

AGREEMENT FOR PURCHASE AND SALE OF WATER SYSTEM AND WASTEWATER SYSTEM ASSETS BY & BETWEEN THE CITY OF LAKE WALES, FLORIDA, & POLK COUNTY, FLORIDA

This Agreement ("Agreement") is made and entered into this _____ day of December, 2025, by and between the City of Lake Wales, Florida ("Lake Wales"), a Florida municipal corporation organized and existing under the laws of the State of Florida, and Polk County, Florida, (the "County") a political subdivision of the State of Florida (each, individually, is a "Party," and together they are "the Parties" to this Agreement) .

RECITALS

1. The County owns and operates a potable water supply, treatment, transmission, and distribution system ("Water System") and a wastewater collection, transmission, treatment, and disposal system ("Wastewater System") (jointly the "Waverly Utility System"), located in Polk County, Florida, which are more fully described in the Report.

2. The County is willing to sell the assets (and not the liabilities) of the Waverly Utility System to Lake Wales, and Lake Wales is willing to purchase the assets (and not the liabilities) of the Waverly Utility System from the County.

3. The County has the power and authority to sell the Waverly Utility System and the City has the power and authority to acquire the Waverly Utility System and to operate the Waverly Utility System in order to provide potable water and wastewater infrastructure and service within Polk County.

4. To accommodate the sale, the County has agreed to provide Lake Wales information the County possesses about the System such that Lake Wales may examine the Waverly Utility System assets and financial structure, the County's general utility financial structure, and other items required by Lake Wales to complete its due diligence and comply with state law.

5. To accommodate the sale, Lake Wales has agreed to provide the County information Lake Wales possesses which the County needs to determine whether the sale of the Waverly Utility System assets to Lake Wales is in the public interest and to comply with state law.

6. Pursuant to Section 180.301, Florida Statutes, Lake Wales has examined the Waverly Utility System assets, has examined the Waverly Utility System and Lake Wales's existing financial structures, has examined the long-range needs and goals of Lake Wales relative to the provision of water and wastewater service to its present and future citizens, and has determined that the acquisition of the Waverly Utility System is in the public interest.

7. Pursuant to Section 125.3401, Florida Statutes, the County has examined the Waverly Utility System assets, has examined the Parties' respective existing financial structures, has examined the long-range needs and goals of the County relative to the provision of water and

wastewater service to its present and future citizens, and has determined that the sale of the Waverly Utility System to Lake Wales is in the public interest.

8. The parties have negotiated in good faith and are empowered to be bound by the terms and conditions of this Agreement.

ACCORDINGLY, in consideration of the foregoing recitals and benefits to be derived from the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lake Wales and the County hereby agree to sell and purchase the Waverly Utility System upon the following terms and conditions:

SECTION 1. RECITALS AND DEFINITIONS.

1.1 **Recitals.** The Recitals stated above are true and correct and are incorporated into this Agreement.

1.2. **Definitions.** In interpreting this Agreement, the following words, phrases, and terms shall have the following meaning unless the context of this Agreement indicates otherwise.

- a. “Agreement” means this Agreement for Purchase and Sale of Water System and Wastewater System Assets by and between the City of Lake Wales, Florida, and Polk County, Florida, or as it may from time to time be modified.
- b. “FDEP” means the State of Florida Department of Environmental Protection, or any successor agency.
- c. “FDEP Permit” means FDEP Permit Number FLA012968 issued to Polk County on or about March 30, 2023, as subsequently amended, which permits the operation of the Waverly Public Wastewater System.
- d. “Permits” means collectively the FDEP Permit, the SWFWMD Permit, and any other assignable permit the County holds which is necessary to operate the Systems.
- e. “Purchased Assets” means that term as defined in Section 2.3 below.
- e. “Real Property” means that portion of the real property identified in Table 2-5 of the Report that is more particularly described on the attached Exhibit “A” which the County will convey to Lake Wales pursuant to the Agreement.
- f. “Report” means that Raftelis Financial Consultants, Inc. Waverly Water and Wastewater System Valuation Final Report dated June 17, 2024
- g. “SWFWMD” means the Southwest Florida Water Management District
- h. “SWFWMD Permit” means that SWFWMD Permit Number 8054.007 issued to Polk County on or about December 18, 2012 as subsequently amended, which authorizes the withdrawal of groundwater from the Upper Florida aquifer, a portion of which is allocated to the Waverly Public Water System.
- i. “System” or “Waverly Utility System” means the combined Water System and Wastewater System.

- j. "Tangible Property" means the collective tangible assets of the System as listed in Tables 2-3 and 2-4 of the Report, a full and complete copy of the tables are attached to and incorporated in this Agreement as Exhibit "B."

Any terms defined elsewhere in this Agreement shall when used herein have the ascribed meaning and definition.

SECTION 2. PURCHASE AND SALE OF UTILITY SYSTEM; DESCRIPTION OF PURCHASED ASSETS.

2.1. Lake Wales shall buy from the County, and County shall sell to Lake Wales, the Purchased Assets (as defined below) upon the terms, and subject to the conditions precedent, set forth in this Agreement free and clear of all encumbrances, other than Permitted Exceptions.

2.2. Lake Wales is purchasing the Purchased Assets, and the Waverly Utility System "As-Is" "Where-Is" subject to "All Faults," excluding any latent faults resulting from the gross negligence of the County.

2.3. "Purchased Assets" shall include all assets, business properties, and rights, both tangible and intangible, that the County owns regarding the ownership, construction, operation or maintenance of the Waverly Utility System including, but not limited to:

- a. The Real Property owned by the County, including all buildings and improvements located thereon, as identified in Exhibit "A" to this Agreement ("Real Property").
- b. All easements, licenses, prescriptive rights, rights-of-way, rights to use public and private roads, highways, canals, streets and other areas identified in Exhibit "C" and that portion (the "Waverly Service Territory") of the County's East Regional Utility Service Area identified in Exhibit "D," both exhibits being attached to and incorporated into this Agreement.
- c. All water supply, treatment, distribution, and transmission facilities, and all wastewater collections systems, including, but not limited to, pumps, plants, wells, tanks, lift stations, transmission mains, distribution mains, pipes, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by the County and related to the Waverly Utility System or to which the County possesses rights and are used in connection with its operation of the Waverly Utility System, as identified in Exhibit "B" to this Agreement.
- d. All governmental authorizations, franchises, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, leaseholds, and all rights to construct, maintain and operate all or any portion of the Waverly Utility System, and every right of every character whatever in connection therewith, and the obligations thereof (hereinafter referred to as the "Authorizations"); together with all rights granted to the County under its Authorizations.

