

# FLORIDA UTILITY SERVICES 1, LLC

3336 GRAND BOULEVARD • SUITE 102 • HOLIDAY, FLORIDA 34690

352-302-7406 • MICHAELSMALLRIDGE@GMAIL.COM

FILED OCT 04, 2016  
DOCUMENT NO. 07969-16  
FPSC - COMMISSION CLERK

September 27, 2016

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL. 32390

RECEIVED-FPSC  
2016 OCT -4 PM 12:45  
COMMISSION CLERK

Re: Application for a Limited proceeding for Crestridge Utilities, LLC in Pasco County, Florida.

Dear Commission Clerk:

Enclosed please find the following:

1. Application for a Limited Proceeding.
2. Check for \$1,000 for filing fee.
3. Background discussion
4. DEP Correspondence and reports
5. Redacted Loan Documents
6. Vendor bids.

On behalf of the utility,



Mike Smallridge

# FLORIDA UTILITY SERVICES 1, LLC

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352-302-7406 • MICHAELSMALLRIDGE@GMAIL.COM

- (a) The name of the applicant as it appears on the applicant's certificate and the address of the applicant's principal place of business;

**Crestridge Utilities, LLC  
3336 Grand Blvd. Suite 102  
Holiday, FL. 34690  
863-904-5574**

- (b) The type of business organization under which the applicant's operations are conducted; if the applicant is a corporation, the date of incorporation; the names and addresses of all persons who own 5 percent or more of the applicant's stock; or the names and addresses of the owners of the business.

**Organized under a Limited Liability Corporation**

**The owner of the business is  
Michael Smallridge  
3336 Grand Blvd. Suite 102  
Holiday, FL. 34690**

- (c) The number(s) of the Commission order(s), if any, in which the Commission most recently considered the applicant's rates for the system(s) involved.

**Order PSC-15-0420-PAA-WU**

- (d) The address within the service area where the application is available for customer inspection during the time the rate application is pending.

**Utility Office  
3336 Grand Blvd. Suite 102  
Holiday, FL. 34690  
863-904-5574**

- (e) A statement signed by an officer of the utility that the utility will comply with the noticing requirements in Rule 25-30.446, F.A.C.

**I, Michael Smallridge, as sole managing member of Crestridge Utilities, LLC will comply with the noticing requirements in Rule 25-30.446, F.A.C.**

*Michael Smallridge*

9-27-16.

# FLORIDA UTILITY SERVICES 1, LLC

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352-302-7406 • MICHAELSMALLRIDGE@GMAIL.COM

September 27, 2016

## BACKGROUND

Department of Environmental Protection (DEP) inspectors correctly noted on their sanitary survey inspection that the packing was leaking around the 41 year old pump in Crestridge well #2. The utility represented to DEP that the well motor because of its age, would have to be replaced and DEP allowed the utility sufficient time to replace the pump. Unfortunately, the pump failed before the utility's anticipated replacement schedule.

Crestridge Utilities obtained bids to replace the motors in well #2 and well #4. Well #4 is 40 years old and while it was not leaking, it was past due for replacement.

The utility also obtained bids for updates to the electrical panels as the utility does not want to install new pumps and not be able to protect the investment with the proper electrical equipment.

The utility obtained a loan from Iberia bank and is seeking a limited proceeding so that the utility can recover the costs associated with the installation of the two new submersible pumps and electrical upgrades.

By doing both wells at the same time, the utility was able to save the customers money on the bids from the electricians and the costs associated with one boil water notice and rescission thereof.

Crestridge Utilities LLC  
3336 Grand Blvd #102  
Holiday, FL 34690

Iberia Bank

1102

9/22/2016

PAY TO THE ORDER OF Florida Public Service Commission

\$\*\*1,000.00

One Thousand and 00/100\*\*\*\*\* DOLLARS <sup>6</sup>

Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Limited Proc. Filing Fee

*Michael Amoye*  
AUTHORIZED SIGNATURE <sup>MP</sup>

MEMO



Crestridge Utilities LLC

1102

Florida Public Service Commission

Date	Type	Reference	Original Amt.	Balance Due	9/22/2016 Discount	Payment
9/22/2016	Bill	LPFF09.23.2016	1,000.00	1,000.00	Check Amount	1,000.00

131.5 - Iberia Bank Ch Limited Proc. Filing Fee

1,000.00

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:

