

RESOLUTION NO 2026 - 043
CITY OF LAKE CITY, FLORIDA

A RESOLUTION OF THE CITY OF LAKE CITY, FLORIDA APPROVING THAT CERTAIN AGREEMENT BETWEEN THE CITY AND THE COLUMBIA COUNTY BOARD OF COUNTY COMMISSIONERS FOR THE ACQUISITION OF THE WASTE WATER TREATMENT PLANT GENERALLY IDENTIFIED AS THE NORTH FLORIDA MEGA INDUSTRIAL PARK WASTE WATER TREATMENT PLANT; MAKING CERTAIN FINDINGS OF FACT IN SUPPORT OF THE CITY APPROVING SAID AGREEMENT; RECOGNIZING THE AUTHORITY OF THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID AGREEMENT; DIRECTING THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID AGREEMENT; REPEALING ALL PRIOR RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Columbia County Board of County Commissioners (the "County") owns a wastewater collection, transmission, treatment, and disposal system, located east of the North Florida Mega Industrial Park in Columbia County, Florida, (the "WWTP"); and

WHEREAS, the City of Lake City (the "City") operates the WWTP for the County by virtue of the terms of an operations agreement approved by the City and the County in 2025; and

WHEREAS, the County and the City are each willing to enter into a contract whereby the County would sell and assign to the City the WWTP, its assets, and certain associated liabilities (collectively, the "Purchased Interests"), and the City would purchase from the County the Purchased Interests; and

WHEREAS, the County has the power and authority to sell the WWTP and the City has the power and authority to acquire the Purchased Interests and to operate the WWTP in order to provide wastewater infrastructure and treatment services within Columbia County; and

WHEREAS, pursuant to Section 180.301, Florida Statutes, and Section 125.3401, Florida Statutes, the City and the County have each, respectively, conducted the required public hearings, examined the details of the purchase and sale of Purchased Interests relative to the provision of wastewater service to present and future citizens of the City and Columbia County, and have each determined the acquisition and sale of the Purchased Interests is in the public interest; and

WHEREAS, the City and the County each desire to enter into that certain contract whereby the County will sell to the City and the City will purchase from the County the Purchased Interests by adopting the terms of the proposed contract in the form of the Exhibit attached hereto (the "Agreement"); and

WHEREAS, purchasing the Purchased Interests by approving and entering into the Agreement is

in the public interest and in the interests of the City; now therefore

BE IT RESOLVED by the City Council of the City of Lake City, Florida:

1. Purchasing the Purchased Interests, including the WWTP, by approving and entering into the Agreement is in the public or community interest, and furthers the public welfare; and
2. In furtherance thereof, the Agreement in the form of the Exhibit attached hereto should be and is approved by the City Council of the City of Lake City; and
3. The Mayor of the City of Lake City is the officer of the City duly designated by the City's Code of Ordinances to enforce such rules and regulations as are adopted by the City Council of the City of Lake City; and
4. The Mayor of the City of Lake City is authorized to execute on behalf of and bind the City to the terms of the Agreement; and
5. The Mayor of the City of Lake City is directed to execute on behalf of and bind the City to the terms of the Agreement; and
6. All prior resolutions of the City Council of the City of Lake City in conflict with this resolution are hereby repealed to the extent of such conflict; and
7. This resolution shall become effective and enforceable upon final passage by the City Council of the City of Lake City.

APPROVED AND ADOPTED, by an affirmative vote of a majority of a quorum present of the City Council of the City of Lake City, Florida, at a regular meeting, this ____ day of April, 2026.

BY THE MAYOR OF THE CITY OF LAKE CITY,
FLORIDA

Noah E. Walker, Mayor

ATTEST, BY THE CLERK OF THE CITY COUNCIL
OF THE CITY OF LAKE CITY, FLORIDA:

Audrey E. Sikes, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Clay Martin, City Attorney

**AGREEMENT FOR SALE AND PURCHASE
OF
CERTAIN WASTEWATER SYSTEM ASSETS
BY & BETWEEN
THE CITY OF LAKE CITY, FLORIDA, & COLUMBIA COUNTY, FLORIDA**

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**AGREEMENT FOR SALE AND PURCHASE
OF
CERTAIN WASTEWATER SYSTEM ASSETS
BY & BETWEEN
THE CITY OF LAKE CITY, FLORIDA, & COLUMBIA COUNTY, FLORIDA**

This Agreement ("Agreement") is made and entered into this ___ day of April, 2026, by and between the City of Lake City, Florida ("Lake City"), a Florida municipality, and Columbia County, Florida, (the "County") a political subdivision of the State of Florida (each being a "Party," and together being the "Parties" to this Agreement)

RECITALS

WHEREAS, the County owns a wastewater collection, transmission, treatment, and disposal system (the "Treatment Plant" or "Plant"), located in Columbia County, Florida, located on the Real Property; and

WHEREAS, Lake City operates the Treatment Plant for the County by virtue of the terms of the Operations Agreement; and