- e. All items of inventory owned by the County on the Closing Date which are used to operate and maintain the Waverly Utility System, and which shall not be unnecessarily depleted between the date of the County signing this Agreement and the Closing Date. Inventory items/amounts as of the date of signing this Agreement shall include those items listed in Exhibit "E."
- f. All supplier lists, customer records, prints, plans, including plans in electronic or digital format where available, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System in the County's possession, including the right, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper or electronic form.
- g. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias or other reproducible materials in the County's possession, including any rights of the County, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper or electronic form.
- h. All rights and obligations of the County under any Developer Agreements as identified in Exhibit "F" attached to and incorporated in this Agreement. Exhibit "F" shall identify any of the foregoing which are not transferable, which require third party consents for the assumption by County and for which the Developer has pre-paid Connection Charges, the amount of such pre-paid Connection Charges, the number of equivalent residential connections ("ERCs") connected and the balance of ERCs remaining which have been prepaid but have not yet been connected as of the County signing this Agreement.
- i. All rights and obligations of the County under all Contracts and Leases as identified in Exhibit "G" attached to and incorporated in this Agreement. Exhibit "G" shall contain a schedule identifying any Contracts or Leases which are not transferable or for which third party consents are necessary for the assumption by County.
- j. All equipment, tools, parts, laboratory equipment, office equipment and other personal property owned by the County which are exclusively used to operate and maintain the Waverly Utility System as identified in Exhibit "H" attached to and incorporated in this Agreement.
- k. All customer deposits made to the County in connection with the operation of the Waverly Utility System as evidenced by the current customer records at the time of closing.

2.4. "Excluded Assets". Notwithstanding any other provision in this Agreement that may be construed to the contrary, Purchased Assets do not include the Excluded Assets. The following assets are excluded from the Purchased Assets:

- a. Cash, bank accounts, equity and debt securities of any nature, deposits maintained by the County with any governmental authority, or utility and any prepaid expenses of the County, which shall be the County's sole property as of the Closing Date.
- b. Escrow and other County provisions for payment of federal and state taxes, and other obligations to governmental entities, including franchise fees, which shall be the County's responsibility to pay through the Closing Date.

SECTION 3. LIABILITIES.

3.1. Assumed Liabilities. On the Closing Date, Lake Wales shall assume and agree to discharge only the following Liabilities: (the "Assumed Liabilities"):

- a. All liabilities to the customers of the System incurred after the Closing Date where the operative act giving rise to the liability occurred after the Closing Date.
- b. Any liability of Lake Wales under this Agreement or any other document executed in connection with this Agreement.
- c. Any liability of Lake Wales based upon its acts or omissions occurring after the Closing Date.
- d. Any liability arising from or related to the ownership, construction, operation and maintenance of the System after the Closing Date.

3.2. Excluded Liabilities. Notwithstanding the foregoing, Lake Wales does not assume any debts, liabilities, obligations, or other financial or service obligations of the County, except as may be expressly provided in this Agreement. Lake Wales does not assume and shall not be liable for any expense, assessment, exposure, fine, penalty, liability, act or omission of any kind whatsoever imposed or required by any third party (and the definition of third party excludes Lake Wales), whether known or unknown, contingent, liquidated or not liquidated, arising or accruing under contract, law, tort, ordinance, law, regulation or otherwise, arising or accruing before or after the Closing Date where the operative act or omission was that of or attributable to the County for its actions prior to the Closing Date. The County shall remain liable for and shall pay, perform or discharge all such liabilities and obligations; provided the County is not hereby limited in its right to contest in good faith any such liabilities or obligations.

SECTION 4. PURCHASE PRICE. The total consideration intended to be paid for the Waverly Utility System is the Purchase Price plus adjustments as set forth herein. Lake Wales shall pay to the County for conveyance of the Purchased Assets, subject to the additions, adjustments and pro-rations referenced in this Agreement, a cash payment in the amount of FIVE MILLION, THREE HUNDRED THOUSAND DOLLARS (\$5,300,000.00) via wire transfer to the account(s) designated by the County at the Closing.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COUNTY. As a material inducement to Lake Wales to execute this Agreement and perform its obligations hereunder, the County represents and warrants to Lake Wales as follows:

5.1. The County is a duly organized, validly existing political subdivision, and its status is active under the laws of the State of Florida. The County has all requisite power and authority and has taken all requisite action necessary to (a) enter into this Agreement, and (b) perform all the terms and conditions of this Agreement.

5.2. The Board of County Commissioners of the County has approved the County entering into this Agreement.

5.3. This Agreement constitutes, and all other agreements to be executed by the County with respect to this Agreement will constitute, when executed and delivered, valid and binding obligations of the County, enforceable in accordance with their terms.

5.4. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any Court or agency of government applicable to the County, the County's Charter or Code of Ordinances, nor any Certificate, indenture, agreement, or other instrument to which either the County is a party, or by which it is bound.

5.5. The County has good and marketable title to the Purchased Assets related to the System. The Purchased Assets are subject to no mortgage, pledge, lien, charge, security interest, encumbrance, or restriction except Permitted Encumbrances, as defined in Subsection 7.5 of this Agreement, other than those that will be satisfied or released by the Closing. At Closing, the County shall deliver title to such Purchased Assets related to the Waverly Utility System free and clear of all debts, liens, pledges, charges or encumbrances whatsoever, other than Permitted Encumbrances related to Real Property only.

5.6. The County has exclusive possession, control and ownership to all Real Property, Purchased Assets, and the Utility System to which it is related and that all such real property has been identified in Exhibit "A" hereof.

5.7. Environmental Law Compliance. To The County's knowledge:

- a. The County is in material compliance with all applicable Environmental Laws and has no material liability thereunder, and there is no reasonable basis for the County to believe that any such liability exists.
- b. The County has obtained all permits required, or has submitted application renewals for such permits in a timely manner, under applicable Environmental Laws, necessary for the operation of the Waverly Utility System as conducted as of the date of this Agreement
- c. There is no Hazardous Material in violation of any Environmental Law located on the Real Property; no Real Property is listed or formally proposed for listing under

CERCLA, the Comprehensive Environmental Response, Compensation Liability Information System ("CERCLIS"), or on any similar state list that is the subject of federal, state, or local enforcement actions or other investigations that may lead to claims against the County for clean-up costs, remedial work, damages to natural resources, or for personal injury claims, including, but not limited to, claims under CERCLA; and there is no reasonable basis for the County to be named in such claims or for any similar action to be brought against the County.

