

State of Florida




Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 7, 2020

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Malissa Bennett, Public Utility Analyst I, Division of Accounting & Finance 

RE: Docket No. 20190113-WS: Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

Please place the attached documents into the docket file.

COMMISSION
CLERK

2020 FEB - 7 PM 2:10

RECEIVED-FPSC

Malissa Bennett

From: Mike Smallridge <mike@fus1llc.com>
Sent: Thursday, January 30, 2020 1:46 PM
To: Malissa Bennett
Cc: Amber Norris; 'Martin S. Friedman'
Subject: FUS triple net lease.
Attachments: rent costs.pdf

Hi Amber & Malissa, I have attached to this email our quickbooks print out which reflect the rent , insurance, real estate taxes and utility costs.

On the lease I sent in an earlier email and also filed in the West Lakeland docket file, please see particularly the second paragraph under # 3 Rent (actually printed on page 2 of 6 top paragraph) .

Please let me know if you require anything else...

Mike Smallridge

From Wikipedia

In the field of commercial real estate, especially in the United States, a **net lease** requires the tenant to pay, in addition to rent, some or all of the property expenses that normally would be paid by the property owner (known as the "landlord" or "lessor").^[1] These include expenses such as property taxes, insurance, maintenance, repair, and operations, utilities, and other items.^{[2][1]} These expenses are often categorized into the "three nets": property taxes, insurance, and maintenance. In US parlance, a lease where all three of these expenses are paid by the tenant is known as a **triple net lease**, **NNN Lease**, or **triple-N** for short and sometimes written **NNN**.

GRAND BLVD

TROUBLE CREEK RD

1:25 PM
01/30/20
Accrual Basis

Florida Utility Services 1, LLC
Office Rent & Utilities
January 2018 through December 2019

	Jan - Mar 18	Apr - Jun 18	Jul - Sep 18	Oct - Dec 18	Jan - Mar 19	Apr - Jun 19	Jul - Sep 19	Oct - Dec 19	TOTAL
Ordinary Income/Expense									
Expense									
402 - Allocated									
640 - Rents									
640.1 - Office Building NNN Lease									
640.1.1 - Bldg Base Rent	0.00	0.00	0.00	0.00	8,100.00	8,100.00	8,100.00	8,100.00	32,400.00
640.1.2 - Bldg Insurance	0.00	0.00	0.00	0.00	1,686.00	0.00	0.00	1,600.00	3,286.00
640.1.3 - Bldg Property Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,783.58	2,783.58
Total 640.1 - Office Building NNN L...	0.00	0.00	0.00	0.00	9,786.00	8,100.00	8,100.00	12,483.58	38,469.58
640 - Rents - Other	4,800.00	4,800.00	4,800.00	4,800.00	0.00	0.00	0.00	0.00	19,200.00
Total 640 - Rents	4,800.00	4,800.00	4,800.00	4,800.00	9,786.00	8,100.00	8,100.00	12,483.58	57,669.58
675 - Misc									
675.04 - Office Utilities									
675.044 - HVAC	0.00	0.00	0.00	0.00	0.00	138.00	0.00	249.00	387.00
675.041 - Electric	518.43	511.62	588.88	311.57	545.91	498.38	690.83	505.06	4,171.68
675.042 - Water & Sewer	0.00	0.00	0.00	0.00	93.68	127.11	104.82	123.09	448.70
Total 675.04 - Office Utilities	518.43	511.62	588.88	311.57	639.59	763.49	795.65	878.15	5,007.38
Total 675 - Misc	518.43	511.62	588.88	311.57	639.59	763.49	795.65	878.15	5,007.38
Total 402 - Allocated	5,318.43	5,311.62	5,388.88	5,111.57	10,425.59	8,863.49	8,895.65	13,361.73	62,676.96
Total Expense	5,318.43	5,311.62	5,388.88	5,111.57	10,425.59	8,863.49	8,895.65	13,361.73	62,676.96
Net Ordinary Income	-5,318.43	-5,311.62	-5,388.88	-5,111.57	-10,425.59	-8,863.49	-8,895.65	-13,361.73	-62,676.96
Net Income	-5,318.43	-5,311.62	-5,388.88	-5,111.57	-10,425.59	-8,863.49	-8,895.65	-13,361.73	-62,676.96

INS.

