

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE ("Agreement") is made this 19th day of September, 2019 (the "Effective Date"), by and between **CENTRAL SUMTER UTILITY COMPANY, LLC**, a Florida limited liability company, whose address is 3619 Kiessel Road, The Villages, Florida 32163 ("Seller"), and **NORTH SUMTER COUNTY UTILITY DEPENDENT DISTRICT**, a dependent district of Sumter County authorized by Chapter 189, Florida Statutes, Chapter 125, Florida Statutes, as amended, and Article VIII, Section 1, Florida Constitution and created pursuant to Ordinance No. 2010-10 duly adopted by the Board of County Commissioners of Sumter County on July 13, 2010, as amended by Ordinance 2012-14 dated October 23, 2012, as further amended and restated by Ordinance 2012-17 dated December 11, 2012, whose address is 984 Old Mill Run, The Villages, Florida 32162 ("Purchaser").

RECITALS

A. Seller owns and operates a potable water treatment and distribution system (the "Potable Water System") and a wastewater collection, treatment and disposal system (the "Wastewater System") (the Potable Water System and Wastewater System are jointly referred to as the "Utility System").

B. The Utility System was developed to provide services to a portion of the mixed-use development commonly referred to as "The Villages" located in portions of unincorporated Sumter County, the City of Wildwood, and the City of Fruitland Park, all within Florida.

C. Purchaser is authorized to acquire, own and operate the Utility System.

D. At this time, Purchaser and Seller wish to set forth the terms and provisions of their agreement for the purchase and sale of the Utility System.

E. Purchaser and Seller acknowledge that the purchase of the Utility System and associated Real Property that is memorialized by this Agreement is being made under the threat of condemnation pursuant to Florida law, and that this transaction is in lieu of such condemnation.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and other good and valuable consideration, the receipt of which is acknowledged, Seller and Purchaser hereby agree that the foregoing Recitals are true and correct, and hereby incorporate them into this Agreement in full, and further agree as follows:

1. **FURNISHING OF DOCUMENTS AND EXHIBITS.**

A. **Seller's Furnishing of Documents.** Exhibits B, C, D, D-1, G, J, K, N, R, S, T, U, and V shall be attached upon execution of this Agreement. Within thirty (30) days from the Effective Date, Seller will deliver to Purchaser Exhibits A, E, F, H, L, M, O, and Q. Within thirty (30) days from the Effective Date, Purchaser will deliver to Seller Exhibit P. At Closing, Seller will provide Purchaser with an updated Exhibit Q, accurate as of the day of Closing. On or before Closing, Seller will provide Purchaser with an updated Exhibit O, in accordance with the provisions of this Agreement. Exhibits that are delivered by a party to the other party after the Effective Date in the manner contemplated by this Section 1.A shall, upon delivery, be automatically incorporated into this Agreement and shall form a part hereof. At any time prior to Closing, Seller shall have the right to supplement the Exhibits with additional information that is responsive to the requirements of Section 1.B. To the extent that any Exhibits or other deliveries

pursuant to this Agreement are delivered by Seller to Purchaser in hard copy, Seller agrees to promptly provide digital copies thereof to Purchaser.

B. Exhibits to this Agreement.

Exhibit A: Plans and specifications showing the Utility System as now constructed (As-Built and/or Record Drawings), together with a map showing the water distribution lines, wastewater collection lines and lift stations and appurtenances as now constructed.

Exhibit B: A schedule and copies of all active agreements, hereinafter referred to as "Developers Agreements," assumed by or executed between Seller and owners and developers of property regarding potable water service, wastewater service, capacity reservation, or similar related matters, including a listing of any prepaid connection fees that is accurate and complete on the Effective Date.

Exhibit C: A schedule and copies of all other agreements assumed by or entered into between Seller and other parties which create an encumbrance upon the Purchased Assets (as defined herein), other than instruments recorded in the Official Records of Sumter County, Florida.

Exhibit D: A legal description of all of the real property Seller owns in fee simple that is specifically utilized in connection with the operation of the Utility System and whereupon all water treatment plants, wells, and wastewater treatment facilities (including all buildings, tanks and other improvements with respect thereto) are located (the "Real Property").

Exhibit D-1: New covenants and restrictions which shall be imposed on the Real Property at Closing by Seller and its affiliates and set forth in the Special Warranty Deed.

Exhibit E: A copy of all instruments reflecting private easements owned and used by Seller for the construction, operation and maintenance of the Utility System, which are assignable to Purchaser, including those with maintenance and other obligations to be assumed by Purchaser. Easements located or shown in recorded plats, created in various declarations of covenants, conditions, restrictions and easements or other recorded instruments, and rights to locate lines in dedicated public rights-of-way need not be included in this exhibit; however, they will be non-exclusively assigned to Purchaser at Closing to the extent of Seller's assignable right, title, or interest therein.

Exhibit F: Inventory of all material equipment, vehicles, tools, parts, laboratory equipment, office equipment, unset or reserved meters, and other personal property located on or used in connection with the Utility System and that exist on the Effective Date, together with a schedule showing the nature of the ownership or use rights thereof of Seller. With respect to this personal property, Seller represents that same will not be voluntarily depleted prior to the Closing (as defined herein) except in the normal and ordinary course of Seller's operation of the Utility System, and replacements and additions thereto will be acquired by Seller prior to Closing in the normal and ordinary course of Seller's operation of the Utility System.

Exhibit G: Schedule of Utility System rates, fees and charges, and a copy of all tariffs, in effect on the Effective Date.

Exhibit H: Copies of current or active permits, licenses, approvals, applications or other documents issued to Seller in connection with the Utility System, together with effective dates and expiration dates (if any) demonstrating approval of the facilities of the Utility System by all applicable governmental authorities, including, but not limited to the

following, as applicable: (a) Florida Department of Environmental Protection or the regulatory predecessor, (b) Southwest Florida Water Management District, (c) St. Johns River Water Management District, (d) U.S. Army Corps of Engineers, (e) United States Environmental Protection Agency, (f) Sumter County Health Department, and (g) Sumter County.

Exhibit I: Reserved.

Exhibit J: Map depicting the Utility System's service area (the "Service Area").

Exhibit K: Legal description and map depicting the New Service Areas (See Section 7.B.(1)).

Exhibit L: A schedule of all warranties by third parties respecting equipment, and completed or in progress construction work existing on the Effective Date.

Exhibit M: Definitive list of "Excluded Assets."

Exhibit N: Non-exclusive list of all operating and vendor contracts to be assumed by Purchaser.

Exhibit O: List of items or expenses to be prorated at Closing, if any, which list shall be supplemented and revised, as applicable, as of the time of Closing.

Exhibit P: A copy of the Ordinances creating the Purchaser and all amendments thereto and copies of all existing Interlocal Agreements and similar agreements related to the Utility System between the Purchaser and other governmental entities, together with copies of any amendments to such agreements to be executed as of the Closing Date.

Exhibit Q: Listing of all accounts receivable of Seller generated from the delivery of utility services, including separate listings for both billed and unbilled services, as of the Effective Date, which shall be updated at Closing.