- d. No written or verbal notification of a Release of a Hazardous Material has been filed by or on behalf of the County or any third party with respect to the Waverly Utility System. No Waverly Utility System property is listed or proposed for listing on the National Priority List promulgated pursuant to CERCLA, or CERCLIS, or any similar state list of sites requiring investigation or clean up.
- e. No Hazardous Material has been released in violation of Environmental Law at, on, or under any System property.
- f. Definitions.

(1) "Environmental Law" means any federal, state, or local statute, order, regulation, or ordinance, or common law or equitable doctrine 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 in effect as of the Closing Date and any conditions and requirements contained in any permits possessed by the County from any federal, state, or local agencies necessary to operate its respective Utility System.

(2) "Hazardous Material" means petroleum or any substance, material, or waste which is regulated under any Environmental Law in the jurisdictions in which the County conducts its business including, without limitation, any material or substance that is defined as or considered to be a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "toxic waste," or "toxic substance" under any provision of Environmental Law.

(3) "Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, or dispersal into the environment, at or from any property owned or operated by the County or related to Hazardous Materials generated by the County.

(4) "Remedial Action" means all actions required to (i) clean up, remove, or treat any Hazardous Material; (ii) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the environment; or (iii) perform pre-remedial studies and investigations or post-remedial monitoring and care directly related to or in connection with any such remedial action.

5.8. There are no current actions, suits or proceedings at law or in equity pending or, to the County's knowledge, threatened against the County before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Waverly Utility System or any of the Purchased Assets or the County's right and ability to make and perform this Agreement, nor is the County aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. The County is not in default with respect to any Certificate, permit, order or decree of any court or of any administrative or governmental agency or instrumentality affecting the Waverly Utility System or any of the Purchased Assets. The County 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 Waverly Utility System.

5.9. No representation or warranty made by the County in this Agreement contains any untrue statement of material facts or omits to state any material fact required to make the statements herein contained not misleading.

5.10. After due inquiry the County has no actual knowledge that the County's use of the Real Property or Purchased Assets is in violation of any applicable state or local laws, rules or ordinances, including wellhead protection, zoning or other applicable requirements, nor are there any encroachments of any kind related to the Real Property. For the purposes of construing this section, "actual knowledge" includes facts directly and personally known to the County, or facts which the County is presumed to have received directly or personally because evidence within either the County's possession or knowledge is sufficient to engage in a reasonable inquiry into the existence of such facts.

5.11. The County has not entered into any agreements or commitments with developers or customers providing for the extension of services or facilities regarding the Waverly Utility System, nor has the County collected any connection or plant capacity fees or charges for which the payor, its successors or assigns have not been connected to the Waverly Utility System.

5.12. All customer records have been delivered to County and are accurate and reflect all deposits and accounts receivable owed to the County.

5.13. Following Closing, neither the County nor any affiliate of the County shall provide water or wastewater service within the Waverly Service Territory.

5.14. All representations or warranties made by the County in this Agreement shall survive for a period of one (1) year post-Closing.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF LAKE WALES. As a material inducement to the County to execute this Agreement and to perform its obligations hereunder, Lake Wales represents and warrants to the County as follows:

6.1. Lake Wales has been duly organized and is a validly existing municipal corporation under the laws of the State of Florida. Lake Wales has all requisite power and authority to enter into this Agreement and carry out and perform the terms and conditions of this Agreement.

6.2. This Agreement constitutes, and all other agreements to be executed by Lake Wales with respect to this Agreement, will constitute, when executed and delivered, valid and binding obligations of Lake Wales, enforceable in accordance with their terms.

6.3. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government applicable to Lake Wales, nor any indenture, agreement, or other instrument to which Lake Wales is a party, or by which it is bound.

6.4. All necessary public hearings and referenda required to authorize Lake Wales' purchase of the Waverly Utility System and Lake Wales entering into this Agreement will have been held in a manner and at the times duly required by law and all other appropriate governmental actions required to be taken by Lake Wales will have been duly taken prior to the Closing Date.

6.5. There is no action, suit, or proceeding, at law or in equity, before or by any court or governmental authority, pending against Lake Wales, wherein an unfavorable decision, ruling or finding would materially or adversely affect the performance by Lake Wales of its obligations hereunder or the other transactions contemplated hereby, or which, in any way, would adversely affect the validity or enforceability of the Agreement.

SECTION 7. TITLE INSURANCE AND PERMITTED ENCUMBRANCES.

7.1. At least ten (10) days prior to the Closing, the County shall obtain and provide to Lake Wales at the County's expense a current title insurance commitment in favor of Lake Wales issued by a title company licensed to do business in the State of Florida, covering the Real Property and encompassing legal and physical access from a dedicated public road, street, or highway, which access is insurable under the title policy, which shall be in the amount of FOUR HUNDRED THOUSAND Dollars (\$400,000.00). The title insurance commitment shall commit the insurer to issue an owner's title insurance policy to Lake Wales covering the Real Property, substantially in accordance with the ALTA Standard Owner's Form most recently approved for use in Florida as modified, reflecting title to the Real Property to be marketable and insurable, except for the Permitted Encumbrances, the standard printed exceptions usually contained in an owner's title insurance policy, and the standard exclusions from coverage; provided, however, that the title insurance company shall delete the standard exceptions customarily deleted for such items as the standard survey exception (based on a current survey for all or portions of the Real Property), and materialman's liens and mechanics liens, if there are no such liens at the time of Closing. The County shall execute at, or prior to Closing, in favor of Lake Wales and the title insurance company, all forms or affidavits required by the title insurance company including, but not limited

to, the appropriate mechanic's lien affidavit and "Gap" affidavit, sufficient to allow the title insurance company to delete all standard exceptions addressed by such affidavits.

7.2. Lake Wales shall notify the County in writing before the Closing Date of any alleged defect in the County's title to the Real Property, other than the Permitted Encumbrances (such written notice to include all exceptions, encumbrances, liens, easements, covenants, restrictions or other defects in the County's title to the Real Property other than the Permitted Encumbrances), which render or may render the County's title to the Real Property (i) unmarketable in accordance with standards adopted by The Florida Bar, or (ii) uninsurable. Any objections to title to the extent not shown on the notice furnished by County in accordance with the provisions of this paragraph shall be deemed to have been waived by Lake Wales and Lake Wales shall not be entitled to any damages or other remedies. The County shall have until the Closing Date to eliminate the objections to title set forth in Lake Wales' notice. However, in no event shall the County be required to bring suit or expend any sum in excess of \$25,000 in the aggregate to cure title defects (exclusive of mortgages against the Real Property, which are in a liquidated amount) that the County has an obligation to discharge by the Closing pursuant to the terms of this Agreement. If the County fail to deliver title as herein provided, then Lake Wales may:

- (1) Accept whatever title the County is able to convey with no abatement of the Purchase Price; or
- (2) Reject title and terminate this Agreement with no further liability of either party to the other.

