and

FURTHER RESOLVED, that the execution by the Agent shall be conclusive evidence of his authority to act on behalf of and in the name of the Company as provided herein; and

THE UNDERSIGNED FURTHER CERTIFY that neither the articles of organization nor the Bylaws of the Company, require, prohibit or limit in any manner the authorization contained herein.

So certified this 36 day of May, 2014



Gary Deremer,
Its Secretary, President and Director

(COMPANY SEAL)

EXHIBIT "A"

Tract A, BRENDENWOOD, according to the map or plat thereof as recorded in Plat Book 25, Page 21, of the Public Records of Lake County, Florida.

CONTINUATION OF EXHIBIT "A"

TOGETHER WITH all of the Assets described in the Asset Purchase Agreement dated May 14, 2014 between Brendenwood Utilities, LLC, a Florida limited liability company, as Seller, and Brendenwood Waterworks, Inc., a Florida corporation, as Purchaser.

RESOLUTION/INCUMBENCY CERTIFICATE

The undersigned sole Member and sole Manager of **BRENDENWOOD UTILITIES, LLC**, a Florida limited liability company (the "Company") hereby certifies that the Company is a limited liability company organized and existing under the laws of the State of Florida, having its chief executive office, principal place of business, registered office and registered agent at 3225 Site to See Avenue, Eustis, FL 32726; that the following copy is a true and correct copy of the resolution duly adopted at a meeting of all of the Members and Managers of the Company, held on or about May 23rd, 2014; that said meeting was duly authorized by the organizational documents and operating agreement, if any, governing the Company; that the actions taken at such meeting and reflected in said resolution are authorized by the organizational documents and/or operating agreement of the Company; and that said resolution is now in full force and effect and has not been modified or amended.

WHEREAS, the Company desires to authorize Gerard P. Connolly, Jr. in his capacity as the sole Member and Manager of the Company ("Agent") to enter into and execute for and on behalf of and in the name of the Company the documentation required to effectuate the sale of the property described on the attached Exhibit "A" (the "Property") without the necessity for consent or joinder of any other person.

NOW THEREFORE, IT IS HEREBY:

RESOLVED, that the Agent is hereby authorized and empowered in the name and on behalf of the Company from time to time as it shall deem appropriate to:

(i) execute on behalf of the Company in such form as may be required by the Closing Agent or Title Insuring Agent and deemed advisable by the Agent, the Closing Statement and such other instruments or documents required as a condition to the consummation of the sale transaction; and

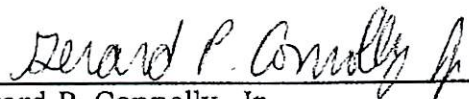
FURTHER RESOLVED, that the Agent is authorized and directed to execute and deliver in the name and on behalf of the Company any other agreements, certificates or documents as the Agent may consider necessary or appropriate in order to consummate the transaction contemplated in this resolution; and

FURTHER RESOLVED, that the approval and agreement of the Agent and the Company of and to the conditions contained in the agreements, certificates, documents and other instruments executed by the Agent in connection with purchase transaction contemplated in this resolution shall be conclusively established by its execution thereof; and

FURTHER RESOLVED, that the execution by the Agent shall be conclusive evidence of his authority to act on behalf of and in the name of the Company as provided herein; and

THE UNDERSIGNED FURTHER CERTIFY that neither the articles of organization nor the operating agreement, if any, of the Company, require, prohibit or limit in any manner the authorization contained herein.

So certified this 23RD day of May, 2014



Gerard P. Connolly, Jr.,
Its sole Member and Manager

(COMPANY SEAL)

EXHIBIT "A"

Tract A, BRENDENWOOD, according to the map or plat thereof as recorded in Plat Book 25, Page 21, of the Public Records of Lake County, Florida.

CONTINUATION OF EXHIBIT "A"

TOGETHER WITH all of the Assets described in the Asset Purchase Agreement dated May 14, 2014 between Brendenwood Utilities, LLC, a Florida limited liability company, as Seller, and Brendenwood Waterworks, Inc., a Florida corporation, as Purchaser.

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

BRENDENWOOD WATERWORKS, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

BRENDENWOOD WATERWORKS, INC.

