

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

RECEIVED-FPSC
15 MAR 10 AM 9:41
COMMISSION
CLERK

3/3/15

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

RE: Docket # 140177-WU. Company response to staff request of February 23, 2015 letter.

Dear Commission Clerk:

Please add the following to the above docket file.

Summary

Before the purchase of Holiday Gardens and Crestridge Utilities, I had one customer service person, one maintenance person, one accountant and myself. These positions were approved in commission order PSC-13-0327-PAA-SU in Docket # 120270-SU issued July 16, 2013.

Since the July 16, 2013 commission order, I have purchased four utility companies (Holiday Gardens, Crestridge, East Marion and Charlie Creek) which have effectively doubled the number of customers and tripled the work load. This made it necessary to re-organize the company as a whole and reallocate expenses among all the utilities. With the purchase of Holiday Gardens and Crestridge, I inherited a customer service employee. Given the size of Holiday Gardens and Crestridge and considering the enormous amount of work that needs to be done along with regular maintenance, I am requesting only one new field tech allocated to Holiday Gardens and Crestridge.

Company response to staff questions.

1. Currently, the utility allocates employee time and salary by number of customers in the utility. See attached spreadsheet.
2. The new field tech position would be for Holiday Gardens and Crestridge Utilities. This position is needed to bring control and cost savings to the utility customers (as opposed to hiring a contractor) and provide a proactive approach to the management of the utility. The lack of maintenance and repairs over the years by the prior owner has made it necessary to do numerous repairs such as replacing customer meters, replacing leaking customer shut off valves, replacing some customer service lines, repair and replacement of aging pipes and fixtures at the well houses. Also, this position would be used to properly maintain the system going forward such as maintenance on equipment and buildings (painting, repairs) lawn and other property maintenance and normal monthly tasks such as customer disconnections for nonpayment and respective reconnections, installing new meters for new customers, regular and proper flushing, fire hydrant testing, leak detection, cross control connection, hydro tank flushing, valve exercising, painting and exercising fire hydrants, 811 Location tickets, passing PBWN and rescission notices etc. Allocation is 50/50 between Holiday Gardens and Crestridge Utilities. In comparison, I am providing bids from the contract operator for Holiday Gardens and Crestridge to perform basic duties in the absence of a field tech.
3. NO
4. The request for a new customer service position is withdrawn.

5. Withdrawn
6. This request is withdrawn.
7. Withdrawn
8. Enclosed
9. The old office in Holiday was on a month to month basis and there was no lease. The lease for the Lakeland office is enclosed. Square foot comparison is on the enclosed spreadsheet.
10. The new Holiday office is used for all utilities.
11. On or about September 8, 2014 I purchased from an individual (at a yard sale) a used riding mower and various tools. The used riding mower is at the Charlie Creek utility (with a value of \$250) and the tools are being used at the maintenance building that serve Holiday Gardens and Crestridge Utilities. The value of the tools being used at Holiday Gardens and Crestridge is \$250.

The purchase of a new lawn mower would be for Holiday Gardens and Crestridge utilities and would stay on site at the maintenance building servicing Holiday Gardens and Crestridge.

12. Yes, the lawn service being provided would cease and this would become an in house function (provided the new field tech position is approved).
13. The new lawn mower will only be used at Crestridge and Holiday Gardens.
14. The new 2008 Mitsubishi Truck will be used for all utilities.
15. Enclosed
16. The second table should be listed as well#2 as Holiday Gardens only has two wells.

The utility requests from the commission a meter change out program as an expense. In its Remedial action plan to the water management district, the utility reported its goal of replacing, at a minimum 12 meters per month for 18 months. This would catch up the broken or non registering meters and after this was accomplished the utility would be able to stay on a normal meter replacement program to replace the rest of the aging meters. Please see enclosed spreadsheet.

In the profroma items listed in the in the table labeled Well#1, the replacement of the well pump and roof replacement are bid by outside contractors. These bids include the cost of labor and materials. The remainder of the listed items is for materials only. The cost of labor is assumed that the new field tech position would be approved and the labor would be paid from that.

17. New truck, new computer and new printer would be allocated to all utilities. New lawn mower would be used at Crestridge and Holiday Gardens only, with an allocation of 50%. Portable hydrant meter used for flushing would be allocated to Holiday Gardens and Crestridge 50%.

On behalf of the utility,



Mike Smallridge

Analysis of Rental Costs "Old" vs. "New"

		RENT	PHONE/ INTERNET	ELECTRIC	STORAGE	TOTAL	Cost per Sq. Ft.
Auburndale Office	1,250 Sq. Ft.	6,996.12	2,521.20	1,140.00		\$ 10,657.32	\$ 8.53
Old Holiday Office	875 Sq Ft.	8,358.00	1,222.08	636.00	577.20	\$ 10,793.28	\$ 12.34
TOTAL FOR (2) OFFICES		15,354.12	3,743.28	1,776.00	577.20	\$ 21,450.60	\$ 20.86
New Holiday Office	1,600 Sq. Ft.	16,800.00	2,521.20	1,020.00		\$ 20,341.20	\$ 12.71
Cost Savings from move						<u>\$ 1,109.40</u>	\$ 8.15

Subject: Fw: Holiday/Crestridge Gardens potable deficiencies from 1/27
From: Judy Rivette (judyrivette@yahoo.com)
To: utilityconsultant@yahoo.com;
Date: Wednesday, February 11, 2015 8:42 AM