WHEREAS, the County is willing to sell to Lake City the assets and assign certain liabilities associated with the Treatment Plant, and Lake City is willing to purchase from the County the assets and certain liabilities associated with the Treatment Plant; and

WHEREAS, subject to the terms of this Agreement, the Operations Agreement will terminate upon the closing of the sale of the Treatment Plant by the County to Lake City as contemplated herein; and

WHEREAS, the County has the power and authority to sell the Treatment Plant and Lake City has the power and authority to acquire the Purchased Assets and to operate the Treatment Plant in order to provide wastewater infrastructure and treatment services within Columbia County; and

WHEREAS, to accommodate the sale, the County has agreed to provide Lake City information the County possesses about the Plant such that Lake City may examine the Purchased Assets and financial structure, the County's general utility financial structure, and other items required by Lake City to complete its due diligence and comply with state law; and

WHEREAS, to accommodate the sale, Lake City has agreed to provide the County information Lake City possesses which the County needs to determine whether the sale of the Purchased Assets to Lake City is in the public interest and to comply with state law; and

WHEREAS, pursuant to Section 180.301, Florida Statutes, Lake City has examined the Purchased Assets, has examined the Treatment Plant and Lake City's existing financial structures, has examined the long-range needs and goals of Lake City relative to the provision of wastewater service to present and future citizens of Lake City and Columbia County, and has determined the acquisition of the Purchased Assets is in the public interest; and

WHEREAS, pursuant to Section 125.3401, Florida Statutes, the County has examined the

Purchased 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 wastewater service to its present and future citizens, and has determined the sale of the Purchased Assets to Lake City is in the public interest; and

WHEREAS, the parties have negotiated in good faith and are empowered to be bound by the terms and conditions of this Agreement; now therefore

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, the County hereby agree to sell and Lake City agrees to purchase the Purchased Assets 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 as material terms, conditions, facts, and representations hereof, as the case may be, as if fully recited herein.

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 Sale and Purchase of Wastewater System Assets by and between Lake City of Lake City, Florida, and Columbia County, Florida, or as it may from time to time be modified.
- (b) "*Closing Date*" means the calendar day this transaction is closed.
- (c) "*Connection Charges*" means that term as defined in Paragraph 11.2(h), below.
- (d) "*Contracts and Leases*" shall mean those instruments identified in Exhibit "B" to this Agreement.
- (e) "*Days*" means calendar days, unless otherwise so noted.
- (f) "*Developer Agreements*" means those agreements identified in Exhibit "F" to this Agreement.
- (g) "*Effective Date*" means that term as defined in Subsection 13.13, below.
- (h) "*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 the Treatment Plant.

- (i) "*Environmental 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.
- (j) "*Excluded Assets*" shall have the meaning set forth in Subsection 2.4, below.
- (k) "*FDEP*" means the State of Florida Department of Environmental Protection, or any successor agency.
- (l) "*FDEP Permit*" means FDEP Permit Number FLAB07223 issued to Columbia County, as subsequently amended, which permits the operation of the Treatment Plant.
- (m) "*Funding Agreements*" means those grant and loan agreements, and associated loan obligations of the County existing between the County and third-party governmental entities identified on the attached Exhibit "I".
- (n) "*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.
- (o) "*NFMIP*" means the North Florida Mega Industrial Park, as such industrial park may exist from time to time.
- (p) "*Operations Agreement*" means that certain interlocal agreement between the County and Lake City entitled "Interlocal Agreement Re Operation of North Florida Mega Industrial Park Wastewater Treatment Plant," and dated February 6, 2025, whereby Lake City performs the operational functions necessary for the operations of the Treatment Plant.
- (q) "*Permits*" means collectively the FDEP Permit, and any other assignable permit the

County holds which is necessary to operate the Plant.

- (r) *"Permitted Encumbrances"* shall have the meaning set forth in Subsection 7.5, below.
- (s) *"Purchase Price"* means the amount set forth in Section 4, hereof.
- (t) *"Plant"* or *"Treatment Plant"* means the wastewater treatment plant located on the Real Property and owned by the County.
- (u) *"Purchased Assets"* shall have the meaning set forth in Subsection 2.3, below.
- (v) *"Real Property"* means the portion of the real property more particularly described on the attached Exhibit "A" which the County will convey to Lake City pursuant to this Agreement.
- (w) *"Remedial Action"* means all actions required to (i) clean up, remove, or treat any Hazardous Material; (ii) prevent the Environmental Release or threat of Environmental Release, or minimize the further Environmental 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.
- (x) *"SRWMD"* means the Suwannee River Water Management District
- (y) *"Tangible Property"* means the collective tangible assets of the Plant 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. SALE AND PURCHASE OF UTILITY SYSTEM; DESCRIPTION OF PURCHASED ASSETS.

2.1 Sale and Purchase.

The County shall sell to Lake City, and Lake City shall buy from the County, 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 Warranties and Guarantees.