5320 Captains Court
New Port Richey, Florida, 34652

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC.

WATER TARIFF

TABLE OF CONTENTS

Communities Served Listing..... 4.0

Description of Territory Served..... 3.1

Index of

 Rates and Charges Schedules..... 13.0

 Rules and Regulations..... 6.0

 Service Availability 25.0

 Standard Forms..... 20.0

Technical Terms and Abbreviations..... 5.0

Territory Authority..... 3.0

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER - 339 -W

COUNTY - LAKE

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

| <u>Order Number</u> | <u>Date Issued</u> | <u>Docket Number</u> | <u>Filing Type</u> |
|---------------------|--------------------|----------------------|------------------------|
| 10184 | 08/05/81 | 810079-W | Original Certificate |
| 22398 | 01/10/90 | 891122-WU | Amendment |
| 22425 | 01/17/90 | 891121-WU | Transfer of Majority |
| | | | Organizational Control |
| PSC-03-0118-FOF-WU | 01/21/03 | 020996-WU | Name Change |
| PSC-04-1054-PAA-WU | 10/27/04 | 040276-WU | Transfer of Majority |
| | | | Organizational Control |
| PSC-05-0678-FOF-WU | 06/20/05 | 050255-WU | Quick Take |
| | | | Amendment |
| PSC-11-0552-FOF-WU | 12/07/11 | 110255-WU | Transfer |

(Continued to Sheet No. 3.1)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

Original Territory

Order No. 10184

In Section 32, Township 18 South, Range 26 East

The North 660 feet of the east 924 feet of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 18 South, Range 26 East, Lake County, Florida. Also described as: Begin at the Northeast corner of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 18 South, Range 26 East, Lake County, Florida, run thence South $89^{\circ} 53' 07''$ West along the North line of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 18 South, Range 26 East a distance of 924.00 feet, then South $00^{\circ} 36' 29''$ East parallel to the East line of said Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32 a distance of 660.00 feet, thence North $89^{\circ} 53' 07''$ East parallel to the aforesaid North line of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32 a distance of 924.00 feet, thence North $00^{\circ} 36' 29''$ West 660.00 feet to the Point of Beginning.

Order No. 22398

Jeremy Estates

In Section 32, Township 18 South, Range 26 East

From the Southeast Corner of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Township 18 South, Range 26 East, Lake County, Florida. Run North $00^{\circ} 35' 29''$ West along the East Line of said Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ a distance of 369.20 feet; thence South $89^{\circ} 58' 23''$ West, 25.00 feet to a point on the Westerly right-of-way line of Fish Camp Road and the Point of Beginning of this Description: From said Point of Beginning, run South $89^{\circ} 58' 23''$ West, 508.92 feet; thence North $00^{\circ} 37' 31''$ West, 297.73 feet; then North $89^{\circ} 53' 07''$ East, 509.09 feet to a point on the Westerly right-of-way line of Fish Camp Road; thence South $00^{\circ} 35' 29''$ East along said Westerly right-of-way line, 298.51 feet to the Point of Beginning.

Grand Island Post Office

In Section 32, Township 18 South, Range 26 East

The East 275 feet of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ all lying South of Highway No. 44 and West of Fish Camp Road.

36205 S. Fish Camp Road

In Section 32, Township 18 South, Range 26 East

The East 278.35 feet of the North 156.6 feet of the South 369.2 feet of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 32, Township 18 South, Range 26 East in Lake County, Florida, LESS the East 33 feet of Road right-of-way.

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD 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 | Brendenwood | GS, RS | 14.0, 15.0 |
| Lake | Jeremy Estates | GS, RS | 14.0, 15.0 |
| Lake | Grand Island Post Office | GS, RS | 14.0, 15.0 |
| Lake | 36305 S. Fish Camp Road | GS, RS | 14.0, 15.0 |

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD 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 Brendenwood 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 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.