*MS*  
10/4/16



# Florida Department of Environmental Protection

Southwest District Office  
13051 North Telecom Parkway  
Temple Terrace, FL 33637-0926

Rick Scott  
Governor

Carlos Lopez-Cantera  
Lt. Governor

Jonathan P. Steverson  
Secretary

April 27, 2015

Mr. Mike Smallridge, Owner  
Crestridge Utilities, LLC  
3336 Grand Boulevard, Suite #102  
Holiday, FL 34690  
[mike@fusllc.com](mailto:mike@fusllc.com)

Re: CAO Closure Letter  
Crestridge Gardens Utilities  
PWS-ID No.: 651-0403  
Pasco County

Dear Mr. Smallridge:

Department personnel conducted a Sanitary Survey of the above-referenced facility on February 15, 2016. Based on your email dated, April 25, 2016, which indicated that the Well #2 motor will be replaced in late August/early September with a submersible pump, the Department has decided to close the above CAO. Please note, the Department will conduct a follow-up inspection in September to ensure that the leak at Well #2 has been repaired. A copy of the inspection report is attached for your records.

The Department appreciates your efforts to maintain this facility in compliance with state and federal rules. Should you have any questions or comments, please contact Kira Soroka of the Southwest District Office at (813) 470-5964, or via e-mail at [kira.soroka@dep.state.fl.us](mailto:kira.soroka@dep.state.fl.us).

Sincerely,

A handwritten signature in blue ink, appearing to read "James S. Brock".

James S. Brock  
Government Operations Consultant  
Southwest District  
Florida Department of Environmental Protection

JSB/ks/

Enclosures: Inspection Report

**SANITARY SURVEY REPORT – Small Systems – Chlorine/Aeration**

**Water system:** CRESTRIDGE GARDENS UTILITIES **System PWS #:** 651-0403 **Date of survey:** 2/15/2016

**Inspector name:** KIRA SOROKA **Person(s) contacted:** ERIC KARL & MIKE SMALLRIDGE

**System type:** C **Population:** 1,209 **Connections:** 614 **Design capacity:** 1,296,000 **Storage capacity:** \_\_\_\_\_