Exhibit R: Bulk Potable Water Agreement dated May 8, 2014 between the City of Fruitland Park, Florida and Seller.

Exhibit S: Special Warranty Deed.

Exhibit T: General Assignment.

Exhibit U: Lease agreement between Purchaser and the Sumter Water Conservation Authority, LLC (the "New Lease").

Exhibit V: Bill of Sale.

Purchaser shall have thirty (30) days from the date of its receipt of each such Exhibit for its review thereof and within which to either approve or disapprove of same in writing (a "Written Objection Notice"); provided, that Purchaser shall be deemed to accept Exhibits S, T, U, and V by virtue of its execution of this Agreement. Should Purchaser fail to advise Seller in writing of its disapproval of any such exhibit and the specific reasons therefor within said thirty (30) days, then for all purposes hereof, Purchaser shall be deemed to have approved same and waived and released its right to terminate, amend, or modify this Agreement as a result thereof. Should Purchaser advise Seller within said thirty (30) days pursuant to a Written Objection Notice of its disapproval of any such Exhibit, then in such event, Seller shall have a period of thirty (30) days within which to elect to cure each basis for disapproval cited in the Written Objection Notice. If any basis for the disapproval cited in the Written Objection Notice is not, or cannot be, reasonably cured for any reason, then either party may terminate this Agreement by delivering

written notice to the other, and the parties shall be released of any further obligation to each other arising hereunder. With respect to plans and maps, reproduced versions will be furnished if available, and if not, copies of same shall be acceptable by Purchaser, and will be provided at Closing.

2. **COVENANT TO SELL AND PURCHASE, AND DESCRIPTION OF PURCHASED ASSETS.** Purchaser agrees to buy from Seller, and Seller agrees to sell to Purchaser, the Purchased Assets (as defined below) for the Purchase Price and upon the terms of, and subject to the conditions and other provisions provided in, this Agreement. The term “Purchased Assets” shall mean all of the assets, property and rights, both tangible and intangible, owned or held by Seller which all together constitute and make up the Utility System (but shall not include the “Excluded Assets” described in Exhibit M hereof, all right, title, and interests of which shall be retained by Seller), all of which are being purchased by Purchaser and which more particularly comprise all of Seller’s right, title, and interest at Closing in and to any of the following:

(1) The Real Property, and all buildings and improvements owned by Seller located thereon.

(2) All easement, license, right-of-way, and consent rights of Seller for the construction, operation and maintenance of the Utility System within the Service Area.

(3) All water treatment plants, water supply and distribution facilities, wastewater treatment plants, and collection facilities of every kind and description whatsoever located within the Service Area and utilized in connection with the Utility System, including, but not limited to pumps, lift stations, wells, transmission mains, distribution mains, supply pipes,

collection pipes, facilities, valves, meters, meter boxes, service connections and all other physical facilities and property installations in use in connection with the Utility System operated by the Seller.

(4) All certificates, immunities, privileges, permits, licenses, license rights, easements, consents, grants, ordinances, leaseholds, rights-of-way and all rights to construct, maintain and operate plants and systems for the procuring, distribution and transmission of potable water and for the collection and treatment of wastewater and every right of every character whatever in connection therewith associated with the Purchased Assets in the Service Area and utilized in connection with the Utility System; and all agreements for the supply of water to the Utility System or others, all water rights, flowage rights and riparian rights, and all renewals, extensions, additions or modifications of any of the foregoing, associated with the Service Area and utilized in connection with the Utility System. At the time of Closing, Seller shall execute the General Assignment with respect to same. The parties shall use commercially reasonable efforts to cooperate in applying for and obtaining transfer of all such rights requiring regulatory approval or notice; provided, that Purchaser shall be responsible for making all such applications and notices, and for paying all out-of-pocket costs and expenses associated therewith.

(5) The items of inventory described in Exhibit F, together with additions and replacements thereto, but less and except all items of inventory utilized in Seller's operation of the Utility System in the ordinary course of business prior the Closing Date.

(6) All past and current customer records, prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information reasonably required by Purchaser which are in possession of Seller and its agents (but not

correspondence with its attorneys or attorney work product) as of the Closing Date pertaining to the operation of the Utility System.

(7) One (1) set of record drawings, including as-built drawings where available, showing all facilities of the Utility System.

(8) All rights of Seller under the Developers Agreements described in Exhibit B, other than with respect to CIAC Charges, which are Excluded Assets.

(9) All of Seller's rights pursuant to the Bulk Potable Water Agreement attached hereto as Exhibit R.

(10) The billed and unbilled accounts receivable of the Seller as described in Exhibit Q, except as otherwise set forth in Section 15.B.(3).

(11) Those items described in Exhibits A, E, F, H, L, and N, and the Planning Documents, in each case to the extent they are assignable.

3. **ASSUMED LIABILITIES.** At Closing, Purchaser shall assume each of the following (collectively, the "Assumed Liabilities"): (1) all liabilities, obligations, damages, losses, costs, and expenses of every kind or nature whatsoever ("Liabilities") in connection with the Purchased Assets that arise or accrue on or after the Closing Date; and (2) all Federal, state, local or foreign, real property, personal property, sales, use, room, occupancy, ad valorem or similar taxes, assessments, levies, charges or fees imposed by any governmental authority on Seller with respect to the Purchased Assets and the Utility System, including without limitation, any interest, penalty or fine with respect thereto ("Taxes").

4. **CONDITION OF PURCHASED ASSETS AT CLOSING.** Purchaser shall have a period of thirty (30) days from the Effective Date to make its own investigations of the

Purchased Assets. Seller shall afford Purchaser and its agents, employees and consultants full access to all of Seller's property, data and records relating to the Purchased Assets and the purchase and sale contemplated herein; provided, however, that reasonable advance notice of any such access shall be provided by Purchaser to Seller, and such access shall not interfere with the operation of the Utility System. Seller shall assign to Purchaser at Closing all of its right, title and interest it has in all engineering and architectural specifications, engineering studies, planning documents, tests, licenses and permits (if assignable), investigations and surveys relating to the Purchased Assets (hereinafter referred to as the "Planning Documents"), but such assignment shall be with the express reservation that the Seller shall have no responsibility to the Purchaser for the accuracy or correctness for any of the matters contained therein.