2020 INS

2019 PROP TAX

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") made and entered as of the 1st day of February, 2019, by and between

MICHAEL A. SMALLRIDGE and NICKI H. SPIRTOS (Hereinafter designated as "LESSOR"),

1159 Lindenwood Dr. Tarpon Springs, FL. 34688

And

FLORIDA UTILITY SERVICES I, LLC (Hereinafter designated as "LESSEE");

5911 Trouble Creek Road
New Port Richey, Florida 34652

WITNESSETH:

That for and in consideration of the mutual covenants, agreements, and conditions on the part of the parties hereto to be kept and performed, it is mutually agreed between the parties hereto as follows:

1. Lease Premises:

LESSOR grants, demises, leases and lets, and LESSEE rents and leases from the LESSOR the Premises, situated in the Pasco County, Florida, located at 5911 Trouble Creek Road, New Port Richey, Florida 34652 (hereinafter designated as "Premises").

2. Lease Term:

The term of this Lease shall be for a term of 60 months beginning on February 1, 2019 and ending on midnight of February 1, 2024.

3. Rent:

Base Rent: The base rent for the term of the Lease shall be payable in advance in monthly installments as outlined in the rent schedule below. The amount due does not include applicable Sales Tax, which sum shall be added to the rent. The failure of LESSOR to collect any rent when due shall not be deemed a waiver of its right to collect same pursuant to the terms of this Lease.

MONTHS	MONTHLY BASE RENT
<u>1 through 12</u>	<u>\$2,700.00</u>
<u>13 through 24</u>	<u>\$2,781.00</u>
<u>25 through 36</u>	<u>\$2,864.43</u>
<u>36 through 48</u>	<u>\$2,950.36</u>
<u>48 through 60</u>	<u>\$3,038.87</u>

Additional Rent: In addition to Base Rent and applicable taxes due thereon, all other payments to be made by LESSEE to LESSOR as set forth herein, shall be deemed to be and shall become "Additional Rent" hereunder. This Lease shall be without cost or expense to LESSOR of

LEASE AGREEMENT

any kind except as provided herein. All costs and expenses of whatsoever kind, character, nature or description concerning the Premises and the Rent payable hereunder shall be borne by the LESSEE, including but not limited to real estate taxes, property damage and liability insurance, maintenance of the exterior and interior structures, all HVAC, electricity and plumbing.

4. Payment of Rent Terms:

All rent is due on the first day of the month. Any rent not paid by the fifth day of the month shall include a late fee of five (5%) percent of the rent due. Any LESSEE'S check that does not clear the bank because of insufficient funds, etc., the LESSEE shall automatically pay to LESSOR \$100.00 service fee in addition to the late fee, by Cashier's Check or cash. If rent is not paid by the tenth of the month, LESSOR shall have the right to take the possession of the premises, change the lock and exercise any rights available under this Lease, in addition to any rights allowed under Florida Law, including holding any LESSEE furnishings of the Premises as security for the delinquent rent.

5. Payments Due at Inception Of Lease

Upon execution of the Lease, LESSEE shall pay to LESSOR the first month's rental amount and \$ 2,700 to be held as a security deposit for the full and faithful performance of each and every provision of this Lease by the LESSEE, without interest. Said security deposit shall be refundable upon proper expiration of the terms of this Lease and delivery of possessions of the Premises to the LESSOR in a clean and like condition as when received, normal wear and tear expected. In the future event that LESSOR finds it necessary to assess any charge against the security deposit, The LESSOR shall be entitled to receive written notice of the amount and reason for such charge. LESSEE understands that if there are damages beyond reasonable wear and tear his liability is not limited to the amount of the security deposit.