**System address:** 3336 GRAND BLVD, SUITE #102 **City:** HOLIDAY **State:** FL **Zip:** 34690

**System phone:** 727-937-6275 **Cell:** \_\_\_\_\_

**Contacts:** Judy Rivette, office manager **Email:** judyrivette@yahoo.com  
Jack Love, serviceman: 863-232-7969

**Owner name:** MIKE SMALLRIDGE OF CRESTRIDGE UTILITES, LLC. **Owner title:** OWNER

**Owner address:** 3336 GRAND BLVD, SUITE #102 **City:** HOLIDAY **State:** FL **Zip:** 34690

**Owner phone:** 727-937-6275 **Email:** utilityconsultant@yahoo.com

**Operator required?**  Yes  No (If "No", Operator sections not applicable) **Operator class & cert. number:** C 7237

**Operator name:** ERIC KARL **Phone:** 352-848-5415

**Fax number:** \_\_\_\_\_ **Email:** erikarl63@yahoo.com

Well Name and/or FL Unique Well ID	Well 2	Well 3	Well 4	Storage type used: <input checked="" type="checkbox"/> Hydro <input type="checkbox"/> Ground <input type="checkbox"/> Elevated <input type="checkbox"/> Bladder <input type="checkbox"/> N/A
	AAB4556*	AAB4557*	AAB4558*	
Well head sealed? (Pad/conduit/openings)	No	NA	**	Inspections compliant? (annual/5yr) Yes, new tanks installed (Well #2 (1/2013) & Well #4 (1/2016))
Well casing 12" above grade?	Yes	NA	Yes	
Casing vent compliant?(installed, screened)	Yes	NA	Yes	Washouts compliant? (every 5 yrs) Yes
Check valve compliant (installed/no leak)?	Yes	NA	Yes	Storage capacity compliant?(1/4 max) Yes
Tap Compliant? (Smooth/1/2" high/precheck)	Yes	NA	Yes	HYDRO APPURTENANCES: "X" box below if not compliant, <input type="checkbox"/> PRV <input type="checkbox"/> Gauge <input type="checkbox"/> Sight glass <input type="checkbox"/> Bypass <input type="checkbox"/> Drain <input checked="" type="checkbox"/> Compliant
Flow measurable? (if applicable, GPM@psi)	Yes			
Flow meter accuracy checked?: <u>New flow meter installed 2015 (Well #2)</u>				GROUND/FINITE APPURTENANCES: "X" box below if not compliant. N/A <input type="checkbox"/> Hatch <input type="checkbox"/> Vent <input type="checkbox"/> Overflow <input type="checkbox"/> Drain <input type="checkbox"/> Bypass <input type="checkbox"/> Compliant
Well capacity > maximum day?	Yes	NA	Yes	
Setbacks compliant?(hazard type and distance)	**	**	**	Manual or automatic controls? Automatic
Name of plant & type of chlorination	Well #2 Hypo	Well #3 Hypo	Well #4 Hypo	On/Off pressure of pumps? **
O & M log compliant?	Yes	NA	Yes	HSP High Service Pumps functional? N/A HSP capacity compliant? N/A
O & M manual compliant?	Yes	NA	Yes	
Cl storage compliant? (no organics/acid/sun)	Yes	NA	Yes	Chlorine test kit compliant? **
Chlorinator flow proportionate?	NA			Chlorine grab sampling compliant? Yes
Treated sample tap provided?	Yes	NA	Yes	Bacti sampling compliant? Yes
HYPO CL Cl solution strength?	Unknown	NA	Unknown	Chemical sampling compliant? Yes
	Solution tank compliant	Yes	NA	Yes
GAS CL Antisiphon protection compliant?	Yes	NA	Yes	Lead/copper sampling compliant?(c,p) Yes
	Safety: (Gloves/Apron/Eyewash/etc)	**	NA	**
AERATE Cl room compliant?(separate/ventilation)	N/A	NA	N/A	DBP monitoring compliant? (c,p) Yes
	Scales compliant? (installed/functional)	N/A	NA	N/A
Safety: (SCBA/Gloves/Ammonia)	N/A	NA	N/A	MONITORING PLANS: "X" box below if not compliant <input type="checkbox"/> Bacteriological <input type="checkbox"/> Disinfection By-Products (c,p) <input type="checkbox"/> Lead & Copper (c,p)
Choose type: "X" box below if not compliant N/A <input type="checkbox"/> Screen <input type="checkbox"/> Tray <input type="checkbox"/> Lid <input type="checkbox"/> Bypass <input type="checkbox"/> Drain <input type="checkbox"/> Algae Free <input type="checkbox"/> Compliant				NSF: "X" box below if not compliant <input type="checkbox"/> Treatment Chemicals/Components <input type="checkbox"/> Storage <input type="checkbox"/> Pipe <input type="checkbox"/> New Meters
Flushing of dead ends compliant?	Yes			CCC / Plan(C) implemented? Yes
Valve maintenance compliant?	Yes			Record keeping compliant? Yes
Distribution PSI compliant? (> 20 PSI)	Yes			Security measures compliant? Y
Chlorine residual above minimum?	Yes			Plant category and type? 5 / Class C
				Operator visits compliant? Yes
				Plant checked 5 days/week? (owner/rep) Yes, 6-7 days/week
				MORs submittal compliant? Yes

<b>FIELD SAMPLING RESULTS</b>	Plant Cl (mg/L)	2: 4.38 4: 3.90	Distribution Cl (mg/L)	0.53 @ 4505 Pheonix Ave
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**COMMENTS:** \* Plant #2 located on Zodiac Ave. & Excalibur St. Plant #4 located on Sentinel St. & Panorama Ave. Plant #3 located on Gaslight Ave, but has been off-line due to a lightning strike in 9/2013. All wells have turbine pumps.  
 \*\* Unable to verify at time of inspection

**DEFICIENCIES**

**WELL PACKING AT WELL #2**

REGULATION REFERENCE: Rule 62-555.350(2), F.A.C.

CORRECTIVE ACTION: The well head at Well #2 was leaking at the time of inspection. Suppliers of water shall keep all necessary public water system components in operation and shall maintain such components in good operating condition so the components function as intended.

**REMARKS AND RECOMMENDATIONS**

A system customer indicated poor water pressure while the Department was collecting a distribution sample. The Department recommends determining if there is adequate pressure in the tank and verifying that the distribution system is above 20 psi at all times.

Do not need to submit MOR for Well #3, well has been out of service since the lightning strike in 9/2013. Full well survey will be needed prior to reactivating well #3.