Purchaser understands and agrees that it is purchasing the Purchased Assets in an "as is" condition with all faults and without any representation or warranty on the part of Seller except as provided in the Special Warranty Deed and other closing documents and as otherwise expressly provided to the contrary in this Agreement. Purchaser hereby expressly acknowledges and agrees that except as and to the extent expressly provided to the contrary in this Agreement: (a) Seller makes and has made no warranty or representation whatsoever as to the condition or suitability of the Purchase Assets; (b) Seller shall not be bound by any statement of any broker, employee, agent or other representative or affiliate of Seller; (c) the terms of this Agreement provide Purchaser with the opportunity to make a complete and thorough examination and inspection of the Purchased Assets; (d) Purchaser has determined or will determine prior to closing that the condition of all portions of the Purchased Assets is satisfactory to Purchaser; (e) notwithstanding the nature or extent of the inspections Purchaser has made, Purchaser shall purchase and accept every portion

of the Purchased Assets in its "as is" condition without requiring any action, expense or other thing or matter on the part of the Seller to be paid or performed and, upon acceptance of the Special Warranty Deed of conveyance to the Real Property and all other contemplated conveyance instruments, Purchaser shall be conclusively deemed to have accepted the Purchased Assets in their "as is" condition, except as otherwise provided in the Special Warranty Deed and other closing documents; (f) prior to closing, Purchaser has examined to the satisfaction of Purchaser the physical condition of the Purchased Assets and the zoning, land use and all permitting and other governmental approvals applicable thereto; and (g) except as otherwise provided herein and in the Special Warranty Deed and other closing documents, Seller makes and has made no representation or warranty, express or implied, concerning any portion of the Purchased Assets, their condition, the use to which they may be put, any environmental matters, or any other thing or matter directly or indirectly related thereto or hereto (including, without limitation, NO WARRANTY OF MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OR RELATING TO THE ABSENCE OF LATENT OR OTHER DEFECTS). The provisions of this section shall survive closing and delivery of the Special Warranty Deed and all other contemplated conveyance instruments.

5. **PURCHASE PRICE; PAYMENT.** The parties agree that the purchase price for the Purchased Assets (the "Purchase Price") shall be determined as set forth in this Section 5. Both Seller and Purchaser shall each select a separate valuation firm. Both valuation firms shall be licensed to do business in the State of Florida with vast experience in the valuation of utility systems being acquired by governmental entities. Within five (5) business days after the Effective Date, both Purchaser and Seller shall retain at their respective expense a valuation firm

and notify the other party of its selection. Both valuation firms will be retained to provide both a Preliminary Valuation and a Final Valuation. Both parties agree to instruct their firm to prepare and deliver to the respective party its determination of its Preliminary Valuation no later than October 15, 2019. Each valuation shall be based upon, and prepared in accordance with, the income approach of valuation. It is agreed that the true interest cost associated with the issuance of the Purchaser's Series 2019 Utility Revenue Bonds (the "Bonds"), as reasonably estimated and provided by the Senior Managing Underwriter of the Bonds as of the Effective Date, shall be [*]% for the purpose of the Preliminary Valuations. For purposes of this calculation, the amount of proceeds is adjusted by any accrued interest, original issue discount and original issue premium and reasonable costs of the financing, including credit enhancement (i.e. bond insurance premium), and underwriter's discount. As soon as Seller and Purchaser receive their respective Preliminary Valuations, they will forward a copy to both the other party and the firm chosen by the other party. Both Seller and Purchaser agree that if the lesser of the two Preliminary Valuations is not greater than 5% less than the higher Preliminary Valuation, then the Purchase Price shall be established at the lesser of the two Preliminary Valuations. If the lesser of the two Preliminary Valuations is greater than 5% lower, but not greater than 10% lower of the higher of the two Preliminary Valuations, then Purchaser and Seller agree that the Purchase Price shall be established at the average of the two Preliminary Valuations. If the lesser of the two Preliminary Valuations is greater than 10% lower than the higher of the two Preliminary Valuations, then the Seller and the Purchaser shall promptly instruct their respective valuation firms to meet to reconcile an agreed upon determination of value as promptly as possible and notify Seller and Purchaser in writing of the results of such reconciliation. If, within ten (10) days after the earlier to occur of (1) the final

determination of the Purchase Price pursuant to this Section 5, (2) both parties receive written notice that the valuation firms cannot reconcile an agreed upon determination of value, or (3) fifteen (15) days after the valuation firms both receive written instruction from the Seller and Purchaser to meet to reconcile the Preliminary Valuations, either the Purchaser or Seller determines that it is not in its interest to conclude the purchase contemplated by this Agreement, then by written notice to the other party delivered on or before such tenth (10th) day, the party may terminate this Agreement without penalty, at which time all parties shall be released from all obligations hereunder.

If this Agreement is not terminated pursuant to the preceding paragraph, then the Final Valuations will be prepared by each party's valuation firm based upon the actual True Interest Cost of the Bonds and any reconciliations that were agreed upon by the valuation firms pursuant to the Preliminary Valuations if applicable. If the lowest Final Valuation prepared by the two valuation firms is less than 5% lower than the Purchase Price determined pursuant to the Preliminary Valuations, then the Purchase Price shall be reduced to the lesser of the two Final Valuations. If the difference between the two Final Valuations is greater than 5%, then Purchaser and Seller agree that the Purchase Price shall be adjusted to equal the average of the two Final Valuations.

The Purchase Price shall be paid to Purchaser in full at Closing from the proceeds of the Bonds when and if issued; provided, that Closing shall not occur unless the Bonds are issued and the Purchaser's Trust Indenture does not restrict the payment of the Purchase Price in the manner set forth in this paragraph.

6. **NO TAXING OBLIGATION.** In no case shall Seller or any other person have

the right to compel the exercise of any ad valorem taxing power of Purchaser or any other public authority or governmental body to pay any amount due or to become due hereunder or to pay any other amounts required to be paid pursuant hereto. Notwithstanding anything to the contrary set forth in this agreement or in any other agreement by or between the parties, this Section 6 does not restrict or limit Purchaser's obligation, or Seller's right to enforce Purchaser's obligation, to pay all amounts due and owing under this Agreement, except as expressly limited by the first sentence of this Section 6.

7. **CIAC CHARGES.** Purchaser and Seller acknowledge and agree that the valuation of the Utility System resulting in the Purchase Price does not contain any value allocation for, and that the Purchased Assets shall not include, any charges in aid of construction (and similar charges pertaining to the connection of utility services to a parcel) relating to the Utility System ("CIAC Charges"). In consideration of an acknowledgment that the CIAC Charges are Excluded Assets that are not being purchased pursuant to this sale, Purchaser and Seller agree that until the sooner to occur of (a) such time as the sum of all of the Available CSU Wastewater Capacity and Available CSU Potable Water Capacity (both as hereinafter defined) has been purchased by users, or (b) ten (10) years from the Closing Date (the "CIAC Charge Sunset Date"), the Seller shall receive all of the CIAC Charges. Notwithstanding the foregoing provisions of this Section 7 to the contrary, if Purchaser is required to construct any infrastructure in order to connect to the Utility System any project with respect to which CIAC Charges are paid to Purchaser, then Purchaser may withhold and retain for its own benefit an amount of the CIAC Charges collected with respect to that project (but with respect to that project only) an amount equal to its actual out-of-pocket costs and expenses to construct such infrastructure, and shall remit the remainder of the

CIAC Charges to Seller in accordance with this Section 7. For purposes of clarity, if Purchaser's cost to construct such infrastructure exceeds the amount of CIAC Charges collected by Purchaser with respect to such project, Purchaser shall not withhold any other CIAC Charges with respect thereto, all of which shall be paid to Seller in the manner required by this Section 7.