6. Authorized Use of Premises:

LESSEE consents and agrees during the term of this Lease and any extension thereof, to keep the Premises in a clean and sanitary condition and in a manner which will not be detrimental to the surrounding property, and not to make any unlawful use of the Premises, or to conduct any illegal or immoral use thereon.

7. Agreement not to Sub-Lease:

LESSEE shall not assign this Lease, nor sublet the Premises, or any part thereof, nor use the same, or any part thereof, nor permit the same, or any part thereof, to be used for any other purpose than as above stipulated, nor make any alterations therein, and all additions thereto, without the written consent of the LESSOR, and all additions, fixtures, or improvements which may be made by LESSEE, including but not limited to ceiling fans, blinds, etc., except moveable office furniture, shall become property of the LESSOR and remain upon the Premises as a part of this Lease. LESSEE shall not sublease any part of the Premises. In the event the LESSEE assigns or sublets this Lease with the consent of LESSOR,, LESSEE shall remain liable and responsible for the due performance of all terms, covenants, payments and conditions of this Lease.

LEASE AGREEMENT

8. Contract Binding on Lessor:

This Lease shall bind the LESSOR and its assigns or successors, and the heirs, assigns, administrators, legal representatives, executors, or successors as the case may be, of the LESSOR.

9. Default by Lessee:

The prompt payment of the rent, including Additional Rent, for said Premises upon the dates named, and any failure on the part of the LESSEE to comply with the terms of said Lease, shall at the option of the LESSOR constitute a forfeiture of this Lease, and of all the rights of the LESSEE hereunder.

10. Lessor's Right to remedy upon default:

Should a Default occur under this Lease, LESSOR may pursue any or all of the following:

(a) LESSOR may terminate this Lease, by giving ten (10) days written notice of such termination to LESSEE, whereupon this Lease shall automatically cease and terminate and LESSEE shall be immediately obligated to quit the Premises. Any other additional notice to quit or notice of LESSOR's intention to re-enter the Premises is hereby expressly waived. If LESSOR elects to terminate this Lease, everything contained in this Lease on the part of LESSEE to be done and performed shall cease without prejudice, subject, however, to the right of LESSOR to recover from LESSEE all "Rent", which is hereby defined as the sum of the Base Rent, all sums designated hereunder as Additional Rent, and any other charges due hereunder for the full Term of this Lease.

(b) LESSOR shall have the right to re-enter the Premises, remove all persons therefrom, and recover the possession thereof by legal proceedings or otherwise, and to use such force to enter and regain possession thereof as LESSOR shall deem proper without being liable to any civil action or criminal prosecution therefor. No such re-entry by LESSOR shall be deemed a termination of this Lease or an acceptance of a surrender of this Lease. No termination of this Lease nor any taking or recovering possession of the Premises shall deprive LESSOR of any of its remedies or actions against LESSEE for past or future Rent, nor shall the bringing of any action for Rent or other Default be construed as a waiver of the right to obtain possession of the Premises.

(c) Should this Lease be terminated before the expiration of the Lease Term, or if LESSOR recovers possession of the Premises, LESSOR shall have the option to re-let the Premises for such rent and upon such terms as are not unreasonable under the circumstances and, in such event, if the full Rent reserved under this Lease (and any of the costs, expenses or damages indicated below) shall not be realized by LESSOR, LESSEE shall be liable for all damages sustained by LESSOR, including, without limitation, deficiency in Rent, reasonable attorneys' fees, brokerage fees and expenses of placing the Premises in rentable condition. LESSOR, in putting the Premises in good order or preparing the same for re-rental may, at LESSOR's option, make such alterations, repairs, or replacements in the Premises as LESSOR, in its reasonable judgment, considers advisable and necessary for the purpose of re-letting the Premises, and the making of such alterations, repairs, or replacements shall not operate or be construed to release LESSEE from liability hereunder. LESSOR shall in no event be liable in any way whatsoever for failure to re-let the Premises, or in the event that the Premises are re-let, for failure to collect the rent under such re-letting, and in no event shall LESSEE be entitled to receive the excess, if any, of such net rent collected over the sums payable by LESSEE to

