

FLORIDA UTILITY SERVICES 1, LLC
3336 GRAND BLVD. SUITE 102
HOLIDAY, FL. 34690
863-904-5574

September 11, 2018

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399

RECEIVED-FPSC
2018 SEP 14 AM 8:03
COMMISSION
CLERK

RE: Alturas Water, LLC transfer Application

Dear Commission Clerk:

Enclosed please find an application for transfer from Alturas Utilities, LLC to Alturas Water, LLC in Polk County Florida.

On behalf of the utility,



Mike Smallridge.

**APPLICATION FOR TRANSFER OF CERTIFICATES OR FACILITIES
FROM A REGULATED UTILITY TO ANOTHER REGULATED UTILITY**

**(Pursuant to Section 367.071, Florida Statutes, and
Rule 25-30.037(2), Florida Administrative Code)**

Pursuant to Rule 25-30.037(1)(a), F.A.C., if a transfer occurs prior to Commission approval, the utility shall submit an application for authority to transfer no later than 90 days after the sale closing date.

To: **Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The undersigned hereby makes application for the transfer of facilities and transfer or cancellation of Water Certificate No. 628-W and/or Wastewater Certificate No. n/a and amendment of Water Certificate No. n/a and/or Wastewater Certificate No. n/a in POLK County, Florida, and submits the following information:

PART I

APPLICANT INFORMATION

- A) Contact Information for Utility/Seller. The utility/seller's certificated name, address, telephone number, and if applicable, fax number, e-mail address, and website address. The utility's name should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations:

ALTURAS UTILITIES, LLC

Utility Name

P.O. BOX 2608

Office Street Address

EATON PARK

FL

33840-2608

City

State

Zip Code

Mailing Address (if different from Street Address)

City

State

Zip Code

(863) 510-1318

Phone Number

() -

Fax Number

Federal Employer Identification Number

E-Mail Address

Website Address

628-W

Water Certificate No.

N/A

Wastewater Certificate No.

- B) The contact information of the seller's authorized representative to contact concerning this application:

LESLIE SZABO

Name

SAME AS ABOVE

Mailing Address

SAME AS ABOVE

City

FL

State

Zip Code

() -

Phone Number

() -

Fax Number

UNKNOWN

E-Mail Address

- C) Contact Information for Buyer. The buyer's name, address, telephone number, Federal Employer Identification Number, and, if applicable, fax number, e-mail address, website address, and new name of the utility if the buyer plans to operate under a different name. The buyer's business name, and if applicable, new utility name, should reflect the business and/or fictitious name(s) registered with the Department of State's Division of Corporations.

ALTURAS WATER, LLC

Buyer's Name

3336 GRAND BLVD. SUITE 102

Office Street Address

HOLIDAY

FL

34690

City

State

Zip Code

Mailing Address (if different from Street Address)

City

State

Zip Code

(863) 904-5574

() -

Phone Number

Fax Number

83-1053879

Federal Employer Identification Number

MIKE@FUS1LLC.COM

E-Mail Address

ALTURAS WATER, LLC

New Utility Name

- D) The contact information of the buyer's authorized representative to contact concerning this application:

MICHAEL SMALLRIDGE

Name

3336 GRAND BLVD. SUITE 102

Mailing Address

HOLIDAY

FL

34690

City

State

Zip Code

(863) 904-5574

() -

Phone Number

Fax Number

MIKE@FUS1LLC.COM

E-Mail Address

E) The name, address, telephone number, and if available, e-mail address and fax number of the person in possession of the books and records when the application is filed.

MICHAEL SMALLRIDGE

Name

3336 GRAND BLVD. SUITE 102

Mailing Address

HOLIDAY

City

FL

State

34690

Zip Code

(863) 904-5574

Phone Number

() -

Fax Number

MIKE@FUS1LLC.COM

E-Mail Address

F) Indicate the nature of the utility's/buyer's business organization (check one). Provide documentation from the Florida Department of State, Division of Corporations, showing the utility's/buyer's business name and registration/document number for the business, unless operating as a sole proprietor.

Corporation _____

Number

Limited Liability Company _____

L18000148251

Number

Partnership _____

Number

Limited Partnership _____

Number

Limited Liability Partnership _____

Number

Sole Proprietorship

Association

Other (Specify) _____

Date of this notice: 06-22-2018

Employer Identification Number:
83-0989793

Form: SS-4

Number of this notice: CP 575 G

ALTURAS WATER LLC
ALTURAS WATER
% MICHAEL SMALLRIDGE SOLE MBR
3336 GRAND BLVD
HOLIDAY, FL 34690

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 83-0989793. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is ALTU. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Detail by Entity Name

Florida Limited Liability Company
ALTURAS WATER, LLC

Filing Information

Document Number L18000148251
FEI/EIN Number NONE
Date Filed 06/15/2018
Effective Date 06/15/2018
State FL
Status ACTIVE

Principal Address

3336 GRAND BLVD
SUITE 102
HOLIDAY, FL 34690

Mailing Address

3336 GRAND BLVD
SUITE 102
HOLIDAY, FL 34690

Registered Agent Name & Address

SMALLRIDGE, MICHAEL
3336 GRAND BLVD
SUITE 102
HOLIDAY, FL 34690

Authorized Person(s) Detail

Name & Address

Title MGR

SMALLRIDGE, MICHAEL
3336 GRAND BLVD
HOLIDAY, FL 34690

Annual Reports

No Annual Reports Filed

Document Images

[06/15/2018 - Florida Limited Liability](#)

[View image in PDF format](#)

If the utility is doing business under a fictitious name, provide documentation from the Florida Department of State, Division of Corporations showing the utility's fictitious name and registration number for the fictitious name.

Fictitious Name (d/b/a) _____ N/A _____
Registration Number

G) The name(s), address(es), and percentage of ownership of each entity or person which owns or will own more than 5 percent interest in the utility (Use additional sheet if necessary).

N/A

H) Provide the date and state of incorporation or organization of the buyer.
JUNE 15,2018 FLORIDA

PART II

TRANSFER OF CERTIFICATE

A) DESCRIPTION OF SALE AGREEMENT

1) Exhibit 1 - Provide a copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval.

2) Exhibit 2 - Provide the following documentation of the terms of the transfer:

a) The date the closing occurred or will occur.

b) The purchase price and terms of payment.

c) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities.

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-
-
- d) A description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations.

OTHER THAN THE PURCHASE PRICE, THERE IS NO OTHER
CONSIDERATION BETWEEN THE PARTIES.

- e) Provisions regarding the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases.

ALTURAS WATER, LLC ASSUMES RESPONSIBILITY FOR CUSTOMER
DEPOSITS. THERE ARE NO OTHER CONTRACTS, AGREEMENTS
DEBT OR LEASES

- f) A statement that the buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters.