On Tuesday, February 10, 2015 2:52 PM, "Greenawalt, Ryan" <Ryan.Greenawalt@dep.state.fl.us> wrote:

To all,

Please note the inspection deficiencies observed during my potable water inspections on 1/27/2015. These deficiencies were verbally presented to Mr. Jack Love during the inspections. The Department would like to resolve this informally by offering verbal compliance assistance to address the items below within 30 days from the inspection date:

Crestridge Gardens (651-0403):

1. Well #2 & #4 chlorine barrels not properly sealed
2. Well #2 & #4 flow meter accuracy checks needed
3. Plant #2 & #4 have broken glass windows and not secure. Recommend other options to glass if broken windows are a repeat issue at the plants (bars, screen, plexiglass, etc...)
4. Wellhouse #3 not locked/secure.
5. Tank inspections passed due for both plants

Well #2 check valve unable to verify functionality due to inability to access wellhouse (new lock installed and no key during inspection). Recommendations will include documenting flushing/valve exercising and installing vacuum breakers on the two sample taps in the plant #2 treatment area. Deficiencies at Well/Plant #3 were not closely analyzed due to system being out of service from lightning strike. Recommend well survey and Department inspection prior to reactivating well if that time ever comes.

Holiday Gardens (651-0807):

6. Check valve on Well #2 not working
7. Well #1 chlorine barrel not properly sealed
8. Well #1 & #2 flow meter accuracy checks needed
9. Plant #1 & #2 have broken glass windows and not secure. Recommend other options to glass if broken windows are a repeat issue at the plants (bars, screen, plexiglass, etc...)

Recommendations will include documenting flushing/valve exercising and installing vacuum breaker on the Plant #1 sample tap.

Please let me know when the listed items above are complete and provide photos/documentation showing the corrections. Thank you,

Ryan J. Greenawalt
Environmental Specialist

Compliance Assurance Program

Florida Dept. of Environmental Protection, Southwest District
13051 N. Telecom Pkwy.
Temple Terrace, FL 33637
New Phone: 813-470-5787 x 45787
New Fax: 813-470-5993
E-mail: Ryan.Greenawalt@dep.state.fl.us

<http://survey.dep.state.fl.us/>



Please consider the environment before printing this email

PLEASE NOTE: Florida has a very broad public records law. Electronic communications regarding state business are public records available upon request. Your e-mail communications may therefore be subject to public disclosure.

FDEP

Dep Customer Survey

FLORIDA UTILITY SERVICES 1, LLC
3336 GRAND BLVD STE 102
HOLIDAY FL 34690

February 24, 2015

Florida Dept. of Environmental Protection
Southwest District
ATTN: Ryan Greenawalt
13051 N Telecom Pkwy.
Temple Terrace, FL 33637

Dear Ryan,

In response to your inspection deficiencies for Holiday Gardens (651-0807) and Crestridge Utilities (651-0403), the utility reports the following:

Crestridge Utilities (651-0403)

- 1) Completed
- 2) Flow meters were checked on December 3, 2014 by Water Management. Copies enclosed.
- 3) Completed
- 4) Completed
- 5) The last tank inspection for Well #4 was done on June 2012, copy enclosed. Therefore, the next inspection date for this tank should be June 2017.
Well #2 is a new tank installed on January 2013. The date on the tank is 2012, therefore, the next inspection date should be January 1, 2017.
Well #2 check valve will be replaced within the next 180 days.

Holiday Gardens Utilities (651-0807)

- 6) Check valve for Well #2 has been ordered and will be installed upon arrival.
- 7) Completed
- 8) Well #2 has a brand new flow meter installed on November 4, 2014. Well #1 flow meter check, copy enclosed.
- 9) Completed

Flushing and valve exercising is kept in a separate log book maintained by utility staff.

Vacuum breakers to be installed, per your recommendations within 30 days by operator.

On behalf of the utility


Michael Smallridge

SWFWMD - FLOW METER ACCURACY VERIFICATION

Permittee: Holiday Gardens Util. WUP No: 20054 District ID # 6510807
 Address: 5012 Tammy Lane City: Holiday State: FL. Zip: 34690
 Contact: Mike Smallridge Phone: 727-937-3293 Cell: _____

FLOW METER INFORMATION: Holiday Gardens#1

Manufacturer: ABB Serial # 12882783 Size: 4" Type: Saddle / Tube / Other
 Reading: 1612600 X 10 Straight Run: Yes Vanes: Yes / No
Meter Multiplier

Pipe Information Wall Thickness
 Materials: PVC O.D. 4.5 Gauge: _____ Chart: 0.337
 Schedule / Class 40 Test Meter: Panometrics Liner: No

FLOW METER				TEST METER			
Time		Totalizer Reading (gallons) Meter A	Total (gpm) A	Total (gpm) B	A-B (gpm) C	Percent Error (C/B) x 100	
Minutes	Secs						
Minutes, sec	4 0	End 1613220	155.0	156.8	End 627	1.12	
Minutes	4.00	Start 1612600			Test=		Start 0
		Total 620					Total 627
Minutes, sec	4 0	End 1613840	155.0	156.5	End 1253	0.96	
Minutes	4.00	Start 1613220			Test=		Start 627
		Total 620					Total 626
Meter is not working			Averages			1.037	

Test Site Design

COMMENTS: Accuracy 99.0
 email: _____
 County: _____

District Well Tags: Yes / No Tag ID No: _____
 Test Meter No : 1592 Test Certification Date: 9/24/2014
 Sound Speed: 5026 ft/s
 Check By: Donnie Morrison, FRWA, State Circuit Rider Date: 10/15/2014

JOB DESCRIPTIONS.