A. **Certification of the Available Capacity.**

(1) The total wastewater treatment capacity of the Wastewater System that is permitted by the Florida Department of Environmental Protection on the Effective Date, expressed in gallons per day annual average daily flow ("GPD"), is One Million Six Hundred Thousand (1,600,000) GPD (the "Permitted Wastewater Capacity"). The average annual daily wastewater flow for the Wastewater System for the twelve (12) month period ending on July 31, 2019, expressed in GPD, is One Million Two Hundred Six Thousand One Hundred Fifty-Six (1,206,156) GPD (the "Utilized Wastewater Capacity"). The actual purchased wastewater treatment capacity of the Wastewater System, which has not yet established any flow, expressed in GPD is One Hundred Nine Thousand Eight Hundred Thirty-Six (109,836) GPD (the "Reserved Wastewater Capacity"). For purposes of this Agreement, the term "Available CSU Wastewater Capacity" shall mean the Permitted Wastewater Capacity, minus the Utilized Wastewater Capacity, minus the Reserved Wastewater Capacity, expressed in GPD.

(2) The total potable water capacity of the Potable Water System that is permitted by the Southwest Florida Water Management District on the Effective Date, expressed in GPD, is One Million Four Hundred Seventy-Nine Thousand (1,479,000) GPD (the "Permitted Potable Water Capacity"). The average annual daily water flow for the

Potable Water System for the twelve (12) month period ending on July 31, 2019, expressed in GPD, is One Million Eighty Thousand Three Hundred Ten (1,080,310) GPD (the "Utilized Potable Water Capacity"). The actual purchased potable water capacity of the Potable Water System, which has not yet established any flow, expressed in GPD is One Hundred Twenty-Six Thousand Twenty-Four (126,024) GPD (the "Reserved Potable Water Capacity"). For purposes of this Agreement, the term "Available CSU Potable Water Capacity" shall mean the Permitted Potable Water Capacity, minus the Utilized Potable Water Capacity, minus the Reserved Potable Water Capacity, expressed in GPD.

B. **Payment of CIAC Charges.** Pursuant to this Agreement, all CIAC Charges arising or accruing on or prior to the CIAC Charge Sunset Date shall be Excluded Assets, held in trust by Purchaser for Seller's benefit, and paid to Seller as new users are connected to the Utility System. Purchaser shall charge CIAC Charges in a manner consistent with the historical operation of the Utility System, and timely collect them on the Seller's behalf, until the CIAC Charge Sunset Date. CIAC Charges shall be due to Seller and paid to the Seller in accordance with this Agreement by the Purchaser on a periodic basis, but in no event less than once per quarter within thirty (30) days after the end of each calendar quarter. Seller shall have the right, on reasonable prior notice to the Purchaser, to inspect and audit Purchaser's books and records at the location where they are ordinarily maintained by Purchaser for the purpose of verifying the amount of CIAC Charges that are due, owing, and paid to Seller. Purchaser covenants to take no action to prevent or hinder the levy and collection of CIAC Charges, and agrees to use commercially reasonable efforts to charge and collect the full amount of CIAC Charges.

(1) **Covenant to Establish and Maintain CIAC Charges and Expand the**

Utility Area. To satisfy the above obligation, Purchaser hereby covenants and agrees with Seller that it will, at all times after Closing until the CIAC Charge Sunset Date, use commercially reasonable efforts to promptly and diligently pursue the incorporation of the areas described in Exhibit K to the Utility Area (the “New Service Areas”), and to procure all rights that are necessary to provide full levels of service to the New Service Areas. All of Purchaser’s covenants and other agreements with respect to such CIAC Charges shall apply with respect to the New Service Areas in the manner set forth in this Section 7.B.

(2) This Section 7.B shall survive Closing indefinitely until Seller has received all payments that are due and owing to Seller pursuant to this Section.

C. **Covenant Regarding Utility Service Rates**. Unless prohibited by governmental regulation of general application (which does not include, without limitation, a regulation promulgated by Purchaser), in order to ensure the equitable treatment of all Utility System customers, Purchaser hereby covenants that after Closing, the utility service rates for residential customers shall not be increased by a greater percentage than the utility service rates for commercial customers, and similarly, the utility service rates for commercial customers shall not be increased by a greater percentage than the utility service rates for residential customers. This covenant shall also survive Closing indefinitely.

8. **MATTERS TO BE PERFORMED AT CLOSING.**

A. At Closing:

(1) Seller shall convey by special warranty deed (the “Special Warranty Deed”) to Purchaser all of the Real Property described in Exhibit D, pursuant to the Special Warranty Deed attached to this Agreement as Exhibit S hereto, and the covenants and restrictions

contemplated in Exhibit D-1 shall be imposed on the Real Property and set forth in the Special Warranty Deed.

(2) Purchaser shall assume in writing all the obligations of Seller relating to all Developers Agreements listed on Exhibit B hereto, pursuant to which the developers are entitled to certain rights and benefits, pursuant to the Assignment and Assumption of Contracts and Licenses and Permits attached to this Agreement as Exhibit T hereto (the “General Assignment”).

(3) Seller shall assign unto Purchaser all rights, and Purchaser shall assume in writing, all obligations contained in the agreements set forth in Exhibit C, pursuant to the General Assignment; provided, however, that Seller shall use commercially reasonable efforts prior to Closing to cooperate with Purchaser to terminate any such agreements which Purchaser does not wish to assume, insofar as (A) Purchaser notifies Seller in writing of its desire reasonably in advance of Closing, (B) Seller is not required to suffer or incur any liability, obligation, out-of-pocket expense, penalty, or any other material adverse consequence in connection with such termination, and (C) Purchaser provides all assistance reasonably requested by Seller in connection therewith.

(4) Seller shall assign unto Purchaser all rights contained in the easements set forth in Exhibit E, and Purchaser shall assume all obligations contained in those easements set forth in Exhibit E that contain obligations, pursuant to the General Assignment.

(5) Seller shall convey to Purchaser by Bill of Sale all of the personal property set forth in Exhibits F and Q pursuant to the Bill of Sale attached to this Agreement as Exhibit V (the “Bill of Sale”).

(6) Seller shall assign unto Purchaser all rights, and Purchaser shall assume in writing all obligations contained in the permits and licenses set forth in Exhibit H that are specifically related to the Utility System, pursuant to the General Assignment.

(7) Seller shall assign unto Purchaser all rights, and Purchaser shall assume in writing all obligations contained in the operating and vendor contracts to be assumed by Purchaser, including, without limitation, those set forth in Exhibit N, pursuant to the General Assignment.

(8) Seller shall assign unto Purchaser, in writing, all warranties described in Exhibit L to the extent they are assignable, pursuant to the General Assignment.

(9) Seller shall assign unto Purchaser, in writing, its interests in the Bulk Portable Water Agreement attached as Exhibit R, and Purchaser shall assume Seller's obligations contained therein, pursuant to the General Assignment.