LEASE AGREEMENT

LESSOR hereunder. Any damage or loss of Rent sustained by LESSOR may be recovered by LESSOR, at LESSOR's option, either at the time of the re-letting; in separate actions, from time to time, as said damage shall have been made more easily ascertainable by successive re-lettings; or in a single proceeding deferred until the expiration of the Term of this Lease (in which event LESSEE hereby agrees that the cause of action shall not be deemed to have accrued until the date of expiration of said Term).

(d) LESSOR may declare all the Base Rent, Additional Rent and other charges reserved for the full term of this Lease remaining unpaid, due and payable at once.

11. Right of Lessor to Cancel Contract due to Insolvency of Lessee:

If the LESSEE shall become insolvent or if bankruptcy proceedings shall be begun by or against the LESSEE, before the expiration or the lease, the LESSOR hereby irrevocably authorized at its option, to forthwith cancel this lease, as for a default. LESSOR may elect to accept rent from such receiver, trustee, or other judicial officer as is due during the term of their occupancy, in their fiduciary capacity without affecting LESSOR'S other judicial officer shall ever have any right, title or interest in or to the premises by virtue of this Lease.

12. Time Is Of The Essence:

It is understood and agreed between the parties hereto that time is of the essence in this Lease, which applies to all terms and conditions contained herein.

13. Written Notices to Lessee and Lessor:

It is understood and agreed between the parties hereto that written notice mailed or delivered to the Premises leased hereunder shall constitute sufficient notice to the LESSEE and Certified Mail shall constitute sufficient notice to the LESSOR, to comply the terms of this Lease.

14. Non Exercise of Rights of Lessor Shall Not Be Deemed Forfeiture:

The rights of the LESSOR under the foregoing shall be cumulative, and failure on the part of the LESSOR to exercise promptly any rights given hereunder shall not operate to forfeit any of the said rights nor deemed as a waiver of those rights.

15. Building Signage:

It is hereby understood and agreed that any signs and advertising to be used, in connection with the Premises leased hereunder, shall comply with all applicable Codes and shall be first submitted to the LESSOR for approval and be approved by LESSOR before installation of same.

16. Lessee Agreement to Hold Lessor Harmless and Requirement For Insurance:

The LESSEE covenants and agrees to indemnify and hold harmless the LESSOR from and against any and all liability, damage, injury, actions or causes of action whatsoever resulting from the operation, conduct and or use of the Premises and to provide liability insurance in the amount of \$1,000,000.00 personal injury insurance in favor of the LESSOR. LESSEE also agrees to include LESSOR as additional insured concerning LESSEE's General Liability Policy.

LEASE AGREEMENT

17. Understanding That Lease is Subordinate to any Mortgage Of Lessor:

This Lease at the option of the LESSOR or LESSOR'S Mortgagee, may be and at all times after notice thereof, shall be subject and subordinate to any and all present and future mortgages security deeds, or encumbrances which may be placed by the LESSOR on said or any part thereof.

18. Lessee's Agreement to Furnish Subordination Documents:

The LESSEE covenants and agrees to execute upon demand of the LESSOR, all instruments subordinating this Lease to the lien of any mortgage, security deeds, or encumbrances as shall be required by the LESSOR. The LESSOR hereby irrevocably appoints LESSOR as attorney in fact of the LESSEE, with power to execute and deliver without subjecting LESSOR to liability of any kind, such instrument or instruments for and in the name of the LESSEE, in the event LESSEE shall fail to execute such instrument or instruments within five (5) days after written notice to do so is given to the LESSEE. Provided however, anything to the contrary contained herein notwithstanding, such mortgage or encumbrance holder shall recognize the validity and continuance of this Lease in the event of foreclosure of LESSOR'S interest or otherwise as long as LESSEE shall not be in default under the terms of this Lease, LESSEE agrees to execute a Tenant Estoppel Letter when requested.