- (a) Except as otherwise set forth in this Agreement, Lake City is purchasing the Purchased Assets, including the Treatment Plant "as-is," "where-is," subject to "all faults," excluding any latent faults resulting from the gross negligence of the County.
- (b) Notwithstanding the foregoing, at closing, the County shall transfer or cause to be

transferred to Lake City all such warranties and guarantees of third parties of which the County is benefitted as owner of the Plant. Lake City acknowledges its receipt and acceptance of all such documentation reflecting these warranties and guarantees delivered to Lake City in connection with the execution of this Agreement.

2.3 Purchased Assets.

The Purchased Assets are all assets, business properties, and rights, both tangible and intangible, the County owns arising from or connected with the ownership, construction, operation or maintenance of the Treatment Plant 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 of the County's utility service territory (the "County Service Territory") identified in Exhibit "D," both exhibits being attached to and incorporated into this Agreement.
- (c) 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 Treatment Plant or to which the County possesses rights and are used in connection with the ownership or operation of the Treatment Plant, 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 Treatment Plant, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, 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 Treatment Plant, 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 in the County's possession relating to the Real Property and/or the Treatment Plant, 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 Treatment Plant, 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 and Leases which are not transferable or for which third party consents are necessary for the assumption by County.
- (j) All rights of the County arising from the terms of the Funding Agreements.
- (k) All equipment, tools, parts, laboratory equipment, office equipment and other personal property owned by the County identified in Exhibit "H", hereof, which are exclusively used to operate and maintain the Treatment Plant.
- (l) All customer deposits made to the County in connection with the operation of the Treatment Plant 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.

Subject to any exclusions set forth in Subsection 3.2, on the Closing Date, Lake City shall assume and agree to discharge only the following Liabilities: (the "Assumed Liabilities"):

- (a) All liabilities to the customers of the Plant incurred after the Closing Date where the operative act giving rise to the liability occurred after the Closing Date.
- (b) Any liability of Lake City under this Agreement or any other document executed in connection with this Agreement.
- (c) Any liability of Lake City 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 Plant after the Closing Date.
- (e) Obligations of the County arising from the terms of the Funding Agreements.
- (f) Obligation to accept leachate from the County's solid waste landfill at commercially reasonable rates as such rates shall be established by Lake City from time to time. Notwithstanding the foregoing, the rate charged by Lake City to the County for such leachate shall not exceed \$.08 per gallon from the date of closing of the transaction contemplated herein through September 30, 2027. After September 30, 2027, any change in the foregoing rate charged by Lake City to the County shall not be effective earlier than ninety (90) days following written notice from Lake City to the County of such rate change. The obligations of Lake City pursuant to this Paragraph 3.1(f) shall survive closing.

3.2 Excluded Liabilities.

Notwithstanding the foregoing, Lake City 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 City 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 ("third party" excludes Lake City), 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 Purchased Assets is the Purchase Price adjusted as set forth herein. Lake City 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 **ONE MILLION FIVE-HUNDED NINETY-ONE THOUSAND, FOUR HUNDRED AND FIVE AND 00/100 DOLLARS (\$1,591,405.00)** via wire transfer to the account(s) designated by the County at the closing. This cash payment is calculated to fully compensate the County for its incurred costs to acquire and maintain the Treatment Plant which costs are not otherwise captured by the assignment of the Funding Agreements. These costs include compensation to the County for monies advanced from the County's landfill enterprise fund for permitting fees, and for other operational expenses as reflected on the inventory attached hereto as Exhibit "E".

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COUNTY.

As a material inducement to Lake City to execute this Agreement and perform its obligations hereunder, the County represents and warrants the following to Lake City:

5.1 County Organization.

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 County Approval.

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

5.3 Binding Agreement.

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 No Violations of Law.

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 Marketable Title.

The County has good and marketable title to the Purchased Assets. The County's good and marketable title to 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 to be satisfied or released at the closing. At closing, the County shall deliver title to the Purchased Assets free and clear of all debts, liens, pledges, charges or encumbrances whatsoever, other than Permitted Encumbrances related to Real Property only.

5.6 Possession and Control.

The County has exclusive possession, control and ownership to all of the Purchased Assets, and the Treatment Plant to which it is related and all Real Property subject to conveyance pursuant to this Agreement has been identified in Exhibit "A", hereof. Lake City acknowledges that certain facilities in service to the Treatment Plant are provided through licenses, leases, or easements with Weyerhaeuser, Inc., and the County shall convey or assign (as appropriate) its interests in such to Lake City with Weyerhaeuser, Inc.'s consent.

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 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 Treatment Plant 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 an Environmental Release of a Hazardous Material has been filed by or on behalf of the County or any third party with respect to the Treatment Plant. No Treatment Plant 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 Plant property.

5.8 Adverse Legal Circumstances.

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 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 any of the Purchased Assets. The County agrees and warrants 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 Purchased Assets.

5.9 Truthfulness of Statements.

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 Violation of Laws.

After due inquiry the County has no actual knowledge of the County's use of the Purchased Assets being in violation of any applicable state or local laws, rules or ordinances, including wellhead protection, zoning or other applicable requirements, nor of there being 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 Third-Party Agreements.