BUYER WILL FULFILL THE LAWFULL COMMITMENYS,
OBLIGATIONS AND REPRESENTATIONS OF THE SELLER WITH
REGARDS TO UTILITY MATTERS

- g) A provision that the buyer has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility.

SELLER HAS PROVIDED BUYER WITH SOME DOCUMENMTS AND
THE BUYER IS IN THE PROCESS OF OBTAINING THE BALANCE OF
THE DOCUMENTS FROM THE SELLER.

- h) A statement that the utility's books and records will be maintained using the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA).

ALTURAS WATER, LLC WILL MAINTAIN THE UTILITY BOOKS AND
RECORDS USING THE NARUC SYSTEM.

- i) A statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of Rule 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. If the records will not be maintained at the utility's office(s), the statement should include the location where the utility intends to maintain the books and records.

THE UTILITY BOOKS AND RECORDS ARE AT THE UTILITY OFFICE
IN HOLIDAY FLORIDA.

B) FINANCIAL ABILITY

- 1) Exhibit 3 - Provide a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided.
- 2) Exhibit 4 - Provide a list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial statements.

THE UTILITY HAS NO ENTITIES OR AFFILIATES PROVIDING
FUNDING.

C) TECHNICAL ABILITY

- 1) Exhibit 5 - Provide the buyer's experience in the water or wastewater industry.

- 2) Exhibit 6 - Provide the buyer's plans for ensuring continued operation of the utility, such as retaining the existing plant operator(s) and office personnel, or contracting with outside entities.

D) TERRITORY DESCRIPTION, PUBLIC INTEREST, AND FACILITIES

1) Exhibit 7 - Provide a legal description of the proposed service area in the format prescribed in Rule 25-30.029, F.A.C.

2) Exhibit 8 - Provide a statement explaining why the transfer is in the public interest.

3) Exhibit 9 - Provide a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and compliance with all applicable standards set by the DEP, or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a description of the repairs or improvements that have been identified, the governmental entity that required the repairs or improvements, if applicable, the approximate cost to complete the repairs or improvements, and any agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements.

4) Exhibit 10 - Provide documentation of the utility's right to continued long-term use of the land upon which the utility treatment facilities are located. This documentation shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded long-term lease, such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time prescribed in the order granting the transfer.

5) Exhibit 11 - Provide a copy of all of the utility's current permits from the Department of Environmental Protection (DEP) and the water management district.

6) Exhibit 12 - Provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary water quality standards report.

- 7) Exhibit 13 - Provide a copy of all of the utility's correspondence with the DEP, county health department, and water management district, including consent orders and warning letters, and the utility's responses to the same, for the past five years.
- 8) Exhibit 14 - Provide a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years.

E) PROPOSED TARIFF

Exhibit 15 - Provide a tariff containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. See Rule 25-30.037, F.A.C., for information about water and wastewater tariffs that are available and may be completed by the applicant and included in the application.

F) ACCOUNTING INFORMATION

- 1) Exhibit 16 - Provide the proposed net book value of the system as of the date of the proposed transfer, and a statement setting out the reasons for the inclusion of an acquisition adjustment, if one is requested. If rate base has been established by this Commission, provide the docket and the order number. In addition, provide a schedule of all subsequent changes to rate base.

THE PROPOSED NBV AT THE TIME OF TRANSFER IS \$ 22,095

- 2) Exhibit 17 - Provide a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established or the rate base was last established by the Commission, whichever is later. If the tax returns have not been obtained, provide a description of the steps taken to obtain the tax returns.

BUYER IS IN THE PROCESS OF OBTAINING TAX RETURNS FROM SELLER. RATE BASE WAS LAST ESTABLISHED IN ORDER NO. PSC-16-0128-PAA-WU

- 3) Exhibit 18 - Provide a statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years.

ALTURAS WASTER, LLC WILL BE RESPONSIBLE FOR ANY REFUNDS OWED, 2018 RAF'S, ANNUAL REPORT AND SUBSEQUENT YEARS RAF'S AND ANNUAL REPORTS

- 4) Exhibit 19 - If the buyer currently owns other water or wastewater utilities that are regulated by this Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities.

SINCE THE UTILITY DOES NOT HAVE RATE MAKING AUTHORITY, ANY ECONOMY OF SCALES OR THERE EFFECTS ON RATES IN UNKNOWN.

G) NOTICING REQUIREMENTS

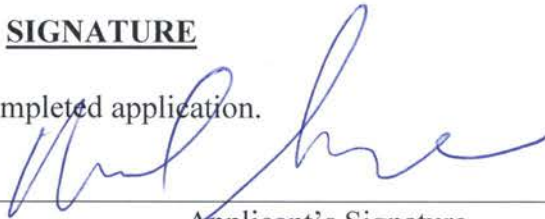
Exhibit - 20 - Provide proof of noticing pursuant to Rule 25-30.030, F.A.C. This may be provided as a late-filed exhibit.

PART III

SIGNATURE

Please sign and date the utility's completed application.

APPLICATION SUBMITTED BY:



Applicant's Signature

MICHAEL SMALLRIDGE

Applicant's Name (Printed)

SOLE MANAGING MEMBER

Applicant's Title

9/11/2018

Date

Exhibit #1

AGREEMENT FOR PURCHASE AND SALE OF WATER SYSTEM ASSETS

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER SYSTEM ASSETS ("Agreement") is entered into by and between Florida Utility Services 1, LLC, whose mailing address is 3336 Grand Blvd Suite #102, Holiday, Florida 34690 ("Buyer") and Sunrise Utilities, LLC and Alturas Utilities, LLC, whose mailing address is P.O. Box 2608 Eaton Park, Florida 33840 ("Seller") (collectively "the Parties").

Seller agrees to sell, and Buyer agrees to buy the utility systems commonly known as Sunrise Utilities, LLC and Alturas Utilities, LLC located in Polk County Florida ("Utility System"), pursuant to the following terms and conditions:

1. The Utility System includes Seller's domestic water supply, transmission, distribution collection systems which has Florida Public Service Commission ("FPSC") Water Certificate 628-W and 627-W, which includes the Seller's certificated franchise service area that provides water residential and general service customers in Polk County, Florida.
2. This is a purchase of assets only. The Purchased Assets shall mean (a) all of Seller's rights, title, and interest in and to all assets, business properties, and rights, both tangible and intangible, constituting the Utility System; (b) the real property and interests in real property owned and held by Seller, in fee simple, as identified in Exhibit "A" to this Agreement ("Real Property"); (c) an assignment of all rights described in any recorded restrictions, including the right to charge, collect and lien against any lot for nonpayment; (d) all easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, canals, streets and other areas owned or used by Seller for the construction, operation and maintenance of the Utility System; (e) all water and wastewater distribution facilities, water treatment facilities, wells, of every kind and description whatsoever that constitute part of the Utility System, including but not limited to generators, pumps, plants, 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, wherever they may be stored, together with all additions or replacements thereto; (f) all certificates, permits, license rights, consents, grants, leaseholds, and similar rights relating to the construction, maintenance, and operation of the Utility System and its plants and systems for the procuring, storage and distribution of potable water, every right of every character whatever in connection therewith, subject to the obligations thereof (collectively, the "Certificates"); and (g) all water rights, flowage rights and all renewals, extensions, additions or modifications of any of the foregoing; together with all rights granted to Seller under the foregoing Certificates.
3. Purchased Assets shall also include: (a) all items of inventory owned by Seller on date this agreement is executed by Seller, for use in connection with the maintenance and operation of the Utility System, which inventory shall not be unreasonably depleted prior to the Closing date, including without limitation, all meters, chemicals, and other materials and supplies used by Seller; (b) all supplier lists, customer