**TECHNICAL ASSISTANCE PROVIDERS**

FLORIDA RURAL WATER ASSOCIATION

2970 Wellington Circle W, Suite 101

Tallahassee FL 32309-6885

Ph: 850.668.2746

E-Mail: [FRWA@frwa.net](mailto:FRWA@frwa.net)

Home Page: <http://www.frwa.net>

**DIGITAL PHOTOS**



Well House #4



Well #4



New Tank Well #4 (1/2016)



Chlorine Storage Well #4



Well House #3



Former Tank Location Well #3



Well House #2



Leaking Well #2



Leaking Well #2



Chlorine Storage Well #2

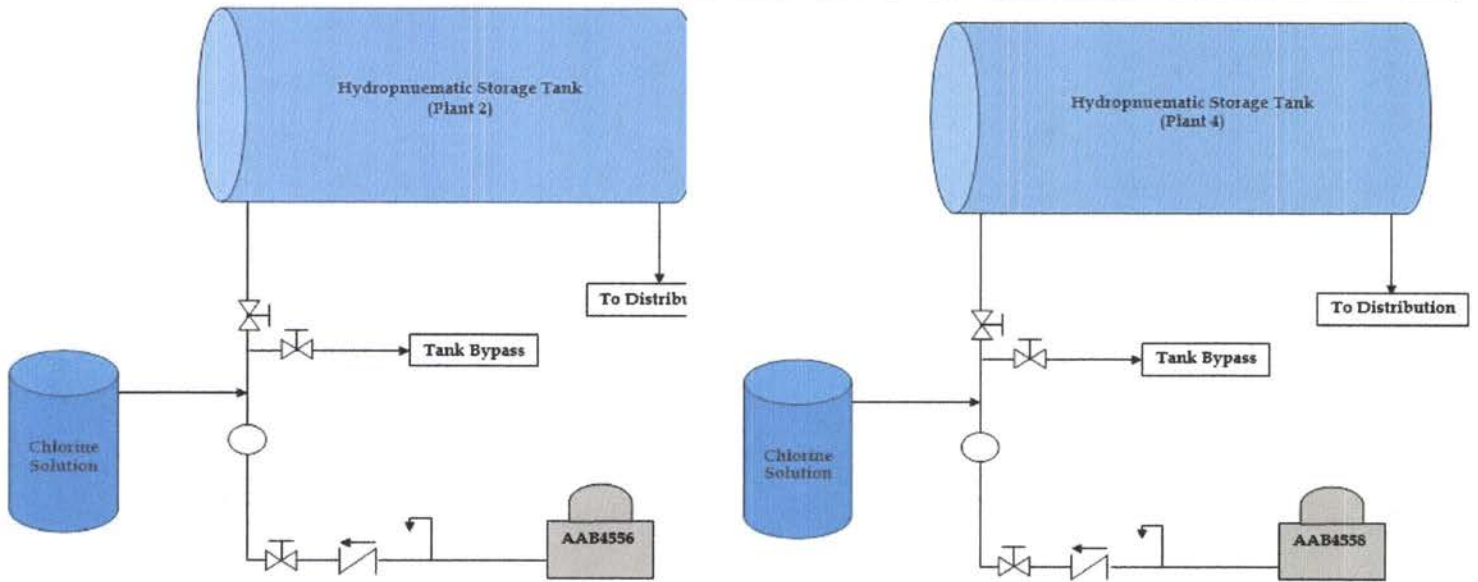


Well #2



Hydro tank at Well #2

SYSTEM SCHEMATIC



INSPECTOR'S SIGNATURE: 

TITLE: ES III

DATE: February 9, 2016

REVIEWED BY: 