1. Daniel Walsh- Chief Financial Officer.- maintains all entries into QuickBooks for billing, accounts payable, cash receipts and cash disbursements, handles all correspondence with banks, insurance companies, vendors and governmental agencies. Other duties are but are not limited to, maintain daily and monthly cash reconciliations to banks, reconcile water solutions cash receipts sub ledger to QuickBooks, prepare all intercompany allocation and billing of expenses, provide information to Insurance companies and other vendors as needed, prepare FPSC annual reports, prepare annual FPSC index adjustments, assist with rate cases, prepare payroll, maintains employee records and benefits, pay federal, state and county taxes, prepare financial statements, budgets and cash flow, prepare W-2's 1099, and schedule C at years end.
2. Michael Smallridge- Over all company management, all aspects of preparing and follow through of rate cases before the PSC, all customer complaints, any issues that come up with any other governmental agency such as DEP, County, water management district.
3. Judy Rivette- For Holiday Gardens and Crestridge- Same as #6
4. New Tech position- (for Holiday Gardens and Crestridge). Responsible for maintenance and repairs, replacing customer meters, lawn and grounds maintenance, monthly disconnections and reconnections for non paying customers, maintaining equipment, maintenance on chlorine injection points and pumps, coordinating chlorine delivery, cross control connection prevention, leak detection, fire hydrant maintenance, system and tank flushing.

5. Jackie Love- Field Tech (for West Lakeland, Pinecrest, Charlie Creek, East Marion). Responsible for maintenance and repairs, replacing customer meters, lawn and grounds maintenance, meter reading at Pinecrest only, monthly disconnections and reconnections for non paying customers, maintaining equipment, weekly cleaning of lift stations and bar screens, maintenance on chlorine injection points and other chemical pumps, coordinating chlorine delivery, cross control connection prevention, leak detection, leak repair as needed, general sewer plant maintenance and service of sewer plant equipment. Bucket tests at customer request. Systems and tank flushing.

6. Evelyn Alicea- Customer Service (for West Lakeland, Pinecrest, Charlie Creek, East Marion). Prepares Customer monthly bills(print, fold, stuff and stamp), process customer checks, processes customer credit card payments, process customer payments to the bank, maintains customer accounts, calculates customer refunds, prepares cut off lists, maintains customer database, prepares monthly meter reading sheets for meter readers, enters meter readings, responds to customer emails, prepares customer complaints, coordinates customer cutoff and reconnect with field tech, answer phones, call or write monthly customer with high usage, my "Dialing for Dollars" program (placing a reminder call to customers who have not paid before disconnections) and other general duties as required.

ANNUAL SALARY ALLOCATION

Projection		WLWW	PC	CC	EMSS	HGU	CU	TOTALS	
JUDY		0%	0%	0%	0%	43%	57%	100%	
New Technician		0%	0%	0%	0%	43%	57%	100%	
DAN		17%	8%	10%	6%	25%	34%	100%	
MIKE		17%	8%	10%	6%	25%	34%	100%	
JACKIE		43%	20%	24%	14%	0%	0%	100%	
EVELYN		43%	20%	24%	14%	0%	0%	100%	
GROSS									
JUDY	3,423.33	12	-	-	-	17,474.31	23,605.65	41,079.96	
New Technician	3,466.67	12	-	-	-	17,695.52	23,904.48	41,600.00	
DAN	4,420.00	12	9,201.41	4,307.67	5,186.78	2,930.39	13,362.56	18,051.18	53,040.00
MIKE	5,000.00	12	10,408.84	4,872.93	5,867.40	3,314.92	15,116.02	20,419.89	60,000.00
JACKIE	2,617.33	12	13,363.30	6,256.07	7,532.81	4,255.83	-	-	31,408.00
EVELYN	2,166.67	12	11,062.35	5,178.87	6,235.78	3,523.04	-	-	26,000.04
TOTALS MONTHLY	\$ 21,094.00								
Company Matching									
Payroll Taxes Annually									
Soc Sec Match	15,693.94								
Medicare Match	3,670.36								
Fed Unemployment	252.00								
State Unemployment	1,176.00								
	\$ 20,792.29								
		ANNUALLY							
		BY COMPANY	\$ 44,035.90	\$ 20,615.53	\$ 24,822.78	\$ 14,024.17	\$ 63,648.42	\$ 85,981.20	\$ 253,128.00
			3,617.17	1,693.39	2,038.98	1,151.97	5,228.17	7,062.62	20,792.29
			17%	8%	10%	6%	25%	34%	100%
			\$ 47,653.07	\$ 22,308.92	\$ 26,861.76	\$ 15,176.14	\$ 68,876.59	\$ 93,043.82	\$ 273,920.29

	Number of Customers	Mike & Dan Allocation	Judy & New Tech Allocation	Evelyn & Jackie Allocation
HGU	456	25%	43%	
CU	616	34%	57%	
WLWW	314	17%		43%
PC	147	8%		20%
CC	177	10%		24%
EMSS	100	6%		14%
	1810	100%	100%	100%

Holiday & Crestridge 1072

WLWW, PC, CC. EM **738**

Holiday Gardens Utilities, LLC

Meter replacement Program

Meter	\$57.80		
Coupling	\$14.40		
Curb stop	<u>\$68.90</u>		
	\$141.10	X 12 meters	\$1,693.20
		X 18 months	\$30,477.60

Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: Emergency repair to a 3/4" service line

Labor	\$80.00 per hour
Material	as needed
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: Emergency repair to a 2" main line

Labor	\$80.00 per hour
Material	as needed
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: Turn on / turn off and lock customer service

Labor	\$80.00 per hour Minimum ½ hour
Material	as needed
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: Disconnect customer service due to nonpayment
and to restore service after payment (not including after hours)

Labor	\$80.00 per hour Minimum 1 hour
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: Replace company $\frac{3}{4}$ " brass locking curb stop

Labor	\$80.00 per hour
Materials	\$75.79
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: After hours emergency call out

Labor	\$80.00 per hour (minimum 2 hours)
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



Aqua Environmental , Inc

16742 Crested Angus Lane
Spring Hill, FL 34610
352-848-5415
Erickarl63@yahoo.com

Holiday Gardens Utilities, LLC
3336 Grand Blvd Ste 102
Holiday, FL 34690

BID

FOR: Install customer 3/4" X 5/8" brass meter, brass meter coupling, and brass curb stop

Labor	\$80.00 per hour
Material	\$155.21
Mileage	\$1.75 per mile
Fuel surcharge	\$5.00

BID Acknowledgement. All prices subject to change after 30 days



COMMERCIAL LEASE AGREEMENT

This Lease made this 1 day of January 2012 between
Barton Commercial Park, 1815 Thornhill Road, Auburndale, FL 33823 (863) 967-8375
West Lakeland Wastewater. LLC PO Box 1798
hereinafter referred to as "Lessor" and Eaton Park, Fl. 33840

Hereinafter referred to as "Tenant"

WITNESSETH:

THAT in consideration of the covenants and conditions contained herein, the Parties agree as follows:

- LEASE:** Lessor hereby leases to Tenant the premises described herein, Tenant hereby takes the premises from Lessor for the term and upon the covenants and conditions contained herein.
PREMISES: This Lease pertains to premises designated as 201 located in Building Number 1902 The premises herein referred to being that area known as 1902 Barton Park Rd. Auburndale, FL. 33823 and by this reference incorporated herein and consisting of approximately 1250 square feet.
- TERM:** The term of this Lease is 3 years beginning February 12, 2012
- RENT:** The Monthly rent for the term of this Lease shall not be less than 495.00 plus the current sales tax of 34.65 Such rent shall be payable monthly to Lessor at lessor's place of business at 1815 Thornhill Rd. Auburndale FL. 33823 at a rate of: monthly 529.65
 - Upon the Execution of this Lease, Tenant has made a payment of \$529.65
 - It is agreed that this Lease may be renewed annually. Rent to be negotiated at that time. Rent may be adjusted upon renewal depending on such factors as; increase in taxes, increase in insurance, or inflation increases, etc. at option of Lessor.
 - Upon written notice by Lessor, Tenant shall be required to make all rental payments in cash or money order.
- SECURITY DEPOSIT:** Upon the execution of this Lease, Tenant has additionally deposited with Lessor the sum of 495.00 Such sum shall serve as security for the performance of Tenant's obligations under this lease including without limitation the surrender of possession of the premises to Lessor as provided herein.

If Lessor applies any part of the security deposit to cure any default of Tenant, Tenant shall, upon demand, deposit with Lessor the amount so applied so that Lessor shall have the Full security deposit on hand at all times during the term of this Lease. Lessor is not obliged to apply the security deposit to rents or other charges in arrears or on damages for Tenant's failure to perform under the Lease. However, Lessor may so apply the security deposit at Lessor's option, and Lessor's right to possession of the premises for nonpayment of rent or for any other reason shall not in any way be affected by reason of the fact that Lessor holds such security deposit.

NOTICES: Unless provided to the contrary herein, notices hereunder may be given by manual delivery or by mail. Notice given by registered or certified mail, return receipt requested, shall be deemed given (3) days after post marked when properly addressed and postage prepaid. Notice given by ordinary mail shall be deemed given only when received at the address to which sent. Notice given by mail shall be sent to the parties at their addresses shown on Page (1) hereof. Parties may change his or its address for the purpose of receiving notices, but no change shall be effective until written notice thereof is actually received by the other party. The provisions of this paragraph shall also apply to rent payments. For the purpose of notification pursuant to Section 83.20 Florida Statutes Tenant's "usual place of residence" is: 9539 E Southgate Dr. Inverness, Fl. registered agent: Michael Smallridge PO Box 1798 eaton park, fl 33840