records, receipts for payment of connection charges, prints, blueprints, plans, engineering reports, specifications, shop drawings, equipment manuals, maps, and other information in Seller's possession, including any rights of Seller to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form; (c) all sets of drawings, showing all facilities of the Utility System, including all original tracings, maps, or other reproducible materials in Seller's possession, including any rights of Seller to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form; (d) any Developer Agreements; (e) all equipment, computers, software, office equipment, intellectual property owned or licensed by Seller and other personal property owned by Seller and used by Seller in connection with the operation of the Utility System. Seller shall prepare and deliver to Buyer a list of personal property to be conveyed at closing, 5 days prior to closing, for Buyer's review and approval.

4. Buyer and Seller shall agree, prior to closing, on the method of calculating and transferring to Buyer the balance of the operating accounts of the Utility System, together with all customer deposits and accounts receivables for the Utility System; the monthly expenses shall be paid in full for the last month for which Seller retains the receivables for that month's billing.

5. The following "Excluded Assets" are excluded from the Purchased Assets: (a) escrow and other Seller provisions for payment of federal and state taxes and other obligations to governmental entities; (b) seller shall be responsible for paying any such taxes and other obligations, to the extent that they are due from the operation of the Utility System prior to the Closing Date.

6. Name of New Entity. Buyer shall utilize and may acquire title in the names "Sunrise Water, LLC, and Alturas Water, LLC" and no infringement shall be claimed by Seller.

7. Buyer shall assume all obligations and liabilities arising from the operation of the Utility System after the day of Closing, under the Certificates or under contracts or commitments expressly assumed by Buyer. Seller warrants that there are no known contracts to be assumed by Buyer. Buyer does not assume and shall not be liable for any expense, assessment, exposure, fine, penalty, liability, act or omission of Seller of any kind whatsoever imposed or required by any third party (including any federal, state, or local authority), whether known or unknown, whether contingent, liquidated or unliquidated, and whether arising or accruing under contract, tort, or pursuant to statute, rule, ordinance, law, regulation or otherwise. Without limiting the foregoing, Buyer shall not be liable for any liabilities to the extent that they are based upon or arise out of any violation of law, breach of permit obligation, breach of contract, tort, or other act or omission of Seller occurring prior to the Closing Date. Seller shall remain liable for and shall pay, perform or discharge all of Seller's liabilities and obligations, other than liabilities and obligations assumed by Buyer.

8. **Purchase Price.** On the Closing Date, Buyer shall pay to Seller, subject to the additions, adjustments and pro-rations referenced in this Agreement the purchase price of \$89,900 ("Purchase Price").

9. **Warranties.** Seller represents and warrants to Buyer that the execution and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Seller, the Articles of Incorporation or By-

Laws of Seller, nor any indenture, agreement, or other instrument to which Seller is a party, or by which it is bound. Seller has exclusive possession and marketable title to all Real Property. The Purchased Assets are not subject to any mortgage, pledge, lien, charge, security interest, or encumbrance and Seller shall, at closing deliver title to such personal property free and clear of all debts, liens, pledges, charges or encumbrances whatsoever.

10. Environmental Law Compliance. Seller warrants that the Utility is in material compliance with all applicable Environmental Laws, including any federal, state, or local statute, regulation, or ordinance, relating to the protection of human health or the environment in effect as of the Closing Date and includes, but is not limited to, The Florida Air and Water Pollution Control Act (Chapter 403, Florida Statutes), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA")(42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), and the Safe Drinking Water Act, (42 U.S.C. § 300f et seq.), as such have been amended or supplemented as of the Closing Date, the regulations promulgated pursuant thereto, and any conditions and requirements contained in any permits possessed by Seller from any federal, state or local agencies necessary to operate the Utility System.

11. Seller warrants there are no current actions, suits or proceedings at law or in equity pending or, to Seller's knowledge, threatened against the Seller or the Utility before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Utility System or any of the Purchased Assets or the Seller's right and ability to make and perform its obligations under this Agreement; nor is the Seller aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. Seller is not in material default with respect to any permit, order or decree of any court or of any administrative or governmental agency or instrumentality affecting the Utility System or any of the Purchased Assets. Seller agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings and orders which in any way relate to the operation of the Utility System.

12. Title Insurance. At least seven (7) days prior to the Closing, Seller shall, through a title insurance agent of Buyer's choice (the "Title Agent"), cause a current title insurance commitment to be issued by a title insurance company authorized to conduct business in Florida (the "Title Insurer"), and delivered to Buyer and Seller. The cost of the title insurance commitment and title insurance policy shall be borne by Buyer. The title insurance commitment shall commit the Title Insurer to issue owner's title insurance policies to Buyer covering the Real Property (substantially in accordance with the ALTA Standard Owner's Form B), reflecting title to the Real Property to be insurable, subject only to Permitted Encumbrances, as defined below, and encumbrances acceptable to Buyer, in Buyer's sole discretion; provided, however, that the Title Insurer shall delete the standard exceptions customarily deleted for such items as material man's liens, survey, and mechanic's liens. Seller shall execute at or prior to Closing, in favor of Buyer and the Title Agent the appropriate mechanic's lien affidavit and "Gap" affidavit

sufficient to allow the Title Agent to delete all standard exceptions addressed by such affidavits.

13. Buyer shall notify Seller in writing prior to closing of any material defect in Seller's title to the Real Property, other than those accepted herein and the Permitted Encumbrances. Seller shall have thirty (30) days after receipt of Buyer's notice to eliminate the objections to title set forth in Buyer's notice. However, in no event shall Seller be required to bring suit or expend any sum in excess of \$5,000 in the aggregate to cure title defects (exclusive of mortgages against the Real Property) that Seller has an obligation to discharge on or before Closing pursuant to the terms of this Agreement. If Seller fails to deliver title as herein provided, then Buyer may accept whatever title Seller is able to convey with no abatement of the Purchase Price; or reject title and terminate this Agreement with no further liability to either Buyer or Seller. Buyer shall have the right, but not the obligation, to do such surveys on the Real Property as Buyer desires. Surveys procured by Buyer shall be at the sole cost and expense of Buyer. Title Agent shall deliver, promptly after Closing, the title insurance policy issued on the binder. "Permitted Encumbrances" include present and future building restrictions, zoning regulations, laws, ordinances, resolutions, regulations and orders of any governmental authority having jurisdiction over the Real Property and the use thereof.