TITLE: GOVT OPERATIONS

DATE: February 29, 2016



PWS Name: Crestridge Gardens – Plant 2

PWS ID #: 6510403

MONITORING & REPORTS		DUE	COMMENTS
Microbiological ("Bacteriological")		Monthly	Disinfectant residuals must be reported.
Nitrate		Quarterly 2016	Sample at each POE every quarter.*
Nitrite		2016	Sample at each POE every year.*
Primary Inorganics		2018	Sample at each POE every three years.
Secondaries		2018	Sample at each POE every three years.
Radiologicals	Gross Alpha	2021	Sample at each POE every three, six or nine years.
	Uranium	2021	Sample at each POE every three, six or nine years.
	Radium-226	2021	Sample at each POE every three, six or nine years.
	Radium-228	2021	Sample at each POE every three, six or nine years.
Volatile Organic Contaminants (VOCs)		2018	Sample at each POE every three years.
Synthetic Organic Contaminants (SOCs)		2018	Sample at each POE every three years, or submit SOC reduced monitoring waiver, if applicable. Use Form 62-560.545(2), F.A.C.
Stage II Disinfection Byproducts (DBPs) <i>Total Trihalomethanes &amp; Haloacetic Acids (5)</i>		July-Sept. 2016	Sample according to approved Stage 2 D/DBPR Monitoring Plan.
Asbestos		2021	Certification or results due every nine years. Use Form 62-555.900(10), F.A.C.
Lead & Copper		June-Sept. 2018	Sample from sites approved on the Lead and Copper Sampling Plan every three years.
Consumer Confidence Report (CCR) & CCR Certification of Delivery		July 1, 2016	CCR must be delivered by July 1, 2016. The CCR Certification of Delivery must be submitted to the Department by August 10, 2016. Use Form 62-555.900(alternate 19), F.A.C.

PWS Name: Crestridge Gardens – Plant 4

PWS ID #: 6510403

MONITORING & REPORTS		DUE	COMMENTS
Microbiological ("Bacteriological")		Monthly	Disinfectant residuals must be reported.
Nitrate		Quarterly 2016	Sample at each POE every quarter.*
Nitrite		2016	Sample at each POE every year.*
Primary Inorganics		2018	Sample at each POE every three years.
Secondaries		2018	Sample at each POE every three years.
Radiologicals	Gross Alpha	2021	Sample at each POE every three, six or nine years.
	Uranium	2024	Sample at each POE every three, six or nine years.
	Radium-226	2024	Sample at each POE every three, six or nine years.
	Radium-228	2024	Sample at each POE every three, six or nine years.
Volatile Organic Contaminants (VOCs)		2018	Sample at each POE every three years.
Synthetic Organic Contaminants (SOCs)		2018	Sample at each POE every three years, or submit SOC reduced monitoring waiver, if applicable. Use Form 62-560.545(2), F.A.C.
Stage II Disinfection Byproducts (DBPs) <i>Total Trihalomethanes &amp; Haloacetic Acids (5)</i>		July-Sept. 2016	Sample according to approved Stage 2 D/DBPR Monitoring Plan.
Asbestos		2021	Certification or results due every nine years. Use Form 62-555.900(10), F.A.C.
Lead & Copper		June-Sept. 2018	Sample from sites approved on the Lead and Copper Sampling Plan every three years.
Consumer Confidence Report (CCR) & CCR Certification of Delivery		July 1, 2016	CCR must be delivered by July 1, 2016. The CCR Certification of Delivery must be submitted to the Department by August 10, 2016. Use Form 62-555.900(alternate 19), F.A.C.

# IBERIABANK

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August 30, 2016

Re: Florida Utility Services 1, LLC

To Whom It May Concern:

Please accept this letter as notification and confirmation that on August 30, 2016, Iberiabank issued a loan to Florida Utility Services 1, LLC in the amount of \$30,000.00. The proceeds of this loan were used to finance the purchase and installation of two new well pumps at Crestridge Utilities.

Should you have any questions or need additional information, please contact me directly via email - [Michael.Reed@iberiabank.com](mailto:Michael.Reed@iberiabank.com) or via phone – (352) 364-8702.

Sincerely,



Michael Reed  
Senior Vice President

MR/cd

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$30,000.00	08-29-2016	09-05-2019	[REDACTED]	4A / 313			[REDACTED]

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing \*\*\*\*\* has been omitted due to text length limitations.

**Borrower:** FLORIDA UTILITY SERVICES 1, LLC  
3336 GRAND BLVD., SUITE 102  
HOLIDAY, FL 34690

**Lender:** IBERIABANK  
INVERNESS BRANCH  
1777 W. MAIN STREET  
INVERNESS, FL 34460

**Principal Amount:** \$30,000.00

**Date of Note:** August 29, 2016

**PROMISE TO PAY.** FLORIDA UTILITY SERVICES 1, LLC ("Borrower") promises to pay to IBERIABANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Thirty Thousand & 00/100 Dollars (\$30,000.00), together with interest on the unpaid principal balance from August 29, 2016, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 6.500% per annum based on a year of 360 days, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in 36 payments of \$921.79 each payment. Borrower's first payment is due October 5, 2016, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on September 5, 2019, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: IBERIABANK, INVERNESS BRANCH, 1777 W. MAIN STREET, INVERNESS, FL 34460.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$25.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$15.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**COLLATERAL.** Borrower acknowledges this Note is secured by UNSECURED.