5. **USE OF PREMISES:** Tenant shall use and occupy the premises as an office and warehouse and for no other purpose. Tenant agrees to comply with all laws, orders, rules, regulations of any governmental body relating to the manner of Tenant's use and occupancy of the leased premises or any alterations made by Tenant with consent and Tenant will pay all costs and expenses incidental to such compliance and will indemnify and save Lessor harmless therefrom. Should Tenant fail to comply with any part of the provisions contained in this section, the Lessor may, after ten (10) days notice to the Tenant, comply therewith and Lessor's cost and expense in doing so may be considered as rent due and shall be included in any lien for rent due and unpaid.
6. **IMPROVEMENTS: TENANT WILL NOT MAKE ANY ALTERATIONS OR IMPROVEMENTS TO THE PREMISES WITHOUT WRITTEN APPLICATION WITH SCHEMATIC TO GAIN CONSENT OF LESSOR.** In any event, any such improvements or alterations made by Tenant, shall at Lessor's election, remain or become part of the property of Lessor at the time of expiration or termination of this Lease. All personal property placed on the premises by Tenant, which are removable by Tenant without damaging the premises, in any way, may be removed by Tenant upon the expiration of this Lease. However, if Tenant, at such time or previously is in default under the terms and conditions of this Lease, Tenant may not remove said personal property. In the event Tenant improvements are over and above the standard finish provided by the Lessor and create additional assessments in ad valorem taxes or additional insurance premiums, Tenant shall be required to reimburse Lessor according to the amount of such increase.
- 7a. **CHANGES:** Additional deposit will be required upon the request of any alteration or improvement by Tenant. This deposit will cover restoration of unit once tenant has moved and shall be in addition to other required deposits. A schematic of the requested changes must be submitted to Lessor for approval before such changes are made. Approval by Lessor must be in writing.
7. **IDENTIFICATION SIGNS:** All identification signs, and/or other signs on the exterior of the premises shall be erected by the Lessee upon the building only with approval of the Lessor. No other identifications signs, and/or other signs shall be displayed on or near the leased premises. Upon removal of such signs property must be restored to original state.
8. **UTILITIES:** Tenant agrees to pay all charges for electricity, replacement of ceiling light bulbs, ballast and tubes and all other illumination and power. Water shall be supplied for office personnel usage only, any water usage for manufacturing and/or commercial usage will be billed to the Tenant. Tenant agrees to pay all such charges not more than fifteen (15) days after receipt of invoice from Lessor. Any such charges shall be considered as rent due and shall be included in any lien for rent due and unpaid.
9. **MAINTENANCE AND REPAIRS:** Tenant agrees to keep the interior of leased premises and appurtenances in good order and repair, and in clean, safe, and healthy condition (excepting, however, all repairs made necessary by reason of fire or other unavoidable casualties) at its own cost and expense specifically including but not limited to , all plumbing, walls, ceilings, floors, electrical and air conditioning systems, and light fixtures (including replacement of light bulbs, fluorescent tubes and ballasts). Lessor shall, at its own expense, maintain in good condition the exterior of the building, the roof and structural members of the building of which the leased premises form a part, all mechanical equipment furnished by Lessor and any water, or electrical lines or conduits permanently embedded in walls or floors. However, if any of the aforementioned repairs are made necessary by reason of Tenant's use and occupancy thereof, or by reason of alterations made by Tenant, such repairs shall be made by the Tenant at Tenant's own expense. If Landlord is required to make any repairs to structural portions of the demised premises by reason of Tenant's negligent acts or omission to act, Landlord may add the cost of such repairs to the rent which shall therefore become due. Lessor shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any paneling, decorations, partitions, railings, ceiling, floor coverings, office fixtures or any other property installed in the premises by Tenant. Tenant shall maintain garbage container in good order and repair. Tenant is responsible for any exterior damage done to the building due to negligence or accident on part of the Tenant.
10. **INSPECTIONS:** Lessor MAY at reasonable times, INSPECT, alter or repair the leased premises when necessary for its safety or preservation. Lessor may show the premises to others at any reasonable time immediately preceding the expiration of said term and may affix a notice for letting or selling the premises on any suitable part of the premises except windows.
11. **SUBORDINATION OF MORTGAGE:** Tenant agrees to subordinate this Lease to any first mortgage or blanket mortgage placed upon the building, provided that only so long as Tenant faithfully discharges it obligations of the terms of this Lease: (A) Its tenancy will not be disturbed nor this Lease affected by any default under such mortgage; (B) the right of tenancy hereunder shall expressly survive and shall not be cut off;

and (C) this lease shall, in all respect, continue in full force and effect. Tenant agrees to execute any subordination agreements requested by the holder of any such mortgage, and Tenant's failure to execute any such agreement shall constitute a default under this Lease. If any company making a mortgage on the demised premises requests an escrow account of insurance premiums, Tenant shall make the escrow deposits when and as the same are required.