14. **Conditions Precedent to Closing.**

A. This contract is contingent upon The Florida Public Service Commission (FPSC) agreeing to the transfer of application for Sunrise Utilities, LLC and Alturas Utilities, LLC. The sale, assignment and transfer of the utility's certificate of authorization, facilities and equipment is contingent upon FPSC approval. In the event the PSC does not approve the sale and transfer of the Certificate of Authorization to Buyer, Seller shall cooperate in Buyer's continued operation of the system, until the expiration of such time as the FPSC approves said transfer to Buyer, or any other applicant proposed by Buyer or 2 years elapses from date of closing to approve such sale and transfer, whichever event occurs first.

15. Documents to be Provided by Seller. Seller shall provide Buyer all plans and specifications showing the Utility System, together with a map showing the Utility System and appurtenances as now constructed; any contracts or leases; all documents identifying equipment, tools, parts and all other personal property owned or used by Seller in connection with the operation of the Utility System; a schedule and copies of documents reflecting the rates, fees and charges currently being collected by Seller; copies of all permits, applications, or other documents, together with effective dates and expiration dates (if any), issued to Seller by all applicable governmental authorities including, but not limited to: (a) the Florida Department of Environmental Protection, (b) the United States Environmental Protection Agency, and (c) the Southwest Florida Water Management District; a list of all customers, customer deposits and accounts receivable by name and account number, setting forth the amount of each individual deposit and receivable and their aggregate totals and identifying each deposit as refundable or non-refundable; all warranties held by Seller with respect to completed, or in progress, construction work with respect to the Utility System, in addition to a copy of all warranties relating to the Purchased Assets; any and all effective insurance policies with

respect to the Purchased Assets and Utility System; all deed and other evidence of ownership or rights to the Real Property identified in Exhibit "A"; all Surveys of the Real Property, if any; all easements, licenses, prescriptive rights and rights-of-way identified in Exhibit "A"; all environmental permits and applications; and all payroll and/or invoices for all office personnel, operators and field employees and the employee benefit plan for such employees and such other information relating to employees as may be requested by Buyer or its contract operator.

16. OBLIGATIONS OF SELLER. The risk of any loss of the Purchased Assets shall remain with Seller until closing. Seller shall not enter into any new contracts or obligations without Buyer's written consent.

17. TERMINATION. Buyer shall have the right to terminate this Agreement for any material defect or problem revealed including, but not limited to, any terms of the Seller's contracts which would cause a material adverse change in the long-term operation of the Utility System or the Purchased Assets from the current operation.

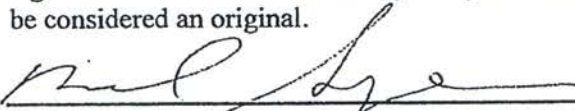
18. CLOSING. This transaction shall be closed on or before August 1, 2018 unless extended by both parties. At Closing (a) Buyer shall pay the Purchase Price, recording costs, documentary and intangible tax on mortgage; (b) the parties shall execute such documents as are necessary to meet the conditions described herein; (c) title to the Real Property shall be conveyed to Buyer by Warranty Deed free of all claims, liens, or encumbrances whatsoever, other than Permitted Encumbrances. Title to the remaining Purchased Assets shall be conveyed to Buyer by Bill of Sale free of all claims, liens, or encumbrances, whatsoever, other than Permitted Encumbrances; (d) Seller shall assign its right, title and interest in those easements, licenses, etc. identified in Exhibit "A."

19. Closing Costs: (a) recording fees to record the deeds and any other instruments necessary to deliver title to the Buyer shall be paid by the Buyer; (b) each of the parties shall pay the fees of its own attorneys, bankers, engineers, accountants, and other professional advisers or consultants incurred in connection with the negotiation and execution of this Agreement; (c) Seller shall be responsible for all costs for services, materials and supplies rendered in connection with the operation of the Utility System prior to and including the day of Closing including, but not limited to, electricity, purchased water or telephone service and other such services, materials and supplies ("Accounts Payable"). Buyer shall be responsible for all such costs and expenses incurred subsequent to Closing. (d) Seller shall convey to Buyer by check all customer deposits, cash on hand, and interest accumulated thereon through the day of Closing. Buyer shall assume liability for customer deposits which are conveyed to Buyer by Seller at Closing. (e) Seller warrants that Seller is not prohibited by decree or law from entering into this transaction, there are no legal actions or proceedings that hinder the ability of Seller to close the transaction, nor are there any pending against the Utility.

20. Post-Closing Cooperation. After Closing, Seller and Buyer shall upon reasonable request of the other execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, assignments, transfers, powers of attorney and assurances as may be required to implement and perform any of the obligations, covenants and agreements of the parties. The terms of this Agreement shall survive closing.

21. MISCELLANEOUS PROVISIONS. This Agreement constitutes the entire agreement between the parties. In the event of any litigation that arises between the parties with respect to this Agreement, each party shall bear their own attorney fees and costs. This Agreement may be modified only in writing. This Agreement shall be governed by the laws of the State of Florida with venue shall be in Polk County, Florida. Except as provided for herein, this Agreement may not be assigned without the prior written consent of the non-assigning party, except that Buyer shall create a new LLC and Buyer may assign all of its rights to the new entity without any further consent by Seller. If properly assigned, this Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns.

a. IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed the day and year aforesaid in counterparts, each counterpart to be considered an original.

 6-6-18
Buyer Date


 6-6-18
Seller Date

EXHIBIT A- REAL PROPERTY

Parcel Details:

26-30-16-694500-020070
25-28-21-000000-034040

Any and all other real property, including easements, whether platted or not, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, canals, streets and other areas owned or used by Seller for the construction, operation and maintenance of the Utility System.

EXHIBIT B- FINANCING TERMS.

Term of financing shall be \$40,000 down payment at closing. Balance of \$49,900 to be paid with owner financing at 6% interest for three years with monthly payments of \$1,518 until paid in full.

EXHIBIT C- PUBLIC SERVICE COMMISSION FINES AND ANNUAL REPORT PAYMENTS.

It is hereby agreed that any and all fines levied by the Florida Public Service Commission will be deducted from the purchase price down payment and paid directly to the Florida Public Service Commission.