With the exception of the agreements with Weyerhaeuser, Inc. otherwise set forth herein, the County has not entered into any other agreements or commitments with developers or customers providing for the extension of services or facilities regarding the Treatment Plant, 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 Treatment Plant.

5.12 Delivery of Records.

All customer records have been delivered to Lake City as plant operator and are accurate and reflect all deposits and accounts receivable owed, if any.

5.13 Post-Closing Utilities Service.

Following closing, neither the County nor any affiliate of the County shall provide water or wastewater service within the NFMIP.

5.14 Survival.

All representations or warranties made by the County in this Agreement shall survive for a period of one (1) year after closing.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF LAKE CITY.

As a material inducement to the County to execute this Agreement and to perform its obligations hereunder, Lake City represents and warrants to the County as follows:

6.1 City Organization.

Lake City has been duly organized and is a validly existing municipality under the laws of the State of Florida. Lake City 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 Binding Agreement.

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

6.3 No Violations of Law.

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 City, nor any indenture, agreement, or other instrument to which Lake City is a party, or by which it is bound. All necessary public hearings and referenda required to authorize Lake City's purchase of the Purchased Assets and Lake City 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 City will have been duly taken prior to

the Closing Date.

6.4 Adverse Legal Circumstances.

There is no action, suit, or proceeding, at law or in equity, before or by any court or governmental authority, pending against Lake City, wherein an unfavorable decision, ruling or finding would materially or adversely affect the performance by Lake City 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.

6.5 Lake City covenants that it shall provide water and wastewater utility services continuously and throughout the NFMIP on the same terms and conditions as it otherwise provides such utility services through Lake City's other utility service areas which areas are situated similarly with the NFMIP with respect to being within the city limits of Lake City, or not. Lake City acknowledges this covenant is a material consideration of the County in entering into this Agreement.

SECTION 7. TITLE INSURANCE AND PERMITTED ENCUMBRANCES.

7.1 Title Insurance Commitment.

At least ten (10) days prior to the closing, Lake City shall obtain and provide at its expense a current title insurance commitment in favor of Lake City 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 equal to the full, combined value of the Real Property and the Treatment Plant thereon. The title insurance commitment shall commit the insurer to issue an owner's title insurance policy to Lake City covering the Real Property and the Treatment Plant thereon, 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 City 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 Notice of Title Defects.

Lake City 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 City and Lake City 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 City's 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 fails to deliver title as herein provided, then Lake City may:

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

7.3 Limitations on Title Objections.

Lake City 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 City 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 City 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 County Surveys and Studies.

The County shall provide a copy of any existing surveys or environmental studies of the Real Property to Lake City within ten (10) days following the execution of this Agreement. Any new survey(s) shall be solely at Lake City's expense.

7.5 Permitted Encumbrances, defined.

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 Treatment Plant.
- (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 Treatment Plant.
- (d) Obligations of the County arising from the Funding Agreements.

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 Prohibitions on Consummation of Transaction.

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

8.2 Non-Existence of Legal Actions.

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 City or the County from closing the transaction or Lake City from paying the Purchase Price, or (iii) inhibit or restrict in any manner Lake City's use, title, or enjoyment of the Purchased Assets.

8.3 Performance of Contractual Conditions.

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

8.4 No Material Change.

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 Treatment Plant as operated by the County prior to the Closing Date.

8.5 Affirmation of Warranties and Representations.

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 Affirmation of Agreement.

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 Purchased Assets in a normal and ordinary manner to ensure the condition of the Purchased Assets remains 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 City of any notification received by the County from any person, business, or agency of any existing or potential violation of Environmental Law.
- (c) Provide Lake City, or its designated agent(s), with unrestricted access to the Purchased Assets; the County's customer and operations books and records for the same; and the County's employees, agents, or representatives, on reasonable advance notice (one business day) and during business hours.
- (d) Promptly notify Lake City 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 Purchased Assets that will survive closing without the prior written consent of Lake City 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 City, which shall not be unreasonably withheld, enter into any Developer Agreement which permits or requires services from the

Treatment Plant. Copies of any such developer agreements shall be promptly delivered to Lake City and shall not be signed by the County without prior written consent from Lake City.

9.3 Insurance.

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

9.4 Optional Phase I Assessments.

Lake City may obtain Phase I Environmental Site Assessments ("ESA") (and a subsequent Phase Two ESA if Lake City 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 City shall notify County within ten (10) business days following 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 City 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 City is relying upon its own due diligence investigation in entering into this Agreement. Lake City shall have until the Closing Date to complete, at Lake City's expense, financial, legal, engineering and operational due diligence investigations of the Purchased Assets. Based upon the results of such due diligence investigations Lake City shall have the right to terminate this Agreement for any defects or problems revealed by such due diligence. Lake City shall provide the County with written notice of termination within ten (10) days following completion of such due diligence. During this period, the County shall provide Lake City 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 at all times 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 Plant. If the damage requires a material repair or replacement of all or any portion of the Plant, then the closing shall be delayed until such time as the County can repair the affected Plant or portion thereof, so it is in the same or similar condition as of the Effective Date.