12. **INDEMNIFICATION:** It is expressly understood and agreed upon by and between the parties that the Lessor shall not be liable and shall thereby be held harmless from any damages or injury from any cause whatsoever. Lessor shall be held harmless for any damage or injury suffered by tenant, tenant's employees, guest or invitees, or any other; or shall Lessor be liable for any damage or injury of any type or nature resulting from water, termites or other insects, fire, theft, mold, or Acts of God which may be sustained by Tenant or other persons; nor shall Lessor be liable for any damage or injury resulting from the carelessness, negligence or improper conduct on the part of any other tenant or agent or employee of the Lessor; or by reason of breakage, leakage or obstruction of the water and sewer pipes or other water leakage of whatever nature in or about the leased Premises. In no event shall Lessor suffer any loss because of Lessee. It is the intent of this paragraph additionally to hold Lessor harmless from any loss relating to the Lessee's tenancy.
13. **LIABILITY INSURANCE:** At all times while this Lease remains in force, Tenant shall at Tenant's expense maintain public liability insurance with respect to the premises, which insurance shall be carried with a reputable and established insurer to which Lessor has no reasonable objection, with limits of not less than \$5,000.00 medical expenses each person and \$1,000,000.00 each occurrence public liability general aggregate \$2,000,000.00 and \$300,000.00 each occurrence for property damage and damage to rented premises. The insurance shall not only protect Tenant but shall also protect Lessor and name Lessor as an additional insured with an endorsement to that effect received from the insurer, and shall
14. cover Tenant's contractual liability hereunder. Tenant shall promptly furnish Lessor a certificate of the insurance acknowledging required limits and Lessor being a named insured etc. and all renewals thereof, together with reasonable evidence, initially and from time to time, that premiums have been paid and that the insurance remains in force.
15. **ACTIVITIES INCREASING FIRE INSURANCE RATES:** If an increase in extended coverage premiums paid by Lessor for the building in which Tenant occupies space is caused by a Tenant's use or occupancy of the premises or if Tenant vacates the premises and causes an increase, then Tenant shall pay as additional rent the amount of such increase.
16. **ASSIGNMENT; SUBLETTING:** This Lease may not be assigned, and Tenant may not sublet the premises without Lessor prior written consent. As a condition to consent, Lessor may require that any assignee or sub-tenant shall affirmatively assume all subsequent obligations of Tenant hereunder. Assignment or subletting shall not, however, abrogate or lessen Tenant's obligations hereunder, and any dealings or communications between Lessor and a sub-tenant or assignee shall not be deemed a waiver of Tenant's obligations hereunder.
17. **LESSOR'S REMEDIES ON TENANT'S DEFAULT:** If tenant defaults in payment of rent, or any additional rent or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Tenant written notice of such default and if Tenant does not cure any default by reason of non-payment of rent or additional rent within three (3) days as provided in Section 83.20 Florida Statutes, or any other default within seven (7) days after the giving of such notice, then Lessor may terminate this Lease. In the event of termination of the lease by reason of Tenant's default, Tenant shall remain liable as hereinafter provided. If the Lease shall have been terminated by Lessor, Lessor may at any time thereafter secure possession of the premises by entrance without notice of the demised premises. This Agreement, or any option exercised or exercisable hereunder by Tenant, may be terminated by Lessor if Tenant fails to make timely payment of two (2) or more monthly rental installments. Additionally, failure to make timely payment of two (2) consecutive monthly rental installments shall automatically require that rent be paid in advance on a semi-monthly basis for the remainder of this agreement. Should Lessor elect not to terminate lease, within 45 days of due date, access to the premises may be denied to tenant until account is current. Rent is due on the 1st day of the ensuing month. However; if said lessee shall violate any of the covenants of this lease, then said lessee shall become tenant at sufferance, hereby waiving all right of notice, and the lessor shall be entitled immediately to re-enter and retake possession of the demised premises.
18. **TENANT REMEDIES ON LESSOR'S DEFAULT:** If the Lessor defaults in the performance of a material provision of this Lease, Tenant may give Lessor written notice of such default and if Lessor does not proceed

with reasonable diligence and in good faith to cure the default within fifteen (15) days after Tenant gives such notice, then Tenant may terminate this Lease. The notice required in this paragraph shall be given by Certified Mail, Return Receipt Requested.

19. **LITIGATION:** If Tenant defaults hereunder and Lessor brings an action in a Court of competent jurisdiction by reason of default, Lessor, if Lessor prevails in such litigation, shall be entitled to recover from Tenant all collection and litigation costs, including reasonable attorney's fees. The Parties further agree that, should any legal action arise out of this Lease, such action shall be brought in Polk County, Florida.
20. **ACTS OF GOD:** Anything in this Agreement to the contrary notwithstanding, neither Lessor nor Tenant shall be deemed in default of the performance of any provision or covenant of this Lease if such performance shall be delayed or prevented by strike, war, Act of God, or other cause beyond the control of the parties seeking to excuse such performance.
21. If as or for or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this Lease or for the recovery of the possession of the premises, Landlord shall be entitled to recover from Tenant as part of the Landlord's costs, its reasonable attorney's fees, and other costs of collection, the amount of which shall be made a part of any judgment or decree rendered. Polk County is the situs for this lease.
22. **PARTIAL INVALIDITY:** If any term, covenant or condition of this Lease or the application thereof to any person or circumstances shall, to the extent be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be effected thereby, and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
23. **ACTS OF GOD:** Anything in this Agreement to the contrary notwithstanding, neither Lessor nor Tenant shall be deemed in default of the performance of any provision or covenant of this Lease if such performance shall be delayed or prevented by strike, war, Act of God, or other cause beyond the control of the parties seeking to excuse such performance.
24. **NOTICE OF INTENT TO VACATE OR RENEW LEASE:** Forty five days (45) days prior to the expiration of this Lease, Landlord shall notify the Tenant of the new proposed rental rate if any. If no change, notice is not required. In no event shall this renewal period be less than one (1) year. A written notice of not less than sixty (60) days prior to the expiration of this Lease shall be given by the Tenant should he desire to vacate the premises at the termination of this Lease. Should the Landlord desire possession, a like notice shall be required. It is further covenanted and agreed by and between the Tenant and the Landlord that in the event no such notice be given by either party, then this lease shall continue in full force and effect at the new rental rate quoted if any to the Tenant by the Landlord in writing for a like term of year to year, and other provisions and covenants contained herein shall remain the same. Any failure to comply with the terms of this Lease provision by the Tenant shall not reduce his liability for the full renewal lease term at the existing rental rate or the new proposed rental rate.
25. **TIME IS OF THE ESSENCE:** It is understood and agreed between the parties hereto, that time is of the essence in this contract and this applies to all terms and conditions contained herein.
26. **TERMINATION BY LESSOR:** For the more effective securing to the Lessor of the rent and other payments herein provided as permitted by law, it is agreed as a further condition of this Lease that should Lessee be adjudicated bankrupt or insolvent in an involuntary or voluntary proceeding, or if a petition for reorganization or for an arrangement with creditors under the bankruptcy laws be filed by Lessee, such event shall be deemed to constitute a breach of this lease and thereon and without entry or other action by Lessor, this Lease shall become terminated and notwithstanding any other provision of this Lease, Lessor shall forthwith upon such termination be entitled to recover damages for such breach in an amount equal to the amount of rent reserved in this Lease for the remainder of the terms of this Lease. Lessor shall be entitled to immediate possession of the premises as of the date of bankruptcy or insolvency being known and all fixtures or possessions shall remain as to paragraph #7. Any recovery by sale of said assets will be applied to tenant's balance.
27. **SURRENDER OF POSSESSION BY TENANT:** The Tenant will deliver up and surrender to the Lessor possession of the leased premises together with all fixtures, alterations, additions and improvements, which may have been made in, on or to the premises upon expiration or termination of this Lease in as good condition and repair as the same shall be at the commencement of said term and all air-conditioning, heating and other