19. Continuation of Lease Beyond Lease Terms:

If the LESSEE continues to occupy the Premises after the last day of the term hereof, (if the term hereof or any extension thereof is not extended as defined below), and LESSOR agrees to accept rent thereafter, a tenancy from month to month, terminated by either party no less than thirty (30) days notice, would then be created, which monthly lease rate shall be 150% of the then-effective lease rate.

20. Disputes

All disputes or controversies that may arise between the parties hereto concerning the interpretation of this instrument or the rights of either parties thereto arising therefrom, shall be subject to mediation at the option of the LESSOR.

21. Court Costs/Attorney's Fees

Should LESSOR be required to resort to litigation or breach of agreement, and should LESSOR prevail by any award in its favor, LESSEE agrees to pay LESSOR'S court costs and reasonable attorney's fees. LESSEE agrees to pay the costs or collection and attorney's fees on any part of said rental that may be collected by suit or by attorney after the same is past due, or for any suit for enforcements of the terms and conditions of this Lease. In each instance in which an attorney is retained by LESSOR to enforce LESSEE'S obligations under the Lease, LESSEE shall pay LESSOR'S reasonable attorney's fees.

22. LESSEE'S Agreement to Allow LESSOR'S Access:

LESSEE agrees that LESSOR shall have access to and may enter the Premises at any time, with reasonable notice, to inspect or show the Premises or to verify LESSEE'S compliance with the terms of this Lease. LESSEE agrees not to change the locks on the Premises without the written consent from the LESSOR. LESSEE agrees to provide LESSOR with a key to any locks that are changed.

LEASE AGREEMENT

23. Statement Concerning any Provision In Lease Considered Not Enforceable:

If a court of competent jurisdiction holds any provision of this Lease to be contrary to law, or void as against public policy or otherwise, such provision shall either be modified to conform to law or be considered severable, with the remaining provisional continuing in full force and effect.

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

Signed, sealed and delivered in the presence of:

LESSEE:

[Signature]
BY:

managing Member
Title

[Signature]
Witness

[Signature]
Witness

LESSOR:

[Signature]
BY:

OWNER
Title

[Signature]
Witness

[Signature]
Witness



BLDG

Pasco County, Florida

Utilities Customer Information & Services
P.O. Box 2139
New Port Richey FL 34656-2139
(727) 847-8123

Date: 10/31/2019

Parcel ID: 17-26-16-0640-00B00-0030

SMALLRIDGE MICHAEL A & SPIRTOS NICKI
H
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FL 34652

"H" Indicates Hauler Record.

Card	Use Code	Assessment
01	H	17 \$71.97

PARCEL ADDRESS:
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FL 34652

Total Assessment Levied all Cards: \$71.97

Use code: 17
Description: OFFICE - ONE STORY

**** IMPORTANT - PLEASE READ : The final date for filing the 2019 appeal is January 31, 2020 ****

Please detach here and return bottom part with payment



2019 Solid Waste Disposal Assessment. **Invoice# 19072852** Total Fee Due If Paid By:

NOV 30	DEC 31	JAN 31	FEB 29	MAR 31	APR 30 *	MAY 31 *
\$69.09	\$69.81	\$70.53	\$71.25	\$71.97	\$73.05	\$74.13
Assessment Levied			Parcel Number		* Delinquent April 1	
\$71.97			17-26-16-0640-00B00-0030			

SMALLRIDGE MICHAEL A & SPIRTOS NICKI H
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FL 34652

Payable To:
Board of County Commissioners
Mail To:
Pasco County Utilities
P.O. Box 2139
New Port Richey, FL. 34656-2139