7.3. Lake Wales may not object to title by reason of the existence of any mortgage, lien, encumbrance, covenant, restriction or other matter that (i) may be satisfied with a payment of money and the County advises Lake Wales that the County elects to do so by paying same at or prior to the Closing Date; (ii) any mechanic's lien or other encumbrance that can be released of record, bonded or transferred of record to substitute security so as to relieve the Real Property from the burden thereof and the County advises Lake Wales that the County elects to do so at or prior to Closing; or (iii) the title insurance company issuing the title insurance commitments affirmatively to insure-over.

7.4. The County shall provide a copy of any existing survey of the Real Property to Lake Wales within thirty (30) days of the execution of this Agreement. Any new survey(s) shall be solely at Lake Wales' expense.

7.5. As used herein, "Permitted Encumbrances" include the following:

- a. All 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.
- b. Easements and restrictions of record which do not impair or restrict the use of the Real Property or the operation of the Waverly Utility System.

- c. Any drainage canal, mineral, road, or other reservation of record in favor of the State of Florida or any of its agencies or governmental or quasigovernmental entities, or as may be set forth in any "Murphy Deeds", none of which, however, shall impair or restrict the use of the Real Property or the operation of the Waverly Utility System.

SECTION 8. 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:

8.1. Neither Party is prohibited by decree or law from consummating the transaction.

8.2. There is not pending on the Closing Date any legal action or proceeding that would (i) prohibit the acquisition or sale of the Purchased Assets, (ii) prohibit Lake Wales or the County from closing the transaction or Lake Wales from paying the Purchase Price, or (iii) inhibit or restrict in any manner Lake Wales's use, title, or enjoyment of the Purchased Assets.

8.3. The other Party has performed all of the undertakings required to be performed by it under the terms of this Agreement.

8.4. There has been no material adverse change in the physical condition of the Purchased Assets. For purposes of this Agreement, a "material adverse change" shall mean a loss or damage to the Purchased Assets that materially reduces: (1) their value in the aggregate; or (2) the ability to operate the Waverly Utility System as operated by the County prior to the Closing Date.

8.5. All warranties and representations of the other Party are true in all material respects as of the Closing Date, except to the extent they specifically refer to another date.

8.6. Neither Party has terminated the Agreement as provided for in Section 10 hereof.

SECTION 9. PRE-CLOSING CONDUCT; COVENANTS. Prior to the Closing Date, the Parties covenant to each other, and shall conduct themselves, as follows:

9.1. Covenants. During the period between execution of this Agreement and the Closing Date, the County shall:

- a. Operate and maintain the Waverly Utility System and Purchased Assets thereof in a normal and ordinary manner to ensure that the condition of the Waverly Utility System and the Purchased Assets thereof remain in all material respects unchanged, normal wear and tear and usage excepted, and the inventory on hand shall not be diminished or depleted, other than in the ordinary course of business.

- b. Promptly notify Lake Wales of any notification received by the County from any person, business, or agency of any existing or potential Environmental Law violation.
- c. Provide Lake Wales, or its designated agent(s), with unrestricted access to the Waverly Utility System, Purchased Assets, the County's customer and operations books and records for the same, employees, agents, or representatives, on reasonable advance notice (one business day) and during business hours.
- d. Promptly notify Lake Wales of any event, activity or occurrence that has, or may have, a material adverse effect upon the Purchased Assets or this transaction.

9.2. No New Developer Agreements. During the period between execution hereof and Closing, the County shall not:

- a. Enter into any contract, oral or written, relating to the Waverly Utility System or Purchased Assets that will survive Closing without the prior written consent of Lake Wales which consent shall not be unreasonably withheld, conditioned or delayed. Actions requiring ongoing compliance such as pipeline breaks and other emergency situations are excluded;
- b. Without the prior written consent of Lake Wales, which shall not be unreasonably withheld, enter into any Developer Agreement which permits or requires services from the Waverly Utility System. Copies of any such developer agreements shall be promptly delivered to Lake Wales and shall not be signed by the County without prior written consent from Lake Wales.

9.3. Insurance. The County shall maintain its existing levels of insurance on the Purchased Assets and Waverly Utility System and the risk of any loss shall remain with the County through the Closing Date.

9.4. Optional Phase I Assessments. Lake Wales may obtain Phase I Environmental Site Assessments ("ESA") (and a subsequent Phase Two ESA if Lake Wales determines that one is necessary based on the Phase I assessment results) of each parcel comprising the Real Property. If such ESA discloses the presence of any Hazardous Material, Lake Wales shall notify County within ten (10) business days of receipt of such ESA, and County shall have the right but not the obligation to perform such cleanup and remediation as is necessary hereunder. Upon County's failure to perform such cleanup and remediation prior to the Closing Date, Lake Wales may elect to either (i) terminate this Agreement, in which event neither party shall have any liability to the other; or (ii) proceed to Closing without abatement of the Purchase Price.

9.5. Due Diligence Investigations. Lake Wales is relying upon its own due diligence investigation in entering into this Agreement. Lake Wales shall have until the Closing Date to complete, at Lake Wales' expense, financial, legal, engineering and operational due diligence investigations of the Purchased Assets. Based upon the results of such due diligence investigations Lake Wales shall have the right to terminate this Agreement for any defects or problems revealed

by such due diligence. Lake Wales shall provide the County with written notice of termination within ten (10) days of completion of such due diligence. During this period, the County shall provide Lake Wales and its representative's access to all Purchased Assets as set forth in this Agreement.

9.6. Risk of Loss. The County shall bear the risk of loss, damage or destruction of the Purchased Assets by fire or other casualty prior to and including the Closing Date. If any portion of the Purchased Assets is damaged by fire, act of God or other casualty before or on the Closing Date, then the Parties shall jointly assess the damage and impact on the System. If the damage requires a material repair or replacement of all or any portion of the System, then the Closing shall be delayed until such time as the County can repair the affected System or portion thereof, so it is in the same or similar condition as of the Effective Date.

SECTION 10. TERMINATION OF AGREEMENT.

10.1. This Agreement may be terminated (i) by mutual written consent of the Parties, (ii) by either Party if the transactions contemplated hereby have not closed by March 12, 2026, if not otherwise extended pursuant to the provisions contained elsewhere herein, or (iii) as provided in subsections 10.2 and 10.3 below.

10.2. Lake Wales may terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:

- a. The failure, in any material respect prior to Closing, of any conditions precedent to Closing, any pre-closing conduct, or any covenant of County set forth in Sections 8 and 9 hereof.
- b. Any material breach of this Agreement by the County, including, but not limited to, a material breach of any representation or warranty, if the County has not cured such breach within 30 days after written notice from Lake Wales; provided, however, such breach must in any event be cured by the Closing Date unless the date for cure has been extended or excused by Lake Wales.