mechanical equipment of every nature, whether or not installed by Tenant, shall be in good working order. Thirty days before the end of the lease tenant shall ascertain from Lessor in writing whether Lessor desires to have any permitted changes left behind or whether they must be removed. The premises shall be restored to the condition in which originally delivered to Tenant and Tenant at its own cost and expense shall restore the same and/or make the necessary repairs before the end of the lease term. If such corrections or remedies are not made by tenant and unit is not left in the same condition as upon entering into this lease tenant shall be fully responsible for returning said unit to initial condition, and shall repay Barton Commercial Park for any monies or time expended in restoring unit.

If Tenant is not in default under the terms of this Lease, all trade fixtures and equipment owned by the Tenant and installed or placed by it upon the leased premises may be removed by the Tenant at any time during the term or on the expiration thereof. Tenant agrees to repair any damage to the building occasioned by such removal. Tenant shall, upon termination of its tenancy, return to the Lessor all keys to the demised premises, either furnished to or otherwise procured by such Tenant.

28. **HOLDOVER BY TENANT:** If Tenant refuses to give up possession of the premises, upon the termination of this Lease, Lessor, pursuant to Section 83.06 of the Florida Statutes shall be entitled to double the monthly rental installment and the acceptance of the aforesaid sum as and for use an occupancy of the premises shall not be deemed to have waived any of the rights, remedies or privileges of Lessor provided elsewhere in this Lease or by virtue of law. Tenant shall indemnify Lessor against loss or liability resulting from the delay by Tenant in surrendering the premises including, without limitation, any claims made by any succeeding occupancy founded on such delay. Unit is considered occupied and double rent is due, whether or not time is of the essence; unit will be considered occupied until all repairs are made, unit is inspected and all keys are returned to Lessor.
29. **DESTRUCTION OR DAMAGE TO PREMISES:** If through no fault, neglect, or design of Tenant, the premises are destroyed by fire or other casualty or damage to such an extent as to render them wholly unfit for occupancy, then this Lease shall be canceled. If, however, the premises can be repaired within 120 days from the date of such fire or casualty, then, at the option of Lessor, this Lease shall not be canceled and Lessor shall notify Tenant within thirty (30) days from the date of the fire or casualty, of Landlord's election. Tenant shall be entitled to such reduction or remission of rent that shall be just and proportionate.
30. **NOTICE OF CASUALTY:** Tenant shall give Lessor prompt notice of any substantial damage to the premises by fire, tornado, windstorm, or other casualty, and of any other event or condition to Tenant (or sub-tenant) that seriously impairs or threatens the physical condition of the premises.
31. **HAZARDOUS OR REGULATED MATERIALS AND USE:** Tenant agrees to abide by any and all regulations pertaining to use, storage or disposal of any hazardous chemicals, oils or other types of hazardous or regulated materials, according to all governmental or regulatory agencies, and agrees to be financially and personally responsible for any and all costs, fines or losses, and hold Barton Commercial Park harmless from results of any violations, whether proven or not, of any of these laws or regulations from activities of Lessee or its agents or guests.
32. **MECHANIC'S LIENS:** Notice is hereby given that Lessor shall not be liable for any work, labor, or materials furnished or to be furnished upon credit to or for Tenant or anyone claiming under Tenant, and that no mechanic's or other lien for any such work, labor, or materials shall attach to or affect the title or interest of Lessor in and to the premises. Tenant shall not do or suffer anything to be done whereby the premises may be encumbered by a mechanic's lien. If any mechanic's lien or notice of claim thereof is filed against the premises with respect to work, labor, or materials furnished or to be furnished to Tenant or anyone claiming under Tenant, Tenant shall, within thirty (30) days from the date of filing, cause the same to be withdrawn, discharged, or removed by deposit, bonding proceedings or otherwise. If Tenant fails to do so, Lessor may do so, and may pay any judgment recovered by any such lienor. Tenant shall immediately reimburse Lessor all amounts paid (including expenses) pursuant to this paragraph, which shall be additional rent and immediately due.
33. **WAIVER:** Failure to strictly and promptly enforce the terms and/or conditions of this Lease shall not operate as a waiver of Lessor's rights, Lessor expressly reserving the right to always enforce any or all of the terms and/or conditions of this Lease, regardless of any indulgences or extensions previously granted. The receiving by Lessor or Lessor's representative of any rent in arrears, or after notice or institution of any suit for possession, or for cancellation of this Lease, will not be considered as a waiver of such notice of suit, or of any of the rights of Lessor.