(Continued to Sheet No. 5.1)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 5.0)

- 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.
- 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 meets 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
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

INDEX OF RULES AND REGULATIONS

| | <u>Sheet Number:</u> | <u>Rule Number:</u> |
|--|--------------------------|-------------------------|
| Access to Premises..... | 10.0 | 14.0 |
| Adjustment of Bills..... | 11.0 | 22.0 |
| Adjustments of Bills for Meter Error | 11.0 | 23.0 |
| All Water Through Meter..... | 11.0 | 21.0 |
| Application | 7.0 | 3.0 |
| Applications by Agents..... | 7.0 | 4.0 |
| Change of Customer's Installation..... | 9.0 | 11.0 |
| Continuity of Service..... | 8.0 | 9.0 |
| Customer Billing..... | 10.0 | 16.0 |
| Delinquent Bills..... | 8.0 | 8.0 |
| Extensions..... | 7.0 | 6.0 |
| Filing of Contracts..... | 12.0 | 25.0 |

(Continued to Sheet No. 6.1)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 6.0)

| | <u>Sheet Number:</u> | <u>Rule Number:</u> |
|---|--------------------------|-------------------------|
| 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 | 12.0 | 24.0 |
| Meters..... | 11.0 | 20.0 |
| Payment of Water and Wastewater Service Bills Concurrently | 11.0 | 18.0 |
| Policy Dispute | 7.0 | 2.0 |
| Protection of Company's Property..... | 9.0 | 12.0 |
| Refusal or Discontinuance of Service..... | 7.0 | 5.0 |
| Right-of-Way or Easements | 10.0 | 15.0 |
| Termination of Service..... | 10.0 | 17.0 |
| Type and Maintenance..... | 8.0 | 7.0 |
| Unauthorized Connections - Water..... | 11.0 | 19.0 |

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD 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 all 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 may be required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled “Your Water and Wastewater Service,” prepared by the Florida Pubic 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.

(Continued on Sheet No. 8.0)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 7.0)

- 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 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.
- 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, all 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.

(Continued on Sheet No. 9.0)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 8.0)

In no case shall a Customer, except with the written consent of the Company, extend its 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, remetering, 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 remetering.)

- 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.
- 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.

(Continued on Sheet No. 10.0)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 9.0)

- 14.0 ACCESS TO PREMISES – In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide 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. 11.0)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 10.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER BILLS CONCURRENTLY – In accordance with Rule 25-30.320(2)(g), 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 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.

(Continued on Sheet No. 12.0)

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

(Continued from Sheet No. 11.0)

- 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 Rules 25-9.034 and 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.

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

| | Sheet Number: |
|--|------------------|
| Customer Deposits | 16.0 |
| General Service, GS | 14.0 |
| Meter Test Deposit | 17.0 |
| Miscellaneous Service Charges..... | 18.0 |
| Residential Service, RS | 15.0 |
| Service Availability Fees and Charges..... | 19.0 |

NAME OF COMPANY: BRENDENWOOD 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

| <u>RATE:</u> | <u>Meter Size:</u> | <u>Base Facility Charge:</u> |
|--------------|-----------------------|------------------------------|
| | 5/8" x 3/4" | \$ 14.74 |
| | 3/4" | \$ 22.11 |
| | 1" | \$ 36.85 |
| | 1-1/2" | \$ 73.70 |
| | 2" | \$117.92 |
| | 3" | \$235.84 |
| | 4" | \$368.50 |
| | 6" | \$737.00 |
| | <u>Gallage Charge</u> | |
| | Per 1,000 Gallons | \$ 3.05 |

MINIMUM CHARGE: The applicable base facility charge per month.TERMS OF PAYMENT: Bills are due and payable when rendered and become delinquent if not paid within twenty-one (21) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.EFFECTIVE DATE:TYPE OF FILING: Transfer

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD 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

| <u>RATE:</u> | <u>Meter Size:</u> | <u>Base Facility Charge:</u> |
|--------------|--------------------|------------------------------|
| | 5/8" x 3/4" | \$ 14.74 |
| | 3/4" | \$ 22.11 |
| | 1" | \$ 36.85 |
| | 1-1/2" | \$ 73.70 |
| | 2" | \$117.92 |
| | 3" | \$235.84 |
| | 4" | \$368.50 |
| | 6" | \$737.00 |

| <u>Gallonge Charge</u> | |
|--------------------------|---------|
| (0 - 5,000 gallons) | \$ 2.00 |
| (5,001 - 10,000 gallons) | \$ 2.24 |
| (Over 10,000 gallons) | \$ 4.48 |