SECTION 10. TERMINATION OF AGREEMENT.

10.1 Termination by Mutual Consent.

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 **May 29, 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 Termination by Lake City.

Lake City 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 City; 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 City.

10.3 Termination by County.

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 City, including, but not limited to, a material breach of any representation or warranty, if Lake City 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 Written Notice Required.

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 Post-Termination Procedure.

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 City or the County, or their respective Council or Commission members, managers, officers, or directors.

SECTION 11. CLOSING DATE AND CLOSING.

11.1 Closing Date and Time.

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 **May 29, 2026**, at a location mutually acceptable to both Parties.

11.2 Closing Procedure.

At closing, the following shall occur:

- (a) Lake City 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 City by a Deed in the form described in Section 125.411, Florida Statutes, conveying to Lake City 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 City by assignment or bill of sale, as appropriate, free of all claims, liens, or encumbrances, whatsoever. The County shall further provide Lake City such other instruments of conveyance as shall be, in the reasonable opinion of Lake City and its counsel, necessary to transfer the 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.

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- (c) The County shall assign to Lake City via instruments in appropriate recordable form all easements, licenses, etc. benefiting the Plant, conveying to Lake City all the County's right, title and interest in all such easements, together with all the County's utility improvements thereon.
 - (d) The County shall assign to Lake City and Lake City shall assume from the County in such form or forms as are acceptable to the County, Lake City, and the appropriate third-party governmental agency, the Funding Agreements.
 - (e) The County shall deliver a bill of sale for the Tangible Property.
 - (f) A general assignment by the County of all its other interests in the Plant, 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 City agrees to assume from (i) the Developer Agreements, and (ii) the Contracts and Leases.
 - (g) To the extent applicable to either Party, real property and personal property taxes on the Purchased Assets, shall be prorated as of the Closing Date and Lake City shall be required to pay its pro rata share at closing pursuant to Section 196.295, Florida Statutes.
 - (h) Documentary stamps are not due on this transaction pursuant to Rule 12B-4.013(5), Florida Administrative Code.
 - (i) 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 Treatment Plant 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 City at closing. Connection Charges paid after closing shall be retained by Lake City. 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 City and paid by the County to Lake City at closing through the closing statement or as otherwise mutually agreed to by the parties.
 - (j) [INTENTIONALLY OMITTED].
 - (k) 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.
 - (l) 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.
 - (m) All bills of any kind for services, materials and supplies of any kind rendered in connection

with the construction, operation and maintenance of the Plant 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 the County. Lake City shall be responsible for all such costs and expenses incurred for services rendered after closing subsequent to closing.

- (n) [INTENTIONALLY OMITTED].
- (o) 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.
- (p) The County shall deliver to Lake City, in a form reasonably acceptable to Lake City, an opinion of the County Attorney substantially to the effect that:
 - (i) The County is validly organized, existing and its status is active under the laws of the State of Florida.
 - (ii) This Agreement has been duly and validly executed and approved by the County and is a valid and binding agreement upon the County.
 - (iii) The execution, delivery and performance of this Agreement will not violate any agreement of or binding on, or any law applicable to the County.
- (q) Lake City shall deliver to the County in a form acceptable to the County, an opinion of the City Attorney of the Lake City substantially to the effect that:
 - (i) Lake City is validly organized and existing as a municipal corporation under the laws of the State of Florida.
 - (ii) This Agreement has been duly and validly executed and approved by Lake City and is a valid and binding agreement upon Lake City.
 - (iii) The execution, delivery and performance of this Agreement will not violate any agreement of, or binding on, or any law applicable to, Lake City.
- (r) The County shall deliver to Lake City a certified copy of a resolution adopted by the County Commission approving the sale and transfer of the Plant to Lake City pursuant to Section 125.3401, Florida Statutes.
- (s) The County and Lake City shall execute a termination agreement terminating the Operations Agreement as of the Closing Date, which termination agreement provides for a final true-up, as of the Closing Date, of revenues and expenses using the formulae and procedure set forth in the Operations Agreement.

11.3 Deliverables from Lake City.

At least twenty (20) calendar days prior to the Closing Date, Lake City 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 Plant assets which the County will assign to Lake City, and a certified copy of a resolution of the Lake City City Council approving Lake City's purchase and acquisition of the Plant 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 City will deliver the Purchase Price to the County via wire transfer in accordance with instructions the County will provide Lake City. The closing will be complete upon the County's confirmation of its receipt of the Purchase Price and Lake City will then have the full right to possession of all of the Purchased Assets. Lake City will record the deed(s) and any other closing document that must be recorded among the public records; Lake City 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 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 NFMIP from any territory to receive utilities services from the County and to include the NFMIP within the Lake City utility service area established in accordance with the requirements of Chapter 180, Florida Statutes.

SECTION 12. POST CLOSING COOPERATION.

12.1 The parties acknowledge and agree that for so long as the Plant has been in operation, Lake City has been the sole operator of the Plant, and the County has had no operation of the Plant

other than as provided through Lake City under the Operations Agreement. As such, many of the provisions of this Section will not apply in most contexts.