First American Title™

Owner's Policy of Title Insurance
(with Florida modifications)

ISSUED BY

First American Title Insurance Company

Owner's Policy

POLICY NUMBER

5011412-0545116e

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska corporation (the "Company") insures, as of Date of Policy against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

For Reference:

Dennis J. Gilmore
President

File #: 40002.276

Jeffrey S. Robinson
Secretary

(This Policy is valid only when Schedules A and B are attached)

This jacket was created electronically and constitutes an original document

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5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive

notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
- (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
- the Amount of Insurance; or
 - the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
- the Amount of Insurance shall be increased by 10%, and
 - the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Unless prohibited by applicable law, arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association may be demanded if agreed to by both the Company and the Insured at the time of a controversy or claim. Arbitrable matters may

include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made, or, at the option of the Insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the Land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim whether or not based on negligence shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642**



First American Title

Owner's Policy of Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule A

POLICY NUMBER

5011412-0545116e

Name and Address of Title Insurance Company:

FIRST AMERICAN TITLE INSURANCE COMPANY, 1 First American Way, Santa Ana, California 92707

File No.: 40002.276

Address Reference: 0 Packing House Road, Bartow, Florida 33830


Amount of Insurance: \$45,000.00

Premium: \$258.75

Date of Policy: June 29, 2018

1. Name of Insured: ALTURAS WATER, LLC
2. The estate or interest in the Land that is insured by this policy is: Fee Simple
3. Title is vested in ALTURAS WATER, LLC by virtue of that General Warranty Deed executed by ALTURAS UTILITIES, LLC to ALTURAS WATER, LLC dated June 19, 2018 and recorded June 19, 2018 at Official Records Book 10521, Page 1920 of the Public Records of Polk County, Florida.
4. The Land referred to in this policy is described as follows: Lot 7, Block 20, ALTURAS, according to the plat thereof, as recorded in Plat Book 4, Page 62, Public Records of POLK County, Florida.

Friedman & Friedman, P.A.
600 Rinehart Road Suite 2100
Lake Mary, Florida 32746

By: 
Authorized Countersignature
(This Schedule A valid only when Schedule B is attached)

Schedule B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
3. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land.
4. Any lien, for services, labor, or materials in connection with improvements, repairs or renovations provided before, on, or after Date of Policy, not shown by the public records.
5. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land prior to Date of Policy, and any adverse claim to all or part of the land that is, at Date of Policy, or was previously under water.
6. Taxes or special assessments not shown as liens in the public records or in the records of the local tax collecting authority, at Date of Policy.
7. Any minerals or mineral rights leased, granted or retained by current or prior owners.
8. Taxes and assessments for the year 2018 and subsequent years, which are not yet due and payable.

NOTE: Exception(s) numbered 1, 2, 4, 5, and 6 above is/are hereby deleted.

9. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of ALTURAS, as recorded July 7, 1919, in Plat Book 4, Page 62, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).
10. Resolution No. 723 recorded September 21, 1978, in Book 1833, Page 1383.
11. Easement in favor of Florida Power Corporation recorded October 17, 1978, in Book 1838, Page 166.
12. Terms and conditions of any existing unrecorded lease(s), and all rights of lessee(s) and any parties claiming through the lessee(s) under the lease(s).

Note: All of the recording information contained herein refers to the Public Records of POLK County, Florida, unless otherwise indicated. Any reference herein to a Book and Page or Instrument Number is a reference to the Official Record Books of said county, unless indicated to the contrary.



*First American Title*TM

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Exhibit #2

- A. The closing occurred on June 15, 2018
- B. Attached

UTILITY NAME: ALTURAS UTILITIES LLC

YEAR OF REPORT
DECEMBER 31, 2017

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 2,621	\$	\$	\$ 2,621
302	Franchises				
303	Land and Land Rights	500			500
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	7,327			7,669
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment	658			663
311	Pumping Equipment	8,814			8,966
320	Water Treatment Equipment	950			950
330	Distribution Reservoirs and Standpipes	16,742			16,956
331	Transmission and Distribution Lines	19,449			20,818
333	Services				
334	Meters and Meter Installations	876			876
335	Hydrants	6,973			7,133
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 64,910	\$	\$	\$ 67,152

UTILITY NAME: ALTURAS UTILITIES LLC

YEAR OF REPORT
DECEMBER 31, 2017

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	%	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		3.70 %	%	7,369			7,711
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		6.67 %	%	1,951			2,103
311	Pumping Equipment		5.88 %	%	225			227
320	Water Treatment Equipment		%	%	20,214			21,585
330	Distribution Reservoirs & Standpipes		3.03 %	%	4,761			4,975
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installations		5.88 %	%	2,222			2,385
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 36,742	\$	\$	\$ 38,988

* This amount should tie to Sheet F-5.

Exhibit #3

	Jan - Dec 17
Ordinary Income/Expense	
Income	
400 · Direct Invoice	
400.02 · Charlie Creek	3,831.98
400.03 · College Manor	1,910.82
400.04 · Crestridge	3,883.88
400.05 · East Marion	6,421.88
400.06 · Heather Hills	3,975.05
400.07 · Holiday Gardens	1,925.02
400.08 · Lake Yale	2,749.79
400.09 · McLeod Gardens	3,891.36
400.10 · Orange Lane	1,023.63
400.11 · Pinecrest	7,403.42
400.13 · Suwanee Valley	1,377.91
400.14 · West Lakeland	6,184.00
400.40 · LTX	95.17
400.71 · Bimini Bay	1,745.72
400.73 · Lake Forest	1,220.35
Total 400 · Direct Invoice	47,639.98
400.5 · Allocations	
400.51 · Management	492,906.80
Total 400.5 · Allocations	492,906.80
Total Income	540,546.78
Gross Profit	540,546.78
Expense	
401 · Direct	
401.01 · CRU Expense	3,883.88
401.02 · HGU Expense	2,020.02
401.03 · LYU Expense	2,749.79
401.04 · HHU Expense	3,975.05
401.05 · WLW Expense	6,184.00
401.07 · CCU Expense	3,831.98
401.08 · PCU Expense	7,403.42
401.09 · EMU Expense	6,421.88
401.10 · MGU Expense	3,891.36
401.11 · OLU Expense	1,023.63
401.13 · CMU Expense	1,910.82
401.14 · SVU Expense	1,377.91
401.20 · LTX Expense	95.17
401.33 · LFU Expense	47.92
Total 401 · Direct	44,816.83
402 · Allocated	
408 · Taxes Other Than Income	59.93
604 · Employee Benefits	20,053.10
620 · Materials and Supplies	3,121.13
631 · Contractual Services - Prof...	4,365.00
636 · Contractual Services - Other	2,126.27
640 · Rents	20,450.14
650 · Transportation	25,691.43
655 · Insurance	10,295.80
665 · Regulatory Commission	133.54
675 · Misc	
675.01 · Bank Charges	1,240.63