10.3. The County may terminate this Agreement, in its sole discretion, upon the occurrence of any of the following:

- a. The failure, in any material respect prior to Closing, of any of the conditions precedent to Closing set forth in Section 8.
- b. Any material breach of this Agreement by Lake Wales, including, but not limited to, a material breach of any representation or warranty, if Lake Wales has not cured such breach within 30 days after written notice from the County, provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended or excused by County.

10.4. Upon the occurrence of any of the bases for termination of this Agreement, the Party seeking to terminate this Agreement shall provide written notice of its termination of this Agreement to the other by delivering the same as provided in Subsection 13.2.

10.5. Upon the termination of this Agreement, the following shall occur:

- a. To the extent permitted by Florida law, each Party shall return all documents, including copies, in its possession, custody, or control, or in the possession, custody, or control, of its agents and consultants to the other, as the case may be. Each Party, its agents and consultants, shall treat any information previously received as confidential, and shall not disclose or use such information, unless required by law.
- b. Except as otherwise set forth in this Agreement, each Party shall be responsible for payment of its own attorney and other professional fees and other costs of any nature whatsoever incurred prior to the termination of this Agreement.
- c. In the event the termination occurs as set forth in Subsections 7.1 and 9.4, this Agreement shall forthwith become void and there shall be no liability on the part of Lake Wales or the County, or their respective Board or Commission members, managers, officers, or directors.

SECTION 11. CLOSING DATE AND CLOSING.

11.1. Unless otherwise extended as provided elsewhere herein, this transaction shall close at a mutually agreeable time on a mutually agreeable date occurring on or before March 13, 2026, at a location mutually acceptable to both Parties. As used in this Agreement, the "Closing Date" shall mean 12:00 a.m. the date that this transaction is closed.

11.2. At Closing, the following shall occur:

- a. Lake Wales shall pay the Purchase Price, subject to any adjustment as provided for in this Agreement.
- b. Title to the Real Property shall be conveyed to Lake Wales by a Deed in the form described in Section 125.411, Florida Statutes, conveying to Lake Wales fee simple title to the Real Property free of all claims, liens, or encumbrances whatsoever, other than Permitted Encumbrances. Easements shall be conveyed by easement. Title to the remaining Purchased Assets shall be conveyed to Lake Wales by Bill of Sale free of all claims, liens, or encumbrances, whatsoever. The County shall further provide Lake Wales such other instruments of conveyance as shall be, in the reasonable opinion of Lake Wales and its counsel, necessary to transfer the Waverly Utility System and Purchased Assets in accordance with this Agreement and, when necessary or desirable, in recordable form. Any such requested instruments shall be identified and finalized at least twenty (20) calendar days prior to the Closing Date.

- c. County shall assign to Lake Wales via instruments in appropriate recordable form all easements, licenses, etc. benefiting the System, conveying to Lake Wales all the County's right, title and interest in all such easements, together with all the County's utility improvements thereon.
- d. County shall deliver a Bill of Sale for the Tangible Property.
- e. A general assignment by the County of all its other interests in the System, together with a general assignment of all associated customer accounts, contract rights, agreements, warranties, general intangibles, permits and approvals, together with the agreements which Lake Wales agrees to assume from the (i) Developer Agreements identified in Exhibit "F", and (ii) Contracts and Leases identified in Exhibit "G."
- f. To the extent applicable to either Party, real property and personal property taxes on the Purchased Assets and the Waverly Utility System, shall be prorated as of the Closing Date and Lake Wales shall be required to pay its pro rata share at Closing pursuant to Section 196.295, Florida Statutes.
- g. Documentary stamps are not due on this transaction pursuant to Rule 12B-4.013(5), Florida Administrative Code.
- h. Connection Charges (defined as plant capacity, transmission line capacity, or other unit connection fees paid for the availability of utility capacity) received by County prior to Closing shall be retained by County if a physical connection to the Waverly Utility System has been made prior to Closing. Connection Charges paid to the County prior to Closing for which no connection has been made shall be paid over to Lake Wales at Closing. Connection Charges paid after Closing shall be retained by Lake Wales. A schedule of Connection Charges paid to the County in the form of Exhibit "F" shall be updated by the County as of the Closing Date and provided to Lake Wales and paid by the County to Lake Wales at closing through the Closing Statement or as otherwise mutually agreed to by the parties.
- i. Within five days prior to Closing, the County shall read the Waverly Utility System customers' meters and, thereafter, invoice the customers for service up to and including the final meter reading. County is entitled to all revenues for services up to and including the final meter reading. After Closing, the County shall collect the final bill and any delinquent amounts owed to County; however, Lake Wales shall promptly pay to the County any payments received by Lake Wales with respect to the County's final meter reading and any services rendered prior to the Closing Date, and will take such actions to collect such final bills on the County's behalf as it would if said delinquencies were monies owing to Lake Wales. The County hereby agrees to reimburse Lake Wales within fifteen (15) days after invoice receipt of all substantiated costs reasonably incurred by Lake Wales in taking such actions to collect all bills on County's behalf. Lake Wales

shall begin billing the customers based on the final meter reading as the starting point for future billing. After Closing, Lake Wales shall be entitled to all revenues of the System for services rendered after the Closing Date. The County shall promptly pay Lake Wales any payments received by County for services rendered after the Closing Date.

- j. All transfers required or necessary to carry out the intent and purpose of this Agreement shall take place, unless waived or extended by mutual consent.
- k. Except as otherwise provided herein, each of the Parties shall pay the fees of its own attorneys, bankers, 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.
- l. All bills of any kind for services, materials and supplies of any kind rendered in connection with the construction, operation and maintenance of the System prior to Closing, including but not limited to electricity, phone service, and payroll for a period up to and including the Closing Date, shall be paid by County. Lake Wales shall be responsible for all such costs and expenses incurred for services rendered after closing subsequent to Closing.
- l. Lake Wales shall assume the liability for customer deposits, and the County shall credit Lake Wales at Closing with all customer deposits and accrued interest thereon and shall provide Lake Wales with the list of customers for whom such deposits have been collected and corresponding amounts of such deposits through Closing.
- m. Each Party shall deliver to the other Party a certificate stating that:
the party is not prohibited by decree or law from consummating the transaction contemplated hereby, there is not pending on the Closing Date any legal action or proceeding that hinders the ability of the Party to close the transaction, and all warranties and representations of such Party contained in this Agreement are true and correct in all material respects as of the Closing Date.
- n. County shall deliver to Lake Wales, in a form reasonably acceptable to Lake Wales, an opinion of the County Attorney substantially to the effect that:
 - (1) The County is validly organized, existing and its status is active under the laws of the State of Florida.
 - (2) This Agreement has been duly and validly executed and approved by the County and is a valid and binding agreement upon the County.
 - (3) The execution, delivery and performance of this Agreement will not violate any agreement of or binding on, or any law applicable to the County.