12.2 Further Assurances, Generally.

The County and Lake City 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 City to operate and maintain the Treatment Plant in the manner operated by the County at the time of closing,

12.3 Further Assurances, Compliance.

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 12, 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.

12.4 Further Assurances, Deep Injection Well.

- (a) The Parties mutually acknowledge an essential component of the fully-complete Treatment Plant is the engineering, construction, maintenance, and operation of a Class I deep injection well, the County (as of the Effective Date of this Agreement) being the FDEP-permittee for the installation of such well.
- (b) The County shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, assignments, transfers, powers of attorney and reasonable assurances as may be required in order to position Lake City to engineer, construct, maintain, own, and operate the referenced deep injection well, and to permit Lake City to operate and maintain the Treatment Plant in conjunction with such well.
- (c) In the event the FDEP permit(s) for the referenced deep injection well are not transferable from the County to Lake City:

- (i) the County will cooperate with Lake City by all reasonable methods as Lake City shall reasonably require to facilitate Lake City's application for any and all permits required to engineer, construct, maintain, own, and operate the referenced deep injection well; OR
 - (ii) cooperate with Lake City in a manner allowing Lake City to engineer and construct the referenced deep injection well in conformity with and in furtherance of the FDEP permit issued to the County.
- (d) The County will cooperate with Lake City by all reasonable methods as Lake City shall reasonably require to facilitate an application for funds from district, state, and/or federal sources to finance the engineering and construction of such well.

12.5 Transition Plan, Generally.

On or before **May 22, 2026**, the County and Lake City will jointly prepare a transition operating plan to provide for the smooth transition of the County's operational oversight of the Plant to Lake City. The transition plan shall provide for continuity of system operations, financial activities, services, supplies, billings, collections, and emergency responses. The parties may waive the requirement of a transition plan set forth in this Subsection 12.4 by mutual consent.

12.6 Customer Communications.

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

12.7 Transition Plan, Operations and Administration.

The County agrees to provide, for a period of ninety (90) days after the Closing Date, reasonable assistance to Lake City to transition from the County to Lake City the administration (including customer services and accounting functions, if any) and operation of the Treatment Plant and Purchased Assets.

12.8 Survival of Operations.

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: David Kraus
County Manager
135 NE Hernando Avenue, Suite 203
Lake City, Florida 32055

With a copy to: Joel Foreman, County Attorney
County Attorney's Office
Post Office Box 550
Lake City, Florida 32055

Lake City: Steve Brown
City of Lake City Utilities Director
692 SW St. Margarets Street
Lake City, FL 32025

With a copies to: Don Rosenthal
City Manager
City of Lake City
205 N. Marion Avenue
Lake City, FL 32055

AND

Clay Martin
City Attorney
City of Lake City
205 N. Marion Avenue
Lake City, FL 32055

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 Parties will refer their dispute to non-binding mediation. The mediation will be conducted by a mediator mutually agreeable to the 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 the state courts of Columbia 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 when both parties have approved and executed this Agreement (the "Effective Date"), which shall be inserted in the first paragraph of this Agreement as a ministerial act.

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 Weekends and Holidays.

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.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE:

DULY EXECUTED BY AND ON BEHALF OF THE CITY OF LAKE CITY, FLORIDA, a municipality, on the ____ day of _____, 2026.

THE CITY OF LAKE CITY, FLORIDA

Noah E. Walker, Mayor

**ATTEST, BY THE CLERK OF THE CITY COUNCIL
OF THE CITY OF LAKE CITY, FLORIDA:**

Audrey Sikes, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Clay Martin, City Attorney

DULY EXECUTED BY AND ON BEHALF OF COLUMBIA COUNTY, FLORIDA, a subdivision of the
STATE OF FLORIDA, on the ____ day of _____, 2026.

**BOARD OF COUNTY COMMISSIONERS
COLUMBIA COUNTY, FLORIDA**

Tim Murphy, Chairman

**ATTEST, BY THE CLERK OF COURT OF
COLUMBIA, FLORIDA:**

James M. Swisher, Jr., Clerk of Court

APPROVED AS TO FORM AND LEGALITY:

Joel Foreman, County Attorney

SCHEDULE OF EXHIBITS

- Exhibit "A" – Real Property
- Exhibit "B" – Tangible Property
- Exhibit "C" – Easements, Licenses, etc.
- Exhibit "D" – County Service Territory
- Exhibit "E" – Items of Inventory
- Exhibit "F" – Developer Agreements
- Exhibit "G" – Contracts and Leases
- Exhibit "H" – Equipment, Tools, Parts, etc.
- Exhibit "I" – Grant and Loan Agreements
- Exhibit "J" – Calculation of Purchase Price
- Exhibit "K" – Hearings and Hearing Notices Schedule