(10) Seller and Purchaser shall obtain a termination of the Amended and Restated Lease Agreement dated July 6, 2010 between North Sumter Utility Company, L.L.C., Central Sumter Utility Company, LLC and Sumter Water Conservation Authority, LLC, and obtain the New Lease Agreement.

9. **SELLER'S WARRANTIES.** Seller represents, warrants, and covenants to Purchaser as follows, with any representations and warranties being made on the Effective Date and on the Closing Date unless otherwise expressly set forth herein:

A. Seller is a Florida limited liability company and has all requisite power and authority to execute and consummate this Agreement. The execution and performance of this Agreement has been duly authorized in accordance with the Operating Agreement governing

Seller.

B. From and after the Effective Date until the earlier to occur of the Closing, or the expiration or earlier termination of this Agreement (the "Executory Period"), Seller will not, without the prior written consent of Purchaser, dispose of or encumber any of the Purchased Assets, with the exception of any transactions occurring in the ordinary course of Seller's business.

C. During the Executory Period, the Seller will permit full examination by Purchaser's authorized representatives of the Utility System, Purchased Assets and all existing contractual obligations, physical systems, assets, real estate, rights-of-way, easements, and inventories utilized by the Seller in the ordinary course of business by the Seller, upon reasonable prior written notice to Seller and in such a manner that does not unreasonably interfere with the operation of the Utility System. Moreover, Seller warrants and represents that, during the Executory Period and except as occurring in the ordinary course of business or as a result of casualty or condemnation, there will be no material depletion of such assets of the Seller during the Executory Period or any material change in the condition of said assets, and such facilities and assets will be properly maintained within the custom and usage of the industry.

D. During the Executory Period, Seller shall operate and maintain the Utility System and Purchased Assets in a normal and usual manner to the end that the value of the same will not be materially diminished or depleted other than by normal wear and tear, pursuant to the ordinary course of business, or as a result of casualty or condemnation.

E. During the Executory Period, Seller will reasonably cooperate by opening records, providing access to records and facilities to assist in the acquainting of the Purchaser's operating and administrative personnel in the operation of the Seller, in each case upon the

reasonable prior written notice of Purchaser to Seller and only in a way that does not unreasonably interfere with the operation of the Utility System.

F. As of the respective times provided by Seller to Purchaser, Exhibits A, B, C, D, E, G, H J, K, L, N, Q, and R shall be materially true and correct.

G. Seller is in sole and exclusive possession of the Purchased Assets (to the extent sole and exclusive possession is possible given the nature of the asset), and Seller at Closing shall deliver Seller's entire right, title, and interest in and to the Purchased Assets to Purchaser.

H. Except for Permitted Encumbrances provided for below and the requisite authorizations and consents of the applicable governmental authorities with respect to the sale, transfer, and renewal of all licenses and permits to own and operate the Utility Systems, Seller has good and marketable title to the Purchased Assets.

I. Except for the Permitted Encumbrances set forth below, there are no liens, claims or encumbrances of whatever type or nature upon or against the Purchased Assets, including but not limited to, mortgages, bond indentures or financing statements or security instruments, except for those which will be extinguished at Closing.

J. Seller has not been notified of the existence of any uncured violation of any governmental rules, regulations, permitting conditions, or other governmental requirements of any type or nature applicable to the ownership, maintenance, construction or operation of the Utility System or Purchased Assets, nor of the existence of any conditions which, solely by reason of the passing of time or the giving of notice, should constitute such a violation, in each case to the extent that such violations or conditions would have a material adverse effect on Purchaser's ability to operate the Utility System after Closing.

K. During the Executory Period, Seller shall maintain adequate liability insurance and fire and extended coverage insurance to cover the cost of any repairs to the Purchased Assets, plants and Utility System that may be necessitated by casualty damage. The risk of loss shall pass to the Purchaser at Closing.

L. After the Effective Date, Seller will promptly disclose to Purchaser all Developer Agreements (other than standard utility service agreements) with respect to the connection of new development projects to the Utility System, which agreements shall be automatically attached to Exhibit B hereto.

M. During the Executory Period, Seller shall maintain the Utility System and Purchased Assets in good condition, reasonable wear and tear excepted, and shall be responsible for all costs and expenses in maintaining the Utility System and the Purchased Assets in such condition during the Executory Period.

N. During the Executory Period, Seller shall maintain its operating permits and approvals in good standing, except to the extent to which any failure will not have a material adverse effect on Purchaser's ability to operate the Utility System after Closing.

O. There is, to Seller's knowledge and belief, no litigation, investigation or proceeding that is pending or threatened against Seller, the Utility System or Purchased Assets. For purposes of this Agreement and all related documents and instruments, the term "to Seller's knowledge and belief" means the actual, present knowledge, without inquiry, the statutory manager of Arnett Environmental LLC, Seller's consultant with respect to the Utility System.

P. The transactions contemplated herein do not contravene any contractual or legal restriction contained in any document to which Seller is a party.

Q. There are no actions, suits, or proceedings pending with respect to, or affecting, the Utility System or Purchased Assets, at law or in equity, before any federal, state, county, municipal or government court, department, commission, board, bureau, agency or instrumentality which involves the reasonable possibility of any judgment, assessment or liability which would affect the title of the Purchaser or would be a lien on any of the Purchased Assets or revenues generated by the Utility System or would materially adversely affect the Purchaser's use and ownership of the Purchased Assets. Seller hereby agrees to indemnify and hold Purchaser harmless from any such matter. It is agreed that this subsection may be satisfied by the Seller's posting of an appropriate bond, suretyship contract or other acceptable guarantee to Purchaser to cure or relieve any such lien or encumbrance that might be created prior to or after the Closing Date for any of the causes mentioned herein occurring prior to Closing.

R. Seller has not received any deposits or other advance payments that were paid to Seller by customers of Seller for services to be delivered or performed after Closing that have not otherwise been fully earned by Seller.

S. The representations, warranties, and covenants of Seller set forth in this Section 9 shall terminate automatically if this Agreement is terminated prior to Closing. If the Closing occurs, the representations, warranties, and covenants of Seller set forth in this Section 9 shall survive until the first (1st) anniversary of the Closing Date, after which they shall be of no further force or effect for any purpose.

10. **PURCHASER'S WARRANTIES.** Purchaser represents warrants, and covenants to Seller as follows, with any representations and warranties being made on the Effective Date and on the Closing Date unless otherwise expressly set forth herein:

A. Purchaser is a dependent district of Sumter County authorized by Chapter 189, Florida Statutes, Chapter 125, Florida Statutes, as amended, and Article VIII, Section 1, Florida Constitution and created pursuant to Ordinance No. 2010-10 duly adopted by the Board of County Commissioners of Sumter County on July 13, 2010, as amended by Ordinance 2012-14 dated October 23, 2012, as further amended and restated by Ordinance 2012-17 dated December 11, 2012, and has all requisite power and authority to execute and consummate this Agreement. The execution and performance of this Agreement has been duly authorized in accordance with all of the laws, instruments, and agreements governing Purchaser.