- o. Lake Wales shall deliver to the County in a form acceptable to County, an opinion of Lake Wales's Counsel substantially to the effect that:
 - (1) Lake Wales is validly organized and existing as a municipal corporation under the laws of the State of Florida.
 - (2) This Agreement has been duly and validly executed and approved by Lake Wales and is a valid and binding agreement upon Lake Wales.
 - (3) The execution, delivery and performance of this Agreement will not violate any agreement of, or binding on, or any law applicable to, Lake Wales.
- p. A certified copy of a resolution adopted by the County Commission approving the sale and transfer of the System to Lake Wales pursuant to Section 125.3401, Florida Statutes.

11.3. Deliverables from Lake Wales. At least twenty (20) calendar days prior to the Closing Date, Lake Wales shall deliver the following documents to the County for its review and comment: such assumption and assignment agreements as may be necessary to transfer all leases, permits, agreements, approvals and other interests in the System assets which the County will assign to Lake Wales, and a certified copy of a resolution of the Lake Wales City Commission approving the city's purchase and acquisition of the System assets pursuant to Section 180.301, Florida Statutes. Said documents shall be dated as of the Closing Date. The assignments and assumptions being prepared by the Parties may be incorporated into one document at the convenience of the Parties.

11.4. Closing. Upon satisfaction of the conditions precedent set forth in this Agreement, and provided both Parties have received final approval to proceed from (i) their respective governing bodies, and (ii) the FDEP (if required), then on the Closing Date the Parties representatives will either meet to review and exchange the fully executed Closing Documents described herein, or exchange the documents via mail, delivery service, or hand delivery. The Closing Documents will be dated as of the Closing Date. Upon receipt the Parties will confirm with each other the acceptability of the delivered Closing Documents. Promptly thereafter Lake Wales will deliver the Purchase Price to the County via wire transfer in accordance with instructions the County will provide Lake Wales. The Closing will be complete upon the County's confirmation of its receipt of the Purchase Price and Lake Wales will then have the full right to possession of all the System Assets. Lake Wales will record the deed(s) and any other Closing Document that must be recorded among the public records; Lake Wales will pay the applicable costs to record the Closing Documents. Each Party shall pay their respective attorneys' fees, costs, and expenses arising or associated with the Closing and this transaction.

11.5. Cooperation with SWFWMD Permit Transfer. Upon Lake Wales providing the County a copy of the recorded deed(s), the County will promptly provide the SWFWMD notice of the System transfer and submit any forms required to transfer the Waverly Water System portion of the SWFWMD Permit to Lake Wales. Lake Wales shall cooperate and assist the County in the transfer of the Waverly Water System portion of the SWFWMD Permit to Lake Wales to include

without limitation executing such forms as the SWFWMD may require for such transfer. Upon transfer of the SWFWMD Permit, Lake Wales shall be solely responsible for compliance with the terms and conditions of the permit. The County covenants that it will not seek to obtain new consumptive use permits or to amend its existing consumptive use permits, whether on its own behalf or as part of any other governmental entity, which if obtained would have the effect of reducing the pumping or usage capacity or water allocation contained in the SWFWMD Permit that is transferred to Lake Wales. This covenant shall survive the Closing and shall not expire. The County is not responsible for changes in allowed usage or permit allocations initiated by SWFWMD or by any other governmental or non-governmental entity or agency.

11.6. Utility Service Areas. From and after the Closing Date and continuing perpetually thereafter, the Parties respective water and wastewater utility service areas shall be amended to exclude the Waverly Service Territory from the County's East Regional Utility Service Area and to include the Waverly Service Territory within the Lake Wales utility service area established in accordance with the requirements of Chapter 180, Florida Statutes.

SECTION 12. POST CLOSING COOPERATION.

12.1. The County and Lake Wales shall, after the Closing Date, upon reasonable request of the other Party and at no cost to the other Party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, easements, assignments, transfers, powers of attorney and reasonable assurances as may be required in order to implement and perform any of the respective obligations, covenants and agreements of the Parties arising from this Agreement, and to permit Lake Wales to operate and maintain the Waverly Utility System in the manner operated by the County at the time of Closing,

12.2. Each of the Parties hereto shall provide the other with such assistance as reasonably may be requested in connection with the preparation of any tax return, audit or other examination by any taxing authority or any judicial or administrative proceedings relating to liability for taxes relating to the transactions contemplated by this Agreement, including reasonable access during regular business hours to any and all necessary documentation and/or records. Subject to the provisions of this Section, each Party shall retain and provide the other with any records or information that may be relevant to such return, audit or examination, proceedings or determination. The Party requesting assistance hereunder shall reimburse the other for reasonable expenses incurred in providing such assistance.

12.3. On or before November 1, 2025, the County and Lake Wales will jointly prepare a transition operating plan to provide for the smooth transition of the County's operational oversight of the System to Lake Wales. The transition plan shall provide for continuity of system operations, financial activities, services, supplies, billings, collections, and emergency responses.

12.4. Prior to Closing and continuing until Lake Wales acquires the System, the County will serve as the primary point of contact with the customers of the System for all matters relating to the System. The County will communicate periodically with the System customers regarding the plan to transfer and convey the System to Lake Wales and any other matters conducive of good and open communication with the customers.

12.5. The County agrees to provide reasonable assistance to Lake Wales to transition the administration (including customer services and accounting functions) and operation of the Waverly Utility System and Purchased Assets for a period of ninety (90) days after the Closing Date.

12.6. The respective representations and warranties of the Parties contained in this Agreement, or any document delivered pursuant to this Agreement shall survive the consummation of the transactions contemplated hereby and continue thereafter.

SECTION 13. MISCELLANEOUS PROVISIONS.

13.1. Disclaimer of Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties herein, and no right or cause of action will accrue upon or by reason hereto or for the benefit of any third party.