3000 00000 BBOP MAIN NEW BUSINESS

Policy Number
 09 0005814840 4 00

**BUSINESSOWNERS POLICY
 COMMON POLICY DECLARATIONS**

Policy Period	Term	Inception Date	Agent	Agent's Phone
From: 1/04/20 To: 1/04/21 12:01 Standard Time	12 mos	1/04/20 12:01 AM	00-0094048	(352) 489-2412

Agent (352) 489-2412
 FERO & SONS INSURANCE
 20497 E PENNSYLVANIA AVE
 DUNNELON FL 34432

MICHAEL A SMALLRIDGE
 NICKI SPIRTOS
 5911 TROUBLE CREEK RD
 NEW PORT RICHEY FL 34652-5128

FORM OF BUSINESS: Partnership

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY INCLUDING THE ENDORSEMENTS AS INDICATED ON THE SUMMARY OF ENDORSEMENT PAGE WITHIN YOUR POLICY.

Policy Limits (Coverage provided only where limits are indicated)

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM IS SUBJECT TO ADJUSTMENT.

COVERAGE SECTIONS

BUSINESSOWNERS PROPERTY COVERAGES	\$1,115.00
BUSINESSOWNERS LIABILITY COVERAGES	\$445.00
TERRORISM PREMIUM	\$.00
ANNUAL PREMIUM SUBTOTAL	\$1,560.00
EMPATF	\$4.00
STATE FIRE MARSHALL REGULATORY ASSESSMENT	\$2.00
MANAGING GENERAL AGENT	\$25.00
TOTAL FEES	\$31.00
TOTAL ANNUAL PREMIUM	\$1,591.00

This document forms a part of, completes, and executes the referenced policy. The declarations or information pages, together with the common policy conditions, coverage parts, forms and endorsements, if any, issued to form a part thereof, completes the policy. In witness thereof, the Company attests these documents as the entire contract of insurance; and executes same on behalf of the company.

This policy shall not be valid unless also countersigned by the duly authorized Agent of this company at the agency hereinbefore mentioned, if required by state law.

Deborah S Brcka

Countersigned by Authorized Representative

12/31/19

Date



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BUSINESS OWNERS POLICY Application

BANKERS
Insurance Group

FIRST COMMUNITY INSURANCE COMPANY
PO BOX 33060
SAINT PETERSBURG FL 33733-8060
Office: 1-800-627-0000
Fax: 1-866-298-1430

Application Detail

Insured	Form	Eff/Exp Date	Policy Number
MICHAEL A SMALLRIDGE NICKI SPIRTOS	Special	01/04/2020 to 01/04/2021	09 0005814840 4 00

Application Transmittal Form

Thank you for your application. The following premium payment options are available:

Plan	Initial Payment	Installment Amount	Installment Fee
Paid In Full	\$1,591.00	\$0.00	\$0.00
Semi-Annual Pay Plan	\$811.00	\$780.00	→ \$3.00
Quarterly Pay Plan	PAID 12-23-19 → \$421.00	→ \$390.00	\$3.00
7 Pay Plan	\$343.00	\$208.00	\$3.00
10 Pay Plan	\$312.00	\$142.00	\$3.00

Note: Due to rounding of the installments to the nearest whole dollar, the amount of the final installment may be different than the other installments.

Please write your policy number on check and make payable to:

FIRST COMMUNITY INSURANCE COMPANY
PO BOX 33002
ST PETERSBURG FL 33733-8002

Payment Date: 12-23-19
Payment Plan Option: 1 2 3 4
Amount Enclosed: \$ 421.00

03000 00000 BBOP MAIN 090005814840400 00042100 NB 1200104

Payment Information

Payment Method	Check	
Name of Check Holder	MICHAEL A SMALLRIDGE NICKI SPIRTOS	421 393
Check Date	12/20/2019	393
Amount	\$421.00	393
Check Owner Signature		1,600

Due 1-1-20 \$421 paid 12-23-19
Due 3-1-20 \$393
Due 6-1-20 \$393
Due 9-1-20 \$393
\$1,600.