B. The transactions contemplated herein do not contravene any contractual or legal restriction contained in any document to which Purchaser is a party.

C. There are no actions, suits, or proceedings pending with respect to, or affecting, the funds constituting the Purchase Price paid by Purchaser to Seller, at law or in equity, before any federal, state, county, municipal or government court, department, commission, board, bureau, agency or instrumentality which involves the reasonable possibility of any judgment, assessment or liability which would affect the title of Seller or would be a lien on any of such funds. Purchaser hereby agrees to indemnify and hold Seller harmless from any such matter.

D. Purchaser is not, and will not be, required to make any filing with the U.S. Internal Revenue Service or any other federal, state, or local taxing authority with respect to the allocation of the Purchase Price amongst the Purchased Assets.

E. The representations, warranties, and covenants of Purchaser set forth in this Section 10 shall terminate automatically if this Agreement is terminated prior to Closing. If the Closing occurs, the representations, warranties, and covenants of Purchaser set forth in this Section 10 shall

survive until the first (1st) anniversary of the Closing Date, after which they shall be of no further force or effect for any purpose.

11. PERMITTED ENCUMBRANCES, TITLE INSURANCE AND SURVEYS.

A. Good, marketable and insurable title to the Real Property shall be conveyed free and clear of all liens, mortgages and encumbrances, except for “Permitted Encumbrances” as described below. Within thirty (30) days after the Effective Date, Seller shall deliver to Purchaser a title insurance commitment (the “Title Commitment”) covering the real property as described in Exhibit D from a reputable Florida licensed title insurance company reasonably acceptable to Purchaser (the “Title Company”). Seller will execute at or prior to Closing in favor of the Title Company and Purchaser, a standard construction lien affidavit and “gap” affidavit for commercial transactions sufficient to allow the Title Company to delete all standard exceptions other than matters appearing on a current, acceptable survey and such other standard exceptions that can only be deleted based on the Title Company’s receipt of a current, acceptable survey. Title to the Real Property will be conveyed to the Purchaser at Closing by the Special Warranty Deed, and the personal property portion of the Purchased Assets will be conveyed by the Bill of Sale. After closing instruments have been recorded in the public records, Seller shall, through the Title Company, provide a title insurance policy (the “Title Policy”) issued in accordance with the Title Commitment; provided, that Purchaser shall be required to pay for any coverage endorsements included in the Title Policy that Seller does not agree to pay for (in Seller’s sole discretion). Purchaser and Seller acknowledge and agree that the value of the Utility System is based upon the revenues that the Utility System provides over and above its operating expense and that the Real Property described in Exhibit D to be insured hereunder does not include the substantial investment

in the potable water distribution and wastewater collection system also being conveyed pursuant to this sale, and therefore, the parties agree that the amount of title insurance covering the Real Property described in Exhibit D shall be the reasonable replacement value of such land and improvements as certified by the Purchaser's Engineer in good-faith. If requested by the Purchaser within five (5) days after the Effective Date, Seller agrees to promptly coordinate Purchaser's order, through the Title Company and at Purchaser's sole cost and expense, an Ownership and Encumbrance Report to Purchaser identifying the easements listed in Exhibit E ("O&E Reports"). The O&E Reports will not provide Purchaser with title insurance and Purchaser shall not be entitled to raise any title objections to matters provided in the O&E Reports.

B. The Permitted Encumbrances shall not be deemed or construed to render Seller's title to the Real Property unmarketable or to constitute a misrepresentation, or breach of any warranty, covenant, or other agreement by Seller, and Purchaser shall not have the right to refuse to close or terminate this Agreement by reason thereof. Purchaser shall notify Seller in writing no later than fifteen (15) days after receipt of the Title Commitment and the Surveys, whichever is received later, but if no Surveys are obtained, within twenty (20) days after Purchaser's receipt of the Title Commitment, but in any event no later than forty-five (45) days after the Effective Date, of any actual defect in Seller's title to the Real Property other than Permitted Encumbrances (collectively the "Title Defects"), such written notice ("Title Defects Notice") to include all exceptions, encumbrances, liens, easements, covenants, restrictions or other defects in Seller's title to the Real Property (other than the Permitted Encumbrances) which, in the reasonable opinion of Purchaser's counsel, render or has a reasonable likelihood of rendering Seller's title to the Real Property unmarketable or uninsurable. Any objections to title to the

extent not shown on the Title Defects Notice furnished by Purchaser in accordance with the provisions of this section shall be deemed to have been fully waived by Purchaser for all purposes hereof and Purchaser shall not be entitled to any damages, relief or other remedies with respect thereto. Seller shall have a period of thirty (30) days from receipt of the Title Defects Notice ("Title Defects Cure Period") to eliminate any of the objections to title as set forth in Purchaser's Title Defects Notice, which includes obtaining title insurance as a resolution but shall not require Seller to incur any obligation to bring any action or proceeding in order to make title to the Real Property marketable. On or prior to the end of the Title Defects Cure Period, Seller shall provide Purchaser notice ("Title Defects Cure Notice") as to whether all, any, or none of the title objections specified in the Title Defects Notice have been cured or will be cured on or before the Closing Date. In the event Seller does not cure the title objections specified in the Title Defects Notice within the Title Cure Period for whatever reason or does not provide notice in writing that they will be cured on or before the Closing Date for whatever reason, then Purchaser shall have only the following rights: (1) to accept whatever title Seller is able and/or willing to convey without any abatement of the Purchase Price, or (2) to reject title and terminate this Agreement by providing written notice to Seller within five (5) days after receipt of Seller's Title Defects Cure Notice or the conclusion of the Title Defects Cure Period, whichever occurs first. Purchaser shall not be entitled to any other rights or remedies. If Purchaser shall reject title under subsection (2) of the immediately preceding sentence, neither party shall have any further liability whatsoever hereunder, and in this event Seller shall pay all costs of the Title Commitment and Purchaser shall pay all costs of the O&E Reports. Purchaser shall not object to title by reason of the existence of any mortgage, lien or related encumbrance, provided (1) Seller commits to satisfy it with the

payment of money by paying same at or prior to Closing; (2) any construction lien or other encumbrance which shall be released, bonded or transferred of record to substitute security posted by Seller so as to relieve the Real Property from the burden thereof, and the Closing shall be conditioned upon such that construction liens or other encumbrances being released of record, bonded, or transfer of record to substitute security by Seller; (3) the Title Company is willing to affirmatively insure against such matter and is willing to insure against the enforcement thereof against the Real Property; or (4) it is a Permitted Encumbrance.

C. As used above, “Permitted Encumbrances” mean and include the following:

(1) All present and future building restrictions, zoning and land use regulations and all present and future laws, ordinances, resolutions, regulations and orders of any governmental authority having jurisdiction over the Real Property and the use thereof as contemplated herein.