13.2. Notices. Any notices regarding this Agreement will be sent in writing to the following addresses, or at such other address as each Party may indicate by notice given to the other Parties:

County: Tamara Richardson, P.E.
Utilities Director
Polk County Utilities Division
1011 Jim Keene Boulevard
Winter Haven, Florida 33880

With a copy to: Randy Mink, County Attorney
County Attorney's Office
330 W. Church Street
Bartow, Florida 33830

Lake Wales: Sarah B. Kirkland,
Utilities Director
City of Lake Wales
P.O. Box 1320
Lake Wales, FL 33859-1320

With a copy to: Thomas A. Cloud, Special Counsel
Gray Robinson, P.A.
301 East Pine Street, Suite 1400
Orlando, Florida 32801

Notice must be written and delivered: (i) in person, (ii) via registered or certified United States mail, postage prepaid with return receipt requested, or (iii) via nationally recognized overnight delivery service and addressed to the Party for whom it is intended at the place last specified by the Party. Notice shall be effective upon receipt or refusal to accept receipt. The place for giving

notice shall remain such until it is changed by written notice delivered in compliance with the provisions of this Subsection 13.2.

13.3. Severability. If any part of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability will not affect the other parts of this Agreement if the rights and obligations of the Parties contained herein are not materially prejudiced and if the intentions of the Parties can continue to be affected. To that end, this Agreement is declared severable.

13.4. Breach; Remedy. In the event of breach of this Agreement by a Party (“Breaching Party”), the Party suffering the breach (“Serving Party”) shall serve upon the Breaching Party a written notice of breach (“Notice of Breach”) detailing the Breaching Party’s non-compliance with the obligations set forth in this Agreement. Except for a breach caused by failure to timely pay project costs, a Breaching Party shall have a cure period (“Cure Period”) of thirty (30) calendar days after receipt of the Notice of Breach within which to cure or otherwise comply with those obligations violated and set forth in the Notice of Breach. If the Breaching Party fails to timely cure or otherwise comply with such violated obligations, then, unless the Breaching Party’s failure to cure or otherwise timely comply with those obligations violated is due to an event of Force Majeure, the Serving Party may subject to the mediation requirements of Subsection 13.5 below, pursue all remedies available in law, equity, and under this Agreement.

13.5. Mediation. If there is a dispute between the Parties arising out of or related to this Agreement which they cannot resolve, then unless it shall be unreasonable to do so or an emergency or necessity dictates otherwise, prior to commencing any legal action or proceeding, the affected Parties will refer their dispute to non-binding mediation. The mediation will be conducted by a mediator mutually agreeable to all Parties who has experience in mediating disputes of a similar nature. The Parties will use a mediation procedure agreeable to the Parties and the mediator. The Parties will mediate the dispute in good faith, be bound by any resulting mediation agreement, equally share the costs of mediation, and timely pay the same. Mediation will commence within thirty (30) days after the date a Party requests mediation of a dispute, or if the agreed mediator is not available within that time, then at the first opportunity the agreed mediator is available. A Party may not commence litigation of the dispute until (i) the mediator has declared the Parties are at an impasse, or (ii) one or all Parties have terminated the mediation. Among other matters the Parties intend this mediation process as an alternative to the conflict resolution procedure described in the Florida Governmental Conflict Resolution Act, Chapter 164, Florida Statutes.

13.6 Assignment. No Party may assign this Agreement to a third party unless the other Parties consent in a mutually agreeable written joinder agreement by and among all the Parties and the third-party assignee. All provisions contained in this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the respective successors and permitted assigns of the Parties to the same extent as if each successor and assign were named as a party hereto.

13.7. Liability and Hold Harmless. Each Party shall to the extent allowed under Section 768.28, Florida Statutes, indemnify and hold the other Parties harmless from and against all claims, loss, damage and expense, including without limitation attorneys’ fees, costs and

expenses (both trial and appellate), arising from the negligent acts or omissions of the indemnifying Party's officers and employees, related to its performance under this Agreement, provided, however, the indemnifying Party's responsibilities with respect to such liability shall not exceed the limits (the "Liability Limits") of liability stated in section 768.28(5), Florida Statutes (or any successor statutory provision), regardless of whether a claim for damages or other relief is based in tort, contract, statute, strict liability, negligence, product liability or any other legal theory. This section is not intended and does not establish a contractual obligation whereby any Party undertakes responsibility to any other party for any liability in amounts exceeding the Liability Limits under any legal theory, claim, or cause of action. This provision does not constitute a waiver of the Parties' sovereign immunity under Section 768.28, Florida Statute or extend the Parties' liability beyond the limits established in Section 768.28, Florida Statutes.

13.8. Limitations of Liability. IN NO EVENT SHALL A PARTY BE LIABLE TO ANOTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, INCLUDING LOSS OF PROFIT, WHETHER FORESEEABLE OR NOT, ARISING OUT OF OR RESULTING FROM THE NONPERFORMANCE OR BREACH OF THIS AGREEMENT BY A PARTY WHETHER BASED IN CONTRACT, COMMON LAW, WARRANTY, TORT, STRICT LIABILITY, CONTRIBUTION, INDEMNITY OR OTHERWISE.

13.9. Time of the Essence. Time is hereby declared to be of the essence to the lawful performance of the duties and obligations contained in this Agreement.

13.10. Applicable Law. This Agreement and the provisions contained herein will be construed, controlled, and interpreted according to the laws of the State of Florida, including all rules relating to permitting, construction, enforcement and conflicts of laws.

13.11. Entire Agreement; Effect on Prior Agreements. This Agreement constitutes the entire agreement between the Parties and supersedes all previous discussions, understandings, and agreements between the Parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions herein shall be made by the Parties in writing by formal amendment.

13.12. Venue, Jury Trial; Attorneys' Fees, Costs and Expenses. Venue of all actions will lie in Polk County, Florida. Each Party waives the right to a jury trial. Each Party shall be responsible for its own legal and attorneys' fees, costs and expenses incurred in connection with any dispute or any litigation arising out of, or relating to, or resulting from this Agreement, which will include without limitation applicable courts costs, including appellate proceedings.

13.13. Effective Date. This Agreement will become effective on the date (the "Effective Date") by when both parties have approved and executed this Agreement, which shall be inserted in the first paragraph of this Agreement.

13.14. Further Assurances. The Parties shall use all reasonable efforts to provide such information, execute such further instruments and documents, and take such action as may be reasonably requested by the other Party and not inconsistent with the provisions of this Agreement

and not involving the assumption of obligations or liabilities different from, in excess of, or in addition to those expressly provided for in the Agreement, to carry out the intent of the Agreement.

13.15. Force Majeure. A Party is not responsible for delays resulting from causes reasonably beyond its control, including without limitation fire, explosion, flood, tropical storm, hurricane, war, strike, or riot, provided the nonperforming Party promptly, diligently, and in good faith takes all reasonable action required for it to resume performance of its agreement obligations. An affected Party shall keep the other Party duly notified of the actions required for it to resume its obligations and the time necessary for it to do so.