MINIMUM CHARGE: The applicable base facility charge per month.TERMS OF PAYMENT: Bills are due and payable when rendered and become delinquent if not paid within twenty-one (21) days. After five (5) working days' written notice is mailed to the Customer separate and apart from any other bill, service may then be discontinued.EFFECTIVE DATE:TYPE OF FILING: Transfer

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD 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>Meter Size</u> | <u>Residential</u> | <u>General Service</u> |
|-------------------|--------------------|------------------------|
| 5/8" x 3/4" | N/A | N/A |
| 1" | N/A | N/A |
| 1 – 1/2" | N/A | N/A |
| Over 2" | N/A | N/A |

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), Florida Administrative Code. The Company will pay or credit accrued interest to the Customer's account during the month of January 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
President

NAME OF COMPANY: BRENDENWOOD 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>Fee</u> |
|-------------------|-------------|
| 5/8" x 3/4" | \$20.00 |
| 1" and 1 - 1/2" | \$25.00 |
| 2" and over | Actual Cost |

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

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD 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 – This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION – 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 – 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.

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 non-payment 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.

Schedule of Miscellaneous Service Charges

| | |
|--|---------|
| Initial Connection Fee | \$15.00 |
| Normal Reconnection Fee | \$15.00 |
| Violation Reconnection Fee | \$15.00 |
| Premises Visit Fee (in lieu of disconnection) | \$10.00 |
| Late Payment Fee | \$ 3.00 |

EFFECTIVE DATE:

TYPE OF FILING: Transfer

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|---|---------------|
| <u>Back-Flow Preventor Installation Fee</u> | |
| 5/8" x 3/4" | |
| 1" | |
| 1 - 1/2" | |
| 2" | |
| Over 2" | Actual Cost |
| <u>Customer Connection (Tap-In) Charge</u> | |
| 5/8" x 3/4" metered service | |
| 1" metered service | |
| 1 - 1/2" metered service | |
| 2" metered service | |
| Over 2" metered service | Actual Cost |
| <u>Guaranteed Revenue Charge</u> | |
| With Prepayment of Service Availability Charges: | |
| Residential-per ERC/Month (250 GPD) | N/A |
| All others-per gallon/month | N/A |
| Without Prepayment of Service Availability Charges: | |
| Residential-per ERC/Month (250 GPD) | N/A |
| All others-per gallon/month | N/A |
| <u>Inspection Fee</u> | Actual Cost |
| <u>Main Extension Charge</u> | |
| Residential-per ERC (250 GPD) | |
| All others-per gallon | |
| Or | |
| Residential-per lot (___ foot frontage) | |
| All others-per lot front foot | |
| <u>Meter Installation Fee</u> | |
| 5/8" x 3/4" | Actual Cost |
| 1" | Actual Cost |
| 1 - 1/2" | Actual Cost |
| 2" | Actual Cost |
| Over 2" | Actual Cost |
| <u>Plan Review Charge</u> | Actual Cost |
| <u>Plant Capacity Charge</u> | |
| Residential-per ERC (250 GPD) | |
| All others-per gallon | |
| <u>System Capacity Charge</u> | |
| Residential-per ERC (250 GPD) | |
| All others-per gallon | |

EFFECTIVE DATE:TYPE OF FILING: Transfer

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

INDEX OF STANDARD FORMS

| | Sheet <u>Number:</u> |
|---|-------------------------|
| Application for Meter Installation..... | 23.0 |
| Application for Water Service..... | 22.0 |
| Copy of Customer's Bill..... | 24.0 |
| Customer's Guarantee Deposit Receipt..... | 21.0 |

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

N/A

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

APPLICATION FOR WATER SERVICE

Name _____ Telephone Number (____) _____

Billing Address _____

City _____ State _____ Zip _____

Service Address _____

City _____ State _____ Zip _____

Date Service Should Begin: _____

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled 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.
2. The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. 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.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff.
4. Bills for water service will be rendered – Monthly – as stated in the rate schedule. Bills must be paid within 21 days of mailing bills. If payment is not made after five working days' written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require (oral or written) notice within 5 days prior to the date the Customer desires to terminate service.