EXHIBIT "A"
REAL PROPERTY

Those lands described in that certain deed dated March 3, 2023 from Weyerhaeuser NR Company, a Washington corporation to Columbia County, Florida and recorded on May 8, 2023 at Official Records Book 1489, Page 2613, Public Records of Columbia County, Florida, being commonly identified by the Columbia County, Florida Tax Collector by its 2026 tax parcel identification number as tax parcel 33-35-18-10337-001.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[COPY OF REFERENCED DEED COMMENCES ON FOLLOWING PAGE]

EXHIBIT "B"

TANGIBLE PROPERTY

All of those components of the wastewater treatment facility, and associated collection or discharge/spray field areas located at or on the Real Property, or those easement areas identified in Exhibit "C" of this Agreement, including, but not limited to:

- Storage tanks for the wastewater
- Wastewater equalization tanks
- Mixing or reaction vessels where the water is treated
- Dewatering and sludge tanks
- Equipment such as filters, filter presses, monitors, pH adjustments and polymer make up units
- Treated water tanks
- Discharge tanks

EXHIBIT "C"
EASEMENTS, LICENSES, ETC . . .

The Temporary Spray Field Easement

Those rights and obligations set forth in that certain Temporary Easement Agreement dated June 15, 2023 from Weyerhaeuser Company, a Washington corporation to Columbia County, Florida and recorded on August 16, 2023 at Official Records Book 1497, Page 232, Public Records of Columbia County, Florida.

The Below Ground Easement

Those rights and obligations set forth in that certain Below Ground Easement Agreement dated March 31, 2023 from Weyerhaeuser NR Company, a Washington corporation to Columbia County, Florida and recorded on May 8, 2023 at Official Records Book 1489, Page 2596, Public Records of Columbia County, Florida.

EXHIBIT "D"
COUNTY SERVICE TERRITORY

EXHIBIT "E"
ITEMS OF INVENTORY

NFMIP Spare Parts Inventory			
Quantity	Part	Description	Part No.
1	Bearing, BRZ-1.25x1.50x03.00	Effluent Pump Bearing	549374-1039
5	Ring, Packing-1.25IDx0.38SQ-05.13LG	Effluent Pump Packing	549129-194
1	Ring, O-03.50IDx0.19	Effluent Pump O-Ring	304341-1014
1	Gasket, FF-08-Turbx03.19x.03	Effluent Pump Gasket	550322-013
2	Bearing, Type -H-1.25x3.0x4.50LG	Effluent Pump Bearing	551044-256
4	Bearing, SLV-1.70x2.13x3.56LG	Effluent Pump Bearing Sleeve	541814-1039
1	Bearing, Suction-1.69x2.13x06.75	Effluent Pump Bearing	541813-1039
12	BPV/PRV Diaphragm	Chemical Pump Diaphragm	D499
3	Pulsation Dampener Bladder	Chemical Pump Dampener	PDD0011
6	Dosing Head for Magdos LP 10	Chemical Pump Dosing Head	38986
6	Diaphragm Kit for Magdos LP 10	Chemical Pump Diaphragm	39123
1	Ball Valve	Chemical Pump Ball Valve	VB050PVV-SP
4	Drum Cleaning Brush	Drum Screen Brush	500046845
2	Trunnion Wheel	Drum Screen Trunnion Wheel	RIC000403
1	Control Panel Spares	Drum Screen Control Panel Part	WEC220070
1	Pilot Light,PTT,NEMA 4x	Drum Screen Control Panel Pilot Light	800H-QRTH2
1	Bulb, Pilot Light	Drum Screen Control Panel Pilot Light Bulb	800T-N376W
1	Selector Switch	Drum Screen Control Panel Selector Switch	800H-JR5A
4	Rotor B	Netsch Pump Rotor	1999
4	Stator f.STP3	Netsch Pump Stator	3005
4	Mechanical Seal	Netsch Pump Mechanical Seal	7010
4	Filter	Blower Air Filter	23022A&B
3	Filter	Blower Air Filter	23022C
2	V-Belt	Blower V-Belt	23022A&B
2	V- Belt	Blower V-Belt	23022B
3	V-Belt	Blower V-Belt	23022C
2	Rebuild Kits	Sulzer Submersible Pump Rebuild Kit	61705081
5	Diffuser Assemblies	Aeration Fine Bubble Diffusers	AFD270-P
5	Diffuser Assemblies	Digester Fine Bubble Diffusers	AFD270-P-2
10	Diffuser Assemblies	EQ Basin Coarse Bubble Diffusers	WBCB304-24
2	Volute Gaskets	IR Pump Volute Gasket	A659M-197-GA
2	Mechanical Seal	IR Pump Mechanical Seal	A17258V-40
2	Volute Gaskets	EQ Pump Volute Gasket	A659M-197-GA
2	Mechanical Seal	EQ Pump Mechanical Seal	A17264Q-40
1	Control Logix Com. Mod.	SCADA Spare Part	1756-EN2TR
1	Control Logix Digital Input Mod.	SCADA Spare Part	1756-IA-161
1	Control Logix Digital Output Mod.	SCADA Spare Part	1756-OW-161
1	Control Logix Analog Input Mod.	SCADA Spare Part	1756-IF-16
1	Control Logix Analog Output Mod.	SCADA Spare Part	1756-OF8
1	Control Logix Chasis Power Supply	SCADA Spare Part	1756-PA72
1	Power Supply	SCADA Spare Part	1606-XLS240E
1	Control Logix Controller	SCADA Spare Part	1756-L82E
5	Surge Suppressors	SCADA Spare Part	DLA2-24D3
26	Surge Protection Terminal Blocks	SCADA Spare Part	2906840
1	Fiber Optic Patch Cable	SCADA Spare Part	FOAS2F10GLCS-50-3M
5	Relays	SCADA Spare Part	55.33.8.120.0050
5	Fuse	SCADA Spare Part	GS81/16
2	Loop Calibrator	SCADA Spare Part	PIE334
3	Control Fuse Mersen 2A	MCC Spare Parts	CSC#ATMR2
3	Control Fuse Mersen 3A	MCC Spare Parts	CSC#ATMR3
3	Control Fuse Mersen 3 2/10A	MCC Spare Parts	CSC#TRM3-2/10