13.16. Mutual Draftsmanship. The terms and conditions in this Agreement are the product of mutual draftsmanship by the Parties, each being represented by counsel, and any ambiguities in this Agreement or any documentation prepared pursuant to it shall not be construed against any of the Parties because of authorship. The Parties acknowledge that all the terms of this Agreement were negotiated at arms' length, and that each Party, being represented by counsel, is acting to protect its, his, her, or their own interest.

13.17. Days. The term "days" in this Agreement shall mean calendar days, unless otherwise so noted. If a date for performance falls on a Saturday, Sunday, or legal State of Florida or federal holiday, the date for performance shall be extended until the next calendar day that is not a Saturday, Sunday, or legal holiday.

SECTION 14. BINDING & ENFORCEABLE AGREEMENT. This Agreement has been duly entered into and delivered by the Parties as of the Effective Date, constitutes a legal, valid and binding obligation of the Parties, fully enforceable in accordance with its terms, except to the extent that the enforceability may be limited by any laws affecting creditor's rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

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.

ATTEST:
STACY M. BUTTERFIELD, Clerk

POLK COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Martha Santiago, Ed. D., Chair
Board of County Commissioners

Reviewed as to form and legal sufficiency:

By: _____
County Attorney's Office

ATTEST:

CITY OF LAKE WALES, FLORIDA

By: _____
City Clerk

By: _____
_____, Mayor

Reviewed as to form and legal sufficiency

By: _____
Thomas A. Cloud, Special Counsel

EXHIBITS A through H

Exhibit A – Real Property

Exhibit B – Tangible Property

Exhibit C – Easements, Licenses, etc.

Exhibit D – Waverly Service Territory

Exhibit E – Items of Inventory

Exhibit F – Developer Agreements

Exhibit G – Contracts and Leases

Exhibit H – Equipment, Tools, Parts, etc.

Exhibit A – Real Property

Exhibit A – Real Property

1. Waste Water Treatment Facility identified as Parcel ID Number 272909-000000-014020 as further described in that certain Warranty Deed recorded in O.R. Book 2496, at Page 1952 and in that certain Quit Claim Deed recorded in O.R. Book 5180, at Pages 752 and 753, both of the Public Records of Polk County, Florida.
2. Hodge Street Water Plant Facility identified as Parcel ID Number 272909-000000-031040 as further described in those certain Warranty Deeds recorded in O.R. Book 5086, at Pages 1828 through 1830 and in O.R. Book 5216, at Page 405, Public Records of Polk County, Florida.
3. Bus Barn Water Production Facility identified as Parcel ID Number 272916-000000-043020 as further described in that certain Quit Claim Deed recorded in O.R. Book 3391, at Pages 1868 and 1869, Public Records of Polk County, Florida.

Exhibit B – Tangible Property

Exhibit B – Tangible Property

Table 2-3: Water Tangible Asset Details

System Component/Asset	Quantity	Size/Capacity/Description
Treatment		
Wells	2 #	Two (2) at 700 ft deep each
Well pump, motor, pipe, & electric	2 #	
Hypochlorite Tank	720 gal	Two (2) 360 gal each
Corrosion Inhibitor Tank	240 gal	Two (2) at 120 gal each
Hydro-pneumatic Tank	75,000 gal	Two (2) at 60,000 and 15,000 gal each
Ground Storage Tank	155,000 gal	
High Service Pump	50 HP	
Granular Activated Carbon System	1 #	
Distribution		
Mains	77,794 LF	Various 1-inch to 16-inch; PVC, asbestos concrete, galvanized.
Hydrants	11 #	
Meters	719 #	

Source: 2019 ERUSA Master Plan; Polk County 2024 GIS Data

Table 2-4: Wastewater Tangible Asset Details

System Component/Asset	Quantity	Size or Capacity
Treatment		
Flow Meter	2 #	
Digester	7,310 gal	
Digester	29,520 Gal	
Aeration	30,865 Gal	
Clarifier	1 #	7 #40 gallons
Chemical Contact Tank	1,300 Gal	
Chemical Contact Tank	5,000 Gal	
Contact Tank	15,852 Gal	
Contact Tank	26,948 Gal	
Collection		
Gravity Mains	17,571 LF	4 to 12 inches
Forcemain	7,404 LF	4 to 8 inches
Inactive Forcemain	13,200 LF	12 inch
Lift Stations	10 #	
Manholes	140	

Source: 2019 ERUSA Master Plan; Polk County 2024 GIS Data

Exhibit C – Easements, Licenses, etc.

Exhibit C – Easements, Licenses, etc.

1. Easement recorded in O.R. Book 3391, at Pages 1870 through 1872.
2. Polk County Utilities Easement recorded in O.R. Book 8506, at Pages 735 through 738.
3. Utilities and Access Easement recorded in O.R. Book 3108, at Pages 501 through 506.
4. Utility Easement recorded in O.R. Book 13283, at Pages 2071 through 2073.
5. Utility Easement recorded in O.R. Book 5618, at Pages 296 and 297.
6. Utility Easement recorded in O.R. Book 5675, at Pages 509 through 511
7. Utility Easement recorded in O.R. Book 5574, at Pages 1472 through 1473
8. Utility Easement recorded in O.R. Book 5574, at Pages 1470 and 1471.
9. Utility Easement recorded in O.R. Book 5675, at Pages 512 through 514.
10. Utility Easement recorded in O.R. Book 5618, at Pages 215 and 216.
11. Utility Easement recorded in O.R. Book 5574, at Pages 1468 and 1469
12. Utility Easement recorded in O.R. Book 5675, at Pages 506 through 508.
13. Parcel Number 706 as described in that certain Stipulated Order of Taking and Final Judgment recorded in O.R. Book 5811, at Pages 1517 through 1522.
14. Utility Easement recorded in O.R. Book 4648, at Page 314.
15. Easement described in Exhibit "B" of that certain Special Warranty Deed and Grant of Easement recorded in O.R. Book 7615, at Pages 458 through 464.

All recording reference above are to the Public Records of Polk County, Florida.

Exhibit D – Waverly Service Territory



Exhibit E – Items of Inventory

Exhibit E – Items of Inventory

Hodge Street WPF

- Chlorine Tank
- Corrosion Inhibitor Tank
- Generator Fuel Tank

Waverly (i.e. Thompson Nursery Road) WPF

- Chlorine Tank
- Corrosion Inhibitor Tank

Waverly WWTF

- Chlorine Tank
- Generator Fuel Tank

Exhibit F – Developer Agreements

NONE

Exhibit G – Contracts and Leases

Exhibit G – Contracts and Leases

None.

Exhibit H – Equipment, Tools, Parts, etc.

Exhibit H – Equipment and Tools

None.