Signature

Date

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

APPLICATION FOR METER INSTALLATION

N/A

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

COPY OF CUSTOMER'S BILL

Gary Deremer
President

NAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

| <u>Description</u> | <u>Sheet Number</u> |
|------------------------------|----------------------|
| Schedule of Fees and Charges | Go to Sheet No. 19.0 |
| Service Availability Policy | 26.0 |

Gary Deremer
President

TERMS & ABBREVIATIONSNAME OF COMPANY: BRENDENWOOD WATERWORKS, INC..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
President

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.

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.

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
President

-
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
President

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
President

- 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
President

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
President

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** See Sub-section V-3-b.
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
President

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
President

TABLE OF DAILY FLOWS

| <u>Types of Establishment</u> | <u>Estimated Daily Flows</u> | | |
|---|-------------------------------------|-------------------|-----|
| Apartment Buildings (per apartment) | 250 | gpd | [1] |
| Banquet Halls | 25 | gpd | |
| Bars and Cocktail Lounges..... | 5 | gpcd | [2] |
| Bathrooms (non-residential, per toilet or urinal) | 300 | gpd | |
| Beauty Shops (per seat) | 170 | gpd | |
| Boarding Schools (students and staff) | 75 | gpcd | |
| Boarding Houses | 75 | gpcd | |
| Bowling Alleys (toilet wastes only, per lane) | 100 | gpd | |
| Churches (per seat) | 3 | gpd | |
| Country Clubs (per member) | 25 | gpcd | |
| Day Schools (with cafeteria, no gymnasium or showers) | 15 | gpcd | |
| Day Schools (with cafeteria, gymnasium or showers) | 25 | gpcd | |
| Day Workers at Offices and Schools | 20 | gpcd | |
| Drive-in Theaters (per car space) | 5 | gpd | |
| Factories (with showers) | 30 | gpcd | |
| Factories (no showers) | 10 | gpd/100 sq. ft. | |
| Funeral Homes | 10 | gpd/100 sq. ft. | |
| Gas Stations (no car wash) | 450 | gpd | |
| Hospitals (with laundry) | 250 | gpd/bed | |
| Hospitals (no laundry) | 200 | gpd/bed | |
| Hotels and Motels (per room & unit) | 125 | gpd | |
| Laundromats (per washing machine) | 225 | gpd | |
| Mobile Home Parks (per trailer) | 225 | gpd | |
| Movie Theaters and Auditoriums (per seat) | 3 | gpd | |
| Nursing Homes | 150 | gpd/100 sq. ft. | |
| Office Buildings | 17 | gpd/100 sq. ft. | |
| Public Institutions (other than those listed herein) | 75 | gpcd | |
| Restaurants & Cocktail Lounges (per seat) | 50 | gpd | |
| Restaurants (take-out) | 50 | gpd/100 sq. ft. | |
| | (350 | gpd minimum) | |
| Restaurants (fast food, per seat) | 35 | gpd | |
| Single Family Residences | 350 | gpd | |
| Townhouse Residences | 280 | gpcd | |
| Shopping Centers | 17 | gpd/100 sq. ft. | |
| Stadiums, Frontons, Ball Parks, etc. (per seat) | 3 | gpd | |
| Stores (without kitchen wastes) | 5 | gpd/100 sq. ft. | |
| Speculative Buildings | 30gpd plus | 10 gpd | |
| | | per 100 sq. ft. | |
| Warehouses | 30gpd plus | 10 gpd | |
| | | per 1,000 sq. ft. | |

[1] gpd - gallons per day

[2] gpcd - gallons per capita per day

THE ABOVE ESTIMATED DAILY FLOWS WILL APPLY EXCEPT WHERE OTHERWISE INDICATED. HISTORICAL DATA SHOULD BE USED WHEN AVAILABLE.

Gary Deremer
President

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

See Order No. PSC-11-0552-FOF-WU, issued December 7, 2011.