EXHIBIT "E"

(cont'd)

ITEMS OF INVENTORY

NFMIP Spare Parts Inventory			
Quantity	Part	Description	Part No.
3	ACS Power Fuse JJS-15	MCC Spare Parts	4600286393P
3	ACS Power Fuse JJS-6	MCC Spare Parts	4600386481P
3	ACS Power Fuse JJS-60	MCC Spare Parts	4600286397P
3	ACS Power Fuse JJS-100	MCC Spare Parts	4600286402P
3	ACS Power Fuse JJS-150	MCC Spare Parts	4600286404P
1	S1 Starter Aux Contact	MCC Spare Parts	CR305X100C
1	S3 Starter Aux Contact	MCC Spare Parts	CR305X300C
1	S1 Starter Power Contact	MCC Spare Parts	546A301G053
1	S3 Starter Power Contact	MCC Spare Parts	55-153677G002
1	S1 Starter Coil	MCC Spare Parts	15D21G002
1	S3 Starter Coil	MCC Spare Parts	55-501336G002
1	120V Red Light	MCC Spare Parts	15QA009248R0001
1	120v Amber Light	MCC Spare Parts	15QA009246R0001
1	1 year supply lubricant for Cgear Box	Clarifier Drive Lubricant	
1	Box Fuses	Clarifier Drive Fuses	
1	Drive Chain	Clarifier Drive Chain	
1	Rebuild Kits	Submersible Mixer Rebuild Kit	4220

EXHIBIT "F"
DEVELOPER AGREEMENTS

The County has identified no Developer Agreements applicable to this transaction.

EXHIBIT "G"
CONTRACTS AND LEASES

The County has identified no Contracts and/or Leases which are not transferable or for which third party consents are necessary for the assumption by City.

EXHIBIT "H"
EQUIPMENT, TOOLS, PARTS, ETC . . .

The County has identified no equipment, tools, parts, laboratory equipment, office equipment or other personal property owned by the County which is exclusively used to operate and maintain the Treatment Plant, which items of personal property are not otherwise identified on other schedules or exhibits to this Agreement.

EXHIBIT "I"

GRANT AND LOAN AGREEMENTS

SUWANNEE RIVER WATER MANAGEMENT DISTRICT GRANT

Memorandum of Agreement #22/23-055
(as Amended) Between Suwannee River
Water Management District and Columbia
County (SRWMD Contract No. 22/23-055)..... \$6,319,615.00

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION GRANT

State of Florida Department of Environmental
Protection Standard Grant Agreement (FDEP
Agreement No. LPA00496)..... \$5,716,000.00

STATE OF FLORIDA DEPARTMENT OF COMMERCE LOAN

Loan Agreement Between the State of Florida
Department of Commerce and Columbia County,
Florida (FDOC Agreement No. S0244) \$5,500,000.00

EXHIBIT "J"
PURCHASE PRICE CALCULATION

COUNTY LANDFILL LOAN:	\$1,500,000.00
NON-REIMBURSIBLE COUNTY UTILITY FUND CAP. OUTLAYS	91,405.00
TOTAL SALE PRICE:	\$1,591,405.00

EXHIBIT "K"
HEARING NOTICE SCHEDULE

COLUMBIA COUNTY PUBLIC HEARING

HEARING SET BY MOTION OF BOARD ON APRIL 2, 2026
HEARING ADVERTISED IN LAKE CITY REPORTER April 8, 2026
PUBLIC HEARING APRIL 16, 2026, 5:30 PM, REGULAR SESSION

CITY OF LAKE CITY PUBLIC HEARING

HEARING SET BY MAYOR NOAH WALKER FOR APRIL 20, 2026
REGULAR CITY COUNCIL MEETING

PUBLIC HEARING NOTICED ON APRIL 16, 2026 IN THE PUBLICATION OF THE
AGENDA FOR THE APRIL 20, 2026 CITY COUNCIL MEETING

PUBLIC HEARING APRIL 20, 2026 AT 6:00 PM, REGULAR CITY COUNCIL MEETING