34. **SURVIVORSHIP:** All of the provisions hereof shall bind and inure to the benefit of parties hereto, their respective heirs, legal representatives, successors and assigns. If more than one person, firm, corporation, or other entity is executing this Lease as Tenant, then all of said entities shall be jointly and severally liable hereunder.
35. **SECTION CAPTIONS:** The captions appearing under the section numbers designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.
36. **DELINQUENCY CHARGE:** A 1-½ percent delinquency charge will be assessed monthly for each month that the rental payment is not received in the office of the Lessor prior to the 30th of the month. Said delinquency charge to be paid by the Tenant and included in his rental payment, if and when rental payment is delinquent. The assessment and/or collection of any of the foregoing charges shall not in any way be construed or deemed to be a waiver or a continuing waiver of any of the terms, provisions, covenants and conditions of this Lease.
37. **BUILDING RULES AND REGULATIONS:** Lessor shall have the right, at any time or times hereafter, to adopt other or additional rules and regulations as Lessor deems reasonably necessary for the safety and good order of the premises and in like manner Lessor may rescind or amend all or any of these Rules and Regulations. Lessor shall give written notice to Tenant of the adoption of any additional rules and regulations or amendments to any of the Rules and Regulations herein:
- a. No Lessee shall at any time occupy any part of the Building as a sleeping or lodging quarter.
 - b. Lessor will not be responsible for lost or stolen personal property, equipment, money or jewelry from Lessee's area or public rooms regardless of whether such loss occurs when area is locked against entry or not.
 - c. No birds, fowl, dogs, cats or any other animals shall be brought into or kept in or about building.
 - d. No person shall disturb the occupants of the premises by the use of any musical instruments, the making of unseemly noises, causing objectionable odors, or any unreasonable use.
 - e. Any vehicles left over 24 hours will be posted and towed away.
 - f. Tenant agrees that by the execution of this Lease to accept and agree to abide by the building rules and regulations or any reasonable modifications or additions thereto during the term of this lease.
 - g. The water closets and other water fixtures shall not be used for any purpose other than those for which they were constructed and any damage resulting to them from misuse, or the defacing or injury of any part of the building shall be borne by Tenant. No person shall waste water by interfering with the faucets or otherwise.
 - h. No outside storage shall be permitted within any common areas servicing the leased premises without payment for such.
 - i. All plate and other glass now in the leased premises which is broken shall be replaced with matching glass by and at the expense of the Tenant under the direction of the Lessor.
 - j. The washing of vehicles and machinery shall be expressly prohibited within the confines of the park.
 - k. No mechanical work, gas, grease or oil is permitted.
 - l. Chair pads are required under every rolling chair; otherwise the tenant is responsible for the carpet replacement.

It is Lessor's desire to maintain within the property the highest standard of dignity and good taste consistent with comfort and convenience for Lessees. Any action or condition not meeting this high standard should be reported directly to Lessor. Your cooperation will be mutually beneficial and sincerely appreciated. The Lessor reserves the right to make such other and further reasonable Rules and Regulations as in its judgment may from time to time be needful, for the safety, care and cleanliness of the leased premises, and for the preservation of good order therein.

38. **EQUIPMENT PLACEMENT:** Lessor shall have the right to determine and prescribe the maximum weight and proper position of any heavy equipment that is to be placed in the building, and only those which, in the opinion of Lessor, will not do damage to the floors or building structures, may be moved into the building. Such installations shall be placed and maintained by the Tenant, at Tenant's expense, in settings sufficient, in Lessor's judgment, to absorb and prevent vibration, noise, annoyance, deterioration of the floors, building structures.

- 39. **PARKING:** Lessor shall have the right to reasonably restrict the number of persons and location of parking for the overall benefit of the property, it being agreed that it is not the intent of this Lease to provide unrestricted parking. At no time shall the parking of vehicles be permitted in the access lanes or on the roads serving the park.
- 40. **LOCKS:** Tenant agrees not to change locks or rekey. Tenant agrees to pay for complete lock rekeying for security reasons on entering of lease. Locks are keyed to our master for use in case of an emergency. No entry shall be made otherwise except upon instruction or for inspection.
- 41. **LEASE EXECUTION:** If Tenant shall be a corporation, the authorized officers must sign on behalf of the corporation. The lease must be executed by the president, vice-president, secretary or assistant secretary, unless the by-laws or a resolution of the board of directors shall otherwise provide, in which event, the by-laws or a certified copy of the resolution, as the case may be, must be furnished. If the lessee is a closely held corporation, principals must guarantee payment of rent.

Variation to the above lease will be made by letter of agreement between both parties:

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument for the purpose herein expressed, the day and year above written.

Signed, sealed and delivered
in the presence of :

Witnesses:

rust Burt
As to Lessor:

LESSOR:
BARTON COMMERCIAL PARK, LLC. (Seal)

BY: *Linda Sackman* (Seal)

rust Burt
As to Lessee

LESSEE:
BY: *West Lakeland Water water LLC* (Seal)

BY: *M. K.* (Seal)

rust Burt
As to Guarantor

GUARANTOR
M. K. (Seal)

(Seal)

MOVE-IN RECEIPT Unit #00201

2/14/2012 15:44:11

Receipt #73,591

BARTON STORAGE PARK

Rent..... \$495.00

Deposit..... \$495.00

Use Tax..... \$34.65

 Total \$1,024.65

Paid to Date: 2/14/2012

Balance due: \$1,024.65

West Lakeland Waste Water LLC
Po Box 1798
Eaton Park, FL 33840
863- 863-

We value your business!