12:48 PM

09/11/18

Accrual Basis

Florida Utility Services 1, LLC

Profit & Loss

January through December 2017

	<u>Jan - Dec 17</u>
675.02 · Busn License & Dues	1,438.75
675.03 · Office Supplies	15,779.37
675.04 · Office Utilities	1,809.68
675.05 · Postage & Delivery	17,899.39
675.06 · Printing & Paper	2,777.53
675.07 · Telephone & Internet	12,980.97
675.08 · Travel	2,942.97
675.09 · Meals & Entertainment	1,482.14
675.42 · Interest Expense	2,104.61
675.90 · Other	-1,765.71
Total 675 · Misc	<u>58,690.33</u>
Total 402 · Allocated	144,986.67
403 · Officer Salary	73,636.73
6010 · Payroll	243,951.89
6108 · Depreciation Expense	<u>5,398.02</u>
Total Expense	<u>512,790.14</u>
Net Ordinary Income	27,756.64
Other Income/Expense	
Other Income	
419 · Interest Income	4.81
421 · Non-Utility Income	<u>8,414.72</u>
Total Other Income	8,419.53
Other Expense	
426 · Non-Utility Expense	<u>326.22</u>
Total Other Expense	<u>326.22</u>
Net Other Income	8,093.31
Net Income	<u><u>35,849.95</u></u>

Florida Utility Services 1, LLC
Balance Sheet
 As of December 31, 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1300 · Cash	
131.1 · Iberia Bank Checking	4,476.90
131.2 · Iberia Bank Payroll	63.43
131.3 · Iberia Bank Savings	4,808.22
Total 1300 · Cash	9,348.55
Total Checking/Savings	9,348.55
Accounts Receivable	
141 · Accounts Receivable	288,648.61
Total Accounts Receivable	288,648.61
Other Current Assets	
132.3 · Employee Receivable	-77.56
132.5 · Security Deposits	1,585.00
135 · Due To/From	
135.02 · Holiday Gardens	5,687.76
135.03 · Lake Yale	3,833.59
135.04 · Heather Hills	1,765.71
135.07 · Charlie Creek	-233.81
135.08 · Pinecrest	2,650.00
135.09 · East Marion	12,100.00
135.10 · Mc Leod Gardens	4,922.05
135.13 · College Manor	800.00
135.14 · Suwannee Valley	1,575.00
135.61 · Kincaid Hills	285.00
Total 135 · Due To/From	33,385.30
Total Other Current Assets	34,892.74
Total Current Assets	332,889.90
Fixed Assets	
101.304 · Structures & Improvements	266.43
101.339 · Equipment	9,338.70
101.340 · Furniture	745.38
101.341 · Vehicles	74,757.13
108 · Accumulated Depreciation	-22,690.17
Total Fixed Assets	62,417.47
TOTAL ASSETS	395,307.37
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 · Accounts Payable	70,040.55
Total Accounts Payable	70,040.55
Other Current Liabilities	
224.5 · Michael Smallrige Loan	-6,910.66
232.1 · Payroll Liabilities Aflac	1,294.04
3050 · Payroll Liabilities	

Florida Utility Services 1, LLC
Balance Sheet
As of December 31, 2017

	Dec 31, 17
3050.1 · Payroll Liabilities	-309.88
3050 · Payroll Liabilities - Other	950.88
Total 3050 · Payroll Liabilities	641.00
Total Other Current Liabilities	-4,975.62
Total Current Liabilities	65,064.93
Long Term Liabilities	
224.01 · Iberia Line of Credit	5,002.09
224.04 · Cap City Bank Loan 9858 Honda	26,284.98
224.05 · John Deere Loan 8854 Tractor	20,152.88
224.07 · Iberia Loan 6712 FUS-CCU-PCU-SV	12,853.40
Total Long Term Liabilities	64,293.35
Total Liabilities	129,358.28
Equity	
4002 · Members Equity	230,099.14
Net Income	35,849.95
Total Equity	265,949.09
TOTAL LIABILITIES & EQUITY	395,307.37

Exhibit #5

Buyer has many years experience in the industry and is currently the owner of multiple PSC regulated utilities.

Exhibit #6

In order to ensure continued operation of the utility, buyer has employed a new contract operator, provided billing and customer service services in house and provided professional and experienced field technicians.

Exhibit #7

Legal description

ALTURAS WATER, LLC

DESCRIPTION OF TERRITORY SERVED

TOWNSHIP 30 SOUTH, RANGE 26 EAST, SECTION 16, POLK COUNTY:

THE NORTHEAST 1/4 LESS THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND LESS THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 AND LESS STAR LAKE.

THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4.

THE NORTH 480 FEET OF THE SOUTHEAST 1/4.

THE EAST 672 FEET OF THE SOUTHEAST 1/4 LESS THE SOUTH 672 FEET.

Exhibit #8

The transfer is in the public interest because I am able to bring the required resources and expertise that will allow for the continued operation of the utility.

Exhibit #9

The system is need of a tank inspection and recoating. The saddles of the existing tank will need to be repaired or replaced. There are no agreements between the seller and buyer regarding who will be responsible for any identified repairs or improvements.

Exhibit #10
Warranty deed

Prepared by:
Martin S. Friedman, Esquire
Friedman & Friedman, P.A.
600 Rinehart Road, Suite 2100
Lake Mary, Florida 32746

Parcel ID Number: 26-30-16-694500-020070

General Warranty Deed

Made as of the 19th day of June, 2018, by Alturas Utilities, L.L.C., a Florida limited liability company, whose address is 20 West Tropical Way, Plantation, Florida 33317 (hereinafter called the "Grantor"), to Alturas Water, LLC, a Florida limited liability company, whose address is 3336 Grand Boulevard, Ste. 102, Holiday, Florida 34690, (hereinafter called the "Grantee"):

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

Witnesseth, that the grantor, for and in consideration of the sum of Ten Dollars, (\$10.00) and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the grantee, all that certain land situate in Polk County, Florida, viz:

Lot 7, Block 20, TOWNSITE OF ALTURAS, according to the map or plat thereof as recorded in Plat Book 4, Page 62, of the Public Records of Polk County, Florida.

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

Subject to all reservations, covenants, conditions, restrictions and easements of record and to all applicable zoning ordinances and/or restrictions imposed by governmental authorities, if any.

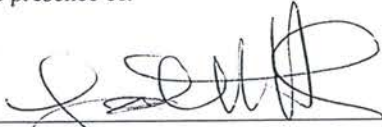
To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances except taxes accruing subsequent to December 31, 2017.

In Witness Whereof, the said grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered
in the presence of:

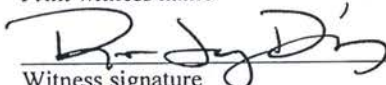
Alturas Utilities, LLC



Witness signature

JAMES A. HOLDER

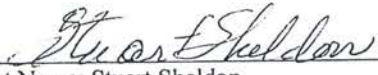
Print witness name



Witness signature

ROSA L. DIAZ

Print witness name

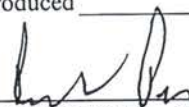
By: 

Print Name: Stuart Sheldon
Its: Manager

(Corporate Seal)

State of Florida
County of BROWARD

The foregoing instrument was acknowledged before me on June 15th, 2018, by Stuart Sheldon, Manager of Alturas Utilities, L.L.C. who is personally known to me or who has produced _____ as identification.