(2) Easements, restrictions, covenants, reservations, rights-of-way, conditions and limitations of record affecting the Utility System, if any, which are not coupled with any reverter or forfeiture provisions, including (without limitation) any drainage, canal, mineral, road, or other reservations of record in favor of the State of Florida or any of its agencies or governmental or quasi-governmental entities, or as may be set forth in any “Murphy Deeds” none of which, however, shall render title unmarketable and/or impair or restrict the use of the Real Property for the operation of the Utility System.

(3) All oil, gas and mineral interests with the rights of entry with respect thereto being barred.

(4) Such other matters as are permitted by the parties under the terms of

this Agreement.

(5) All exceptions from coverage, encumbrances, liens, easements, covenants, restrictions, and other defects that are accepted, or deemed to be accepted, by Purchaser pursuant to this Section.

D. Purchaser may, at Purchaser's expense, obtain a current survey of the Real Property (collectively the "Surveys") prepared by a Florida licensed surveyor and certified within forty (40) days after the Effective Date, which Surveys will be prepared in accordance with, and certified to, Purchaser, Seller and the Title Company in accordance with the minimum detailed standards adopted by the Board of Professional Surveyors and Mappers in accordance with Florida Statutes, Section 472.027.

12. **ENVIRONMENTAL MATTERS.** Within ten (10) days of the Effective Date, Seller shall, at its sole cost, hire a licensed environmental auditing firm, to perform a "Phase I" environmental assessment report on the Real Property (the "Phase I Report"). Any required remedial work that is expressly and clearly set forth in the Phase I Report ("Remedial Work") shall be performed by Seller at its sole cost, but in Seller's sole and absolute discretion. In the event that Seller does not materially complete the Remedial Work prior to Closing, Purchaser may terminate this Agreement. Notwithstanding the foregoing provisions of this Section 12, if the Phase I Report is delivered to Purchaser at least ten (10) business days prior to the date set forth in Section 13, Purchaser shall notify Seller in writing of all Remedial Work that must be completed by Seller prior to Closing, and Purchaser shall not have the right to terminate this Agreement with respect to Seller's failure to perform any Remedial Work that is not expressly set forth in such written notice. In any event, if Seller shall fail to complete the Remedial Work prior to Closing,

Purchaser's sole remedy shall be to terminate this Agreement.

13. **DUE DILIGENCE PERIOD.** Notwithstanding any other term or provision of this Agreement, Purchaser may terminate this Agreement by providing written notice to Seller on or prior to the thirtieth (30th) day after Purchaser receives all of the following Exhibits: Exhibits A, E, F, H, L, M, O, and Q (excluding the update to Exhibit O that is deliverable on or prior to Closing, and the update to Exhibit Q that is deliverable at Closing).

14. **CONDITIONS PRECEDENT TO CLOSING.** The obligations of each party to close the transaction contemplated by this Agreement are subject to the conditions that, at or before the Closing Date, each of the following has occurred, absent which neither party has any obligation to close the transaction:

A. Neither party has terminated this Agreement pursuant to the provisions of Sections 5, 12, or 13 above.

B. Neither party shall be prohibited by governmental decree or law from consummating the transaction (provided, that a decree made, or law promulgated, by the Purchaser shall not be considered a condition precedent for this purpose).

C. There shall not be pending or threatened on the Closing Date any legal action or proceeding which prevents the acquisition of the Purchased Assets or operation of the Utility System or hinders the ability of Purchaser to close the transaction or pay the Purchase Price, or materially inhibits or restricts in any manner its use, title, or enjoyment of the Purchased Assets and Utility System in the ordinary course of business.

D. The Governing Board of the Purchaser shall have ratified and approved the execution of this Agreement and authorized the acquisition of the Purchased Assets and certified

copies of the resolutions evidencing such ratifications and approval have been delivered to Seller. The provisions of Chapter 189, Florida Statutes, shall have been complied with. Purchaser shall use commercially reasonable and good-faith efforts to obtain such ratification and approval as promptly as possible after the Effective Date, and in any event at least thirty (30) days prior to the Closing Date.

E. Seller has assumed all such rights, and Purchaser has assumed all such obligations as contemplated by Section 8 above.

F. Both parties shall each have performed all the undertakings and obligations required to be performed by it under the terms hereof prior to or at Closing (including, without limitation, the deliveries and other requirements set forth in Section 8).

G. All warranties and representations herein of both parties shall be true as of the Closing Date as if originally made on the Closing Date.

H. The Utility System and the Purchased Assets shall be in good condition at the time of Closing, reasonable wear and tear excepted.

I. Purchaser is successful in issuing the utility revenue bonds referenced in Section 5 hereof and funds are available for Closing as set forth in said Section 5.

J. Seller be capable of assigning at Closing to the Purchaser all of the permits, licenses and agreements that exist at Closing and which are necessary in order for Purchaser to operate the Utility System immediately after Closing.

15. CLOSING DATE AND CLOSING.

A. Provided the conditions to be performed prior to Closing set forth in Section 14 have been performed, this transaction shall be closed in accordance with the terms and

provisions herein, on or before December 31, 2019 (the "Closing Date"), unless extended by mutual agreements of the parties. If the conditions to be performed prior to Closing set forth in Section 14 have not been performed by the Closing Date, either party may terminate this Agreement by providing written notice of such termination to the other party.

B. On the Closing Date:

(1) All documentary stamps, if required, on the deed of conveyance of Real Property and any other Purchased Assets shall be paid by Seller.

(2) Taxes, if any, on the Purchased Assets shall be paid by the Seller in accordance with Section 196.295, Florida Statutes.

(3) Accounts receivable due Seller for unpaid utility service as of the Closing Date shall belong to Seller and shall be purchased by Purchaser at Closing. Seller shall furnish to Purchaser at Closing a listing of its accounts receivable, by customer and individual amount, as an update to Exhibit Q. No receivables owed to Seller on account of utility service more than ninety (90) days in arrears shall be included on such list and Purchaser shall not be required to pay for such delinquent accounts, and such receivables shall be considered Excluded Assets. The parties recognize that the Closing Date may not coincide with the regular meter reading date. If that is the case, then gross revenues from utility services shall be estimated based upon the preceding month's billing, and a preliminary proration of such revenues shall be made with Purchaser making payment to Seller for the number of days elapsed in the then current monthly billing cycle through and including the Closing Date. One or before the date that is ninety (90) days after the Closing Date, Purchaser shall confirm the actual amount of the billings that were estimated at Closing pursuant to this Section 15.B.(3) and deliver an accounting thereof

in writing to Seller (the "True-Up Notice"), which True-Up Notice shall include reasonable supporting documentation supporting the Purchaser's calculations. Seller shall have a period of thirty (30) days after its receipt of the True-Up Notice to review Purchaser's calculations and Purchaser's books and records relating thereto, and Purchaser shall promptly provide Seller and its representatives with access to Purchaser's books and records with respect to such billings during normal business hours at the location where they are ordinarily maintained for the purpose of Seller and its representatives reviewing and verifying Purchaser's calculations. If Seller objects to all or any part of Purchaser's calculations, then Seller shall deliver written notice of such objection to Purchaser within thirty (30) days after Seller's receipt of the True-Up Notice, and Purchaser and Seller shall promptly use commercially reasonable and good-faith efforts to resolve such objections and agree upon the final amount of billings.