**ARBITRATION.** Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes,

PROMISSORY NOTE  
(Continued)

Loan No: ██████████ 43

Page 2

without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**CERTIFICATION STATEMENT.** The undersigned certifies that all statements, documents and information furnished to the Bank are correct and complete and shall be until this Note is paid in full.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral, and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

FLORIDA UTILITY SERVICES 1, LLC

By: 

MICHAEL A. SMALLRIDGE, Manager of FLORIDA  
UTILITY SERVICES 1, LLC

Florida Documentary Stamp Tax

Florida documentary stamp tax required by law in the amount of \$105.00 has been paid or will be paid directly to the Department of Revenue. Certificate of Registration No. 78-8015378726-2.

## COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Call / Coll 4A / 313	Account	Officer 4444	Initials W
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing ***** has been omitted due to text length limitations.							

**Borrower:** FLORIDA UTILITY SERVICES 1, LLC  
3336 GRAND BLVD., SUITE 102  
HOLIDAY, FL 34690

**Lender:** IBERIABANK  
INVERNESS BRANCH  
1777 W. MAIN STREET  
INVERNESS, FL 34450

**Guarantor:** MICHAEL A. SMALLRIDGE  
9539 E. SOUTHGATE DRIVE  
INVERNESS, FL 34450

**CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE.** For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the indebtedness or against any collateral securing the indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

**INDEBTEDNESS.** The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

**CONTINUING GUARANTY.** THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

**DURATION OF GUARANTY.** This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include the indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new indebtedness" does not include all or part of the indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the indebtedness. This Guaranty shall bind Guarantor's estate as to the indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the indebtedness, even to zero dollars (\$0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the indebtedness remains unpaid and even though the indebtedness may from time to time be zero dollars (\$0.00).

**GUARANTOR'S AUTHORIZATION TO LENDER.** Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fall or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

**GUARANTOR'S REPRESENTATIONS AND WARRANTIES.** Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

**GUARANTOR'S WAIVERS.** Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue

COMMERCIAL GUARANTY  
(Continued)

Loan No: [REDACTED] 43

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any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of Borrower, or any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (C) any disability or other defense of the Indebtedness; (D) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

**GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS.** Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

**SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR.** Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

**GARNISHMENT.** Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Guaranty:

**Amendments.** This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses.** Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

**Governing Law.** This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

**Integration.** Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

**Interpretation.** In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

**Notices.** Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Successors and Assigns.** Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

COMMERCIAL GUARANTY  
(Continued)

Loan No: ██████████ 43

Page 3

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

**Borrower.** The word "Borrower" means FLORIDA UTILITY SERVICES 1, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Guarantor.** The word "Guarantor" means everyone signing this Guaranty, including without limitation MICHAEL A. SMALLRIDGE, and in each case, any signer's successors and assigns.

**Indebtedness.** The word "Indebtedness" means this guaranty from Guarantor to Lender.

**Indebtedness.** The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

**Lender.** The word "Lender" means IBERIABANK, its successors and assigns.

**Note.** The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AUGUST 29, 2016.

GUARANTOR:

X *Michael A. Smallridge*  
MICHAEL A. SMALLRIDGE

INDIVIDUAL ACKNOWLEDGMENT

STATE OF FLORIDA )

) SS

COUNTY OF CITRUS )

The foregoing instrument was acknowledged before me this 30 day of August, 2016 by MICHAEL A. SMALLRIDGE, who is personally known to me or who has produced \_\_\_\_\_ as identification.

*Kathleen Patricia Kirkland*  
(Signature of Person Taking Acknowledgment)



\_\_\_\_\_  
(Name of Acknowledger Typed, Printed or Stamped)

\_\_\_\_\_  
(Title or Rank)

\_\_\_\_\_  
(Serial Number, if any)



## DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$30,000.00	08-29-2016	09-05-2019	██████████ 43	4A / 313		***	[Signature]
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** FLORIDA UTILITY SERVICES 1, LLC  
3336 GRAND BLVD., SUITE 102  
HOLIDAY, FL 34690

**Lender:** IBERIABANK  
INVERNESS BRANCH  
1777 W. MAIN STREET  
INVERNESS, FL 34450

**LOAN TYPE.** This is a Fixed Rate (6.500%) Nondisclosable Loan to a Limited Liability Company for \$30,000.00 due on September 5, 2019.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.  
 Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: PURCHASE EQUIPMENT.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$30,000.00 as follows:

Amount paid to Borrower directly: \$30,000.00 Lender's Check #	\$30,000.00
Note Principal:	\$30,000.00

**CHARGES PAID IN CASH.** Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash: \$100.00 Documentation Fee	\$100.00
Other Charges Paid in Cash: \$105.00 FL Documentary Stamp Tax	\$105.00
Total Charges Paid in Cash:	\$205.00

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED AUGUST 29, 2016.