NOTARY PUBLIC - State of Florida
Print Name: Paul Pessoa
My Commission Expires: 7/27/21

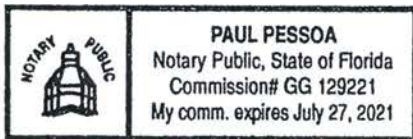


Exhibit #11

permits

Exhibit #12

SSR



Vision: To be the Healthiest State in the Nation

Environmental Engineering
 2090 East Clower Street, Bartow, FL 33830
 Phone (863) 519-8330

SANITARY SURVEY REPORT

DATA INPUT

Date: 07/30/2018
 Initials: H-T

COMPLIANCE RESULTS

I C
 M F
 O

System/Plant Name	<u>Alturas Water ,LLC</u>	County	<u>Polk</u>	PWS ID	<u>6530057</u>
Plant Location	<u>Packing House Road, Alturas, Florida 33820</u>			Phone	<u>n/a</u>
Owner Name	<u>Michael Smallridge</u>			Phone	<u>(352)302-7406</u>
Owner Address	<u>3336 Grand Blvd Suite #102, Holiday, FL, 34690</u>			Cell	<u>(352)302-7406</u>
Owner Email	<u>mike@fusllc.com</u>			Fax	<u>n/a</u>
Contact Person	<u>Jackie Love</u>	Title	<u>Maintenance</u>	Email	<u>utilitymessage@yahoo.c</u>
Operator Name	<u>Gaines Alexander</u>	Class & Certification		<u>C-5472</u>	Phone
Operator Address	<u>5574 Commercial Blvd, Winter Haven, FL 33880</u>			Cell	<u>(863)287-2417</u>
Operator Email	<u>gaines@constaflow.com</u>			Fax	<u>n/a</u>
Alternate Contact	<u>none</u>	Title	<u>n/a</u>	Email	<u>n/a</u>
This Survey Date	<u>07/30/2018</u>	Last Survey Date	<u>05/24/2018</u>		

PWS TYPE & CLASS Community Non-transient Non-Community Transient Non-Community

PWS STATUS Approved System Accepted System Unapproved System

SERVICE AREA CHARACTERISTICS

Provincial System
 Food Service: Yes No N/A

TREATMENT PROCESSES IN USE

Is any additional treatment needed? / Reason? Disinfection only
 Do components / chemicals meet NSF standards? None at this time
Yes

GENERAL SURVEY COMMENTS

A copy of this report will be sent to the system.

DEFICIENCIES

ACTION TAKEN:

Tank inspection expired on 12/2016.	Currently under Enforcement

Henry Taghiof

Inspector [Signature] Title Engineer Specialist III Forward Date 07/30/2018
 Reviewer Ron Stadelbacher Title Env. Supervisor II Review Date 7/30/18

System Name: Alturas Water WorksPWS ID# 6530057
Survey Date 07/30/2018**MONITORING COMPLIANCE DATA**
{Last Twelve Months}

COMPLIANCE GROUP	MONITORING	REPORTING	EXCEEDANCE	MCL
Chemical	Satisfactory	Satisfactory	None	None
Bacteriological	Satisfactory	Satisfactory	None	None

Items checked with an (x) are explained below.

COMMENTS

none

PERMITS/APPROVALS/ACCEPTANCES

Project Name	Approval Number	Approval Date	Connections Approved	Microfilm #
None Listed				

COMMENTS

Informal system acceptance dated 10/20/1947.

ENFORCEMENT HISTORY {Minimum Last Twenty-Four Months}

OGC Case Number	Referral Date	Resolution Date	Comments
08-653PW0057A	05/01/2008	12/10/2008	Failure to monitor for lead, copper and nitrates.
08-653PW0077B	08/22/2008	10/09/2008	Operational deficiencies (Continued Insufficient Operator Coverage)

DISTRIBUTION SYSTEM

Comments

Pipe Size Range/Type(s)	4" - 1"	Various materials
New/Altered Piping @ Plant(s) Color Coded & Labeled	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Flow Measuring Device Type/Size/Location	4" Water Specialties	Discharge line
Flow Measuring Device Reading	<input checked="" type="checkbox"/> Gallons <input type="checkbox"/> Hours	53,257.100
Point of Entry Tap/Location	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Backflow Prevention Devices	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Cross-connections Observed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Bacteriological Sampling Plan Date	01/13/2004	
Satisfactory Bacteriological Sampling Plan Implementation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
System Records Retention Compliance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Lead & Copper Sampling Plan Date	05/11/1993	
Disinfection By-Products Sampling Plan Date	05/29/2014	
Cross-connection Control Program Plan Date	06/08/09	
Satisfactory Cross-connection Control Program Plan Implementation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Asbestos Waiver or Plan Date	01/01/2011	
Comments	None	

DISINFECTION RESIDUALS

Plant Residuals	[mg/l]	Free	0.50	Total	n/a	
Remote Residuals	[mg/l]	Free	0.20	Total	n/a	Inside convenience store
DPD Test Kit		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A				
Comments	None					

OPERATION & MAINTENANCE

Comments

Certified Operator	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Operation & Maintenance Log	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Operation and Maintenance Manual	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Operator Visitation Frequency → → → →	<i>Required</i>	<i>Actual</i>	
	Hrs/wk	0.3	0.3
	Days/wk	3	3
Non-consecutive Days	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Monthly Operation Reports Submitted Regularly & Timely	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Data Missing From Monthly Operation Reports	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A		
Plant Category - Class		V-D	
Number of Service Connections		63	
Present Population Served		~300	
Population Basis		MOR	
Population Seasonal (Timeframes)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A		
Water System Used Over 60 Days Per Year	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Number of Water Users 6 - 9 Months Per Year		n/a	
Number of Water Users Over 9 Months Per Year		~300	
System Average Day Demand (Last 12 Months)	11,617	gpd	
System Maximum Day Demand (Last 12 Months)	26,133	gpd	
System Maximum Day Design Capacity	108,000	gpd	
Adequate Flushing Program (Frequency)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Permitted = 108,000 gpd monthly	
Sufficient Valve Exercising	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	no distribution valves	
Additional Comments		none	

GROUND WATER SOURCES

STORAGE FACILITIES

Well Number	I	
WMD Permit Number	Unknown	
Florida Unique Well ID Number	AAB3875	
Grout Type	Cement	
Well Completion Date	1950	
6'x6'x4" Concrete Pad / Condition	Yes / Ok	
Depth Drilled (feet)	300	
Well Contamination History	None Listed	
Drilling Method	Cable Tool	
Casing Material	Black Steel	
Casing Diameter (inches)	6	
Casing Length (feet)	102	
Well Inundation Possible	Unlikely	
SET BACKS (feet)	Septic Tank	103
	WW Plant	> 500
	WW Plumbing	58
	Other Sanitary Hazard	None Seen
PUMP	Type	Submersible
	Manufacturer	Unknown
	Model Number	200 L15
	Rated Capacity (gpm)	75
MOTOR	Manufacturer	Franklin Electric
	Model Number	236036010
	Horsepower	15
Well Casing 12" Above Pad	Yes	
Well Casing Sanitary Seal	Watertight	
Raw Water Sampling Tap	Compliant	
Above Ground Check Valve	Yes	
Secured / Housed	Yes	
Well Vent Protected	yes	
Comments	Well is equipped with access port.	