(4) All Taxes accrued, confirmed, certified, ratified or owed by the Seller as of the date of Closing Date for periods occurring prior to the Closing Date shall be and remain the obligation of the Seller. All other Taxes imposed or attempted to be imposed after the date of Closing shall be the obligation of the Purchaser.

(5) Except as otherwise provided herein, CIAC Charges shall remain the Seller's property with no claim of the Purchaser therefor.

(6) All transfers and delivery of instruments set forth herein or otherwise expressly contemplated hereby shall take place, unless extended by mutual consent.

(7) Each party shall be responsible for its own respective closing costs.

(8) Each of the respective parties hereto shall pay the fees of its own attorneys, engineers, accountants, and other professional advisers or consultants in connection with

the negotiation, preparation and execution of this Agreement and any documents associated with the Closing of the sale and purchase transaction contemplated herein.

(9) All bills and accounts payable for services rendered in connection with the operation of the Utility System prior to Closing shall be paid by Seller to the extent that they are due and payable prior to Closing; provided, that any such expenses shall be pro-rated on Exhibit O to the extent that payments related to periods occurring on and after the Closing Date.

16. OTHER MISCELLANEOUS PROVISIONS.

A. Negotiation at Arm's Length. This Agreement has been negotiated fully between the parties as an arm's length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against either party.

B. Public Records. The Seller understands and agrees that all documents of any kind provided to the Purchaser or Purchaser's staff in connection with the activities contemplated under this Agreement are public records and are treated as such in accordance with Florida law.

C. Consistent with Section 367.071, Florida Statutes, the sale of the assets pursuant to this Agreement is contingent upon approval by the Florida Public Service Commission ("FPSC"). The FPSC shall approve the transaction contemplated herein as a matter of right, however, because Purchaser is a governmental authority within the meaning of Chapter 367, Florida Statutes. Pursuant to 367.071(4), FPSC need not approve the transaction prior to the

Closing. Notwithstanding, Purchase and Seller shall work together in good faith to timely file all applications and obtain FPSC approvals for the sale of the Assets, at the parties' respective sole cost and expense within ten (10) days after the Closing Date (provided, that Purchaser shall be the party primarily responsible for preparing and filing such applications, and obtaining such approvals).

D. The parties hereto recognize and agree that time is of the essence in this Agreement.

E. Prior to or simultaneously with the Closing hereof, each party will deliver to the other its opinion of counsel that it has the full legal authority to enter into this Agreement.

F. This writing embodies the entire agreement and understandings between the parties hereto, and there are no other agreements or understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change or modification to the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto. This Agreement, regardless of where executed, shall be governed and construed according to the laws of the State of Florida. This Agreement is being executed in duplicate originals, each of which shall be considered an original.

G. Each party will, at any time and from time to time after the Closing Date, upon request of the other party, execute, acknowledge and deliver, or will cause to be executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, powers of attorney and assurances as may be required in order to implement and perform any of the obligations, covenants and agreements of the parties herein.

H. Neither Purchaser or Seller may transfer or assign this Agreement or the

respective duties or obligations hereunder without obtaining the prior written consent of the other party, in the other party's sole discretion.

I. Purchaser and Seller represent and warrant each to the other that they have not dealt with either a broker, salesman, or finder in connection with any part of this transaction contemplated by this Agreement who is entitled to any commission or fee with respect to such transaction. Further, each party shall indemnify the other against any claim or loss incurred or suffered as a result of any broker's or salesman's commission or finder's fee payable, or alleged to be payable, because of any statements, acts or omissions of the indemnifying party.

J. Any notice of other document to be given hereunder by any part to the other shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid.

If to Seller, such notice shall be addressed to Seller at:

SELLER:

Central Sumter Utility Company, LLC
Attn: Kelsea Morse Manly
3619 Kiessel Road
The Villages, Florida 32163

with a copy to Seller's counsel:

Erick Langenbrunner, Esq.
3619 Kiessel Road
The Villages, Florida 32163

PURCHASER:

North Sumter County Utility
Dependent District
984 Old Mill Run
The Villages, Florida 32162

with a copy to Purchaser's counsel:

Lewis Stone, Esq.
Stone & Gerken, P.A.
4850 North Hwy 19A
Mount Dora, Florida 32757

and the term "Seller" as used above is deemed to include the successors and assigns of Seller.

K. All salaries, if any, of employees accruing prior to the Closing Date are the

responsibility of the Seller and shall be included in Exhibit O. Purchaser shall accept responsibility at Purchaser's sole cost to said employees for accrued vacation pay or severance or for sick term benefits.

L. This Agreement may be varied, modified or altered only by written instrument signed by both parties.

M. All representations and warranties heretofore made by either party to the other are merged into this Agreement.

N. The headings used are for convenience only, and the parties herein agree that they shall be disregarded in the construction of this Agreement.

O. The parties acknowledge that either shall have against the other the right to seek specific performance to compel either party to act or perform in accordance with the requirements of this Agreement. Such right of specific performance shall not, however, be the sole or exclusive remedy of each party against the other, and each party hereby preserves its rights to seek damages, which may include, among other things, actual losses, including cost of negotiation of this Agreement, and loss of profit due to the failure to close this Agreement.

P. In connection with any litigation pursuant to this Agreement, venue shall lie in Sumter County, Florida.

Q. It is agreed by and between the parties hereto that all words, terms, and conditions herein contained are to be read in concert, each with the other, and that a provision contained under one heading may be construed to be equally applicable under another heading in the interpretation of this Agreement.

R. This Agreement shall be governed by, and construed and interpreted in

accordance with, the laws of the State of Florida, without reference to the rules of conflicts of law.

S. This Agreement, and the instruments which are to be executed pursuant thereto, are for the sole benefit of the parties hereto and it is not intended that any third parties shall have any beneficial interest herein or therein, whether directly or indirectly, nor shall any third parties rely on the terms, provisions, and conditions of this Agreement or the aforesaid documents.

T. The Seller agrees that if any license or permit required for the operation of the Utility System by Purchaser immediately after Closing is not in full force and effect at the time of Closing, that Seller shall cooperate fully with the Purchaser in providing all information required to obtain such permit.

U. The right of the Seller to receive any funds or payments after Closing shall be fully assignable.

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.

SELLER:

**CENTRAL SUMTER UTILITY COMPANY,
LLC**, a Florida limited liability company

BY: THE VILLAGES OPERATING
COMPANY, a Florida corporation,
its Manager

By: 
Print Name: Kelsea Morse Manly
Title: **Vice President**
Date: September 11, 2019

PURCHASER:

**NORTH SUMTER COUNTY UTILITY
DEPENDENT DISTRICT**

ATTEST:

Richard J. Baier, District Manager

By: _____
Print Name: _____
Title: _____
Date: September 19, 2019