**BORROWER:**

FLORIDA UTILITY SERVICES 1, LLC

By:   
MICHAEL A. SMALLRIDGE, Manager of FLORIDA  
UTILITY SERVICES 1, LLC

## ERRORS AND OMISSIONS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$30,000.00	08-29-2016	09-05-2019	██████████43	4A / 313		***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** FLORIDA UTILITY SERVICES 1, LLC  
 3336 GRAND BLVD., SUITE 102  
 HOLIDAY, FL 34690

**Lender:** IBERIABANK  
 INVERNESS BRANCH  
 1777 W. MAIN STREET  
 INVERNESS, FL 34450

**LOAN NO.:** ██████████43

The undersigned Borrower for and in consideration of the above-referenced Lender funding the closing of this loan agrees, if requested by Lender or Closing Agent for Lender, to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market said loan to any entity, including but not limited to an investor, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Authority or the Department of Veterans Affairs.

The undersigned Borrower does hereby so agree and covenant in order to assure that this loan documentation executed this date will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to said loan documentation.

DATED effective this **August 29, 2016**

**BORROWER:**

FLORIDA UTILITY SERVICES 1, LLC

By: *Michael A. Smallridge*  
 MICHAEL A. SMALLRIDGE, Manager of FLORIDA UTILITY SERVICES 1, LLC

Sworn to and subscribed before me this 30 day of August, 2016.



X *Kathleen Patricia Kirkland*  
 (Notary Public)

My Commission Expires: \_\_\_\_\_

**SOUTHERN ELECTRIC & COMMUNICATIONS, INC.**  
**1455 ADAMS BARN ROAD**  
**LAKE ALFRED, FLORIDA 33850**  
**Telephone (863) 956-9677**  
**Facsimile (863) 956-5174**  
**LIC# EC13005515**

August 23, 2016

Proposal Submitted to:  
Mike Smallridge

RE: **Well #4** Upgrade at 4927 Zodiac Holiday Fl

*We hereby propose to furnish the materials and perform the labor necessary for the completion of the following:*

1. Upgrade service to 100 amps
2. Install new 3 phase 12 circuit panel with main breaker
3. Provide and install new starter control cabinet
4. Provide and install new conduit and wire from starter to the well
5. Re run power to the chlorine pump, relocate if necessary
6. Provide and install new Nema size 3 starter with 3 heaters rated for a 20hp pump
7. Provide and install new ICM 450 control phase loss monitor

Labor:           \$ 850.00  
Material:       \$ 4,232.00  
Total:           \$ 5,082.00

*All material is guaranteed to be specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of five thousand and eighty-two dollars (\$5,082.00) with payment to be made upon completion of the job.*

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted: *Jeffrey L. Erickson, Sr.*

---

**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date: 9-1-16

Signature: *Muel Moore*

**SOUTHERN ELECTRIC & COMMUNICATIONS, INC.**  
**1455 ADAMS BARN ROAD**  
**LAKE ALFRED, FLORIDA 33850**  
**Telephone (863) 956-9677**  
**Facsimile (863) 956-5174**  
**LIC# EC13005515**

August 23, 2016

Proposal Submitted to:  
Mike Smallridge

RE: Well #2 Upgrade at 4843 Panorama Ave Holiday Fl

*We hereby propose to furnish the materials and perform the labor necessary for the completion of the following:*

1. Upgrade service to 100 amps
2. Install new 3 phase 12 circuit panel with main breaker
3. Provide and install new starter control cabinet
4. Provide and install new conduit and wire from starter to the well
5. Re run power to the chlorine pump, relocate if necessary
6. Provide and install new Nema size 2 starter with 3 heaters rated for a 15hp pump
7. Provide and install new ICM 450 control phase loss monitor

Labor:           \$ 850.00  
Material:        \$ 3,272.00  
Total:           \$ 4,122.00

*All material is guaranteed to be specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of four thousand one hundred and twenty-two dollars (\$4,122.00) with payment to be made upon completion of the job.*

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted: Jeffrey L. Erickson, Sr.