(G) Ground (H) Hydro (E) Elevated (B) Bladder (C) Clearwell (R) Retention									
Y = Yes / N = No / I = Inapplicable			Y	N	I	Y	N	I	
Tank Type/Number	H / 1								
Capacity (gal)	3,000								
Material	Steel								
Gravity Drain	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
By-Pass Piping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protected Openings	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure Gauge	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure Relief Valve	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Air Relief Valve	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sight Glass / Level Indicator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fittings for Sight Glass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
On/Off Pressure (PSI)	35 / 55								
Secured Access	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Height to Minimum Water Level	N/A								
Height to Maximum Water Level	N/A								
Tank Equipped With Access Manhole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tank Inspection Report Date	12/2011								
Comments	Owner stated the tank inspection will be done by the end of September 2018 (E Mailed attached)								
DISINFECTION					Hypochlorination				
Number of Feeders	One								
Injection Point Location(s)	Well Discharge Line								
Capacity (gpd)	40								
Adequate Ventilation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No					
Safety Equipment	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No					
Stroke (%)	90%								
Feeder(s) Manufacturer	Stenner								
Housed or Protected	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No					
Comments	none								

Exhibit #13

Taghiof, Henry

From: Mike Smallridge <mike@fus1llc.com>
Sent: Monday, July 30, 2018 2:51 PM
To: Taghiof, Henry
Subject: Alturas Water Tank Inspection.

Please let this email serve as notification to the Polk County Health Department that we anticipate completing the Alturas Water system tank cleaning on or before September 30, 2018.

Once the tank inspection and cleaning is completed, I will contact you immediately and submit the engineers report once it becomes available.

On behalf of the utility,

Mike Smallridge

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts .



Rick Scott
Governor

Celeste Philip, MD, MPH
State Surgeon General & Secretary

Vision: To be the Healthiest State in the Nation

WARNING NOTICE

August 6, 2018

FedEx Tracking: 772903149793

Mike Smallridge
Alturas Water, LLC
3336 Grand Blvd., Suite 102
Holiday, FL 34690

Re: Alturas Public Water System (PWS)
PWS ID No. 6530057

Re: Overdue PWS Registration Fees
Rule 62-555, FAC Violations

Dear Mr. Smallridge:

Since your purchase of Alturas Utilities on June 15, 2018, the Department has been in contact with you with regards to violations of the Florida Administrative Code related to both routine maintenance and operation of the Utility, as well as the Department's paramount concern over the 3,000-gallon holding and treatment tank currently serving Alturas public water system (PWS).

A hydropneumatic water tank engineering inspection was last conducted on this Tank on December 1, 2011. Prior to your purchase of the PWS, the Department was in the middle of enforcement litigation to remove ownership and control of the PWS from its previous owner. When the Department was advised of your offer to purchase the PWS, the Department had no objection to the change in ownership, and withdrew its Petition for Enforcement, with the expectation that you would promptly undertake necessary and appropriate corrective actions.

Since that time, the Department provided all necessary inspection reports and sanitary surveys, outlining all deficiencies, violations and necessary corrections to Consta Flow, your new and current water system operator. Enclosed is the most current sanitary survey, conducted on July 30, 2018.

Florida Department of Health in Polk County
Environmental Health Division
2090 East Clower Street, Bartow, FL 33830-6741
PHONE: (863) 519-8330 • FAX (863) 534-7245

www.FloridasHealth.com
TWITTER:HealthyFLA
FACEBOOK:FLDepartmentofHealth
YOUTUBE: fldch

Mike Smallridge
Alturas Water, LLC
August 6, 2018
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Consta Flow has resolved most of the deficiencies. However, as of now, the Department has yet to receive a professional engineering (PE) inspection report of the Tank. Inasmuch as the last inspection of the Tank was over 5 years ago, the Tank is now almost 2 years past due for its 5-year PE inspection as required by Rule 62-555, Florida Administrative Code (FAC). Rule 62-555 requires holding and treatment tanks to be inspected by a professional engineer once every 5 years.

Furthermore, the 2011 Tank Inspection Report indicated that, at the time the Report was issued, the Tank had already deteriorated significantly and was overdue for maintenance (interior blast cleaning and recoating). Necessary repairs for the Tank were noted under recommendations of Riddle-Newman Engineering, which concluded that the tank would have to be cleaned and recoated "prior to the next inspection [due date]," or before December 2016.

The Department understands that a new PE tank inspection may result in the recommendation or requirement that you replace the Tank altogether. However, inasmuch as the Tank to this day has yet to be cleaned and coated, the Department considers the need for a Tank inspection to be urgent, and must be conducted as soon as possible.

The Department also has received an email correspondence from you, indicating your intent to have the tank cleaned, coated and inspected by September 30, 2018, with the PE inspection report to be submitted shortly after that. The Department has no problem with the tank being cleaned and coated at the same time it is inspected; and, while the September 30th PE maintenance and inspection date is much further down the road than the Department would like to see or believes is necessary, the Department will accept that for the time being. However, you must take all actions and steps necessary to assure that the maintenance is completed by this September 30 deadline. Please be advised the Department will not agree to any further deadline extensions beyond that date.

Finally, you were provided an invoice for \$600 for PWS annual registration fees which were due on July 1, 2018, and have yet to be paid. A copy of that invoice is attached for your remittance upon receipt of this letter.

Violations of Florida Statutes or administrative rules may result in liability for damages and restitution, and the imposition of civil penalties, pursuant to section 403.121, Florida Statutes.

Please be advised that this Warning Letter may be preliminary to agency action in accordance with section 120.57(5), Florida Statutes.

Mike Smallridge
Alturas Water, LLC
August 6, 2018
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You may contact me at (863) 578-2034 if you have any questions. We look forward to your cooperation in resolving this matter.

Sincerely,



Ronald Stadelbacher
Environmental Supervisor III
Drinking Water Division

ec: Mike Smallridge, mike@fus1llc.com
Nicki Spirtos, Esq, nicki.spirtos@gmail.com
Florida Rural Water Association

Enclosures:

2011 Tank Inspection Report
July 30, 2018 Sanitary Survey
2018-2019 Annual Invoice

Exhibit #14

Alturas Water, LLC has not received any customer complaints. Alturas Utilities has not provided the buyer with any complaints.

Exhibit #15

Will be late filed.