---

**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date: 9-1-16                      Signature: Michael Amaze

**Pope's Water Systems, Inc.**

**Well Drilling**

17610 US Highway 41 North  
Lutz, FL 33549-4572  
Phone 813-949-7413  
Fax 813-948-8731

**Proposal**

Date	Proposal #
8/15/2016	9837

Florida Utilities Services  
c/o Crestridge  
3336 Grand Blvd. Ste 201  
Holiday, FL 34690

Project Location	Crestridge Well #2
Description	20 HP Turbine Pump Replace
Owner/Builder	
Customer Ph	
Cell Phone	Jackie Love - 863-232-7969
Work Phone	Mike - 352-302-7406
Terms	\$5000 Deposit Required

Item	Qty.	Description	Unit	Total
		325 GPM @ 150 TDH		
SP-100	1	1 - 20 HP Franklin Electric Submersible Motor - 230 Volts - 3-Phase 1 - 20 HP Grunfos Stainless Steel Submersible Pump - 300S200-5AA 50' - #4 x 3 Submersible Wire with Ground 42' - 3" Galvanized Drop Pipe 2 - 3" x 12" Galv. Nipple 1 - 3" Galvanized Tee 1 - 3" x 3/4" Galv. Bushing 1 - 3/4" Sample Tap 1 - Splice Kit 1 - 8" x 3" Well Seal 1 - 3/4" Sample Tap 1 - Well Vent Electrical Junction Box and Polaris Connectors 1 - 4" x 3" Threaded Flange and Bolts 1 - 4" PVC Flange	7,568.20	7,568.20
SL-800		Labor to Pull 20 HP Turbine Pump	1,200.00	1,200.00
SL-800		Labor to Install Submersible Pump and Accessories. Pump Off Well - Up to 1 Hour.  **** Additional Time to Pump Off Well Shall Be \$195.00 Per Hour.  ****Use Customers Existing Motor Control. Any Additional Electrical By Others.  ****Water Testing and Noticing By Others.	1,500.00	1,500.00

ACCEPTANCE OF PROPOSAL: The above prices, specifications and conditions are hereby accepted. You are authorized to perform the work as specified. I understand that this proposal is an estimate for the work to be performed and due to the nature of the work, the well depth, quantity and type of casing, depth of drop pipe & wire, and the quantity of bags of cement may be greater or less than the estimate. I understand that Pope's Water Systems, Inc. is not responsible for damages to sidewalks, driveways, or lawns and landscapes. Warranty work will only be done during regular business hours. Balance is due upon completion.  
PRICE QUOTED VALID FOR 30 DAYS. NO GUARANTEE OF WATER QUALITY OR AGAINST MINERALS AND/OR CHLORIDES IN WATER.

<b>Subtotal</b>	\$10,268.20
<b>Sales Tax (7.0%)</b>	\$529.77
<b>Total</b>	\$10,797.97

*Paul E. Pope*

Accepted Signature & Date

Print Name

*Michael Smalldridge*  
Michael Smalldridge

**Pope's Water Systems, Inc.**

**Well Drilling**

17610 US Highway 41 North  
Lutz, FL 33549-4572  
Phone 813-949-7413  
Fax 813-948-8731

**Proposal**

Date	Proposal #
8/19/2016	9848

Florida Utility Services  
C/O Crestridge  
3336 Grand Blvd., Ste 102  
Holiday, Florida 34690

Project Location	Crestridge Well # 4
Description	15 HP Turbine Pump Replacement
Owner/Builder	Crestridge
Customer Ph	
Cell Phone	Mike: 352-302-7406
Work Phone	Mike: 352-302-7406
Terms	\$5000 Deposit Required

Item	Qty.	Description	Unit	Total
		255 GPM @ 150 TDH		
SP-100	1	1 - 15 HP Franklin Electric Submersible Motor - 230 Volts - 3-Phase 1 - 15 HP Grunfos Stainless Steel Submersible Pump - 230S150-4 50' - # 6 x 3 Submersible Wire with Ground 42' - 3" Galvanized Drop Pipe 2 - 3" x 12" Galv. Nipple 1 - 3" Galvanized Tee 1 - 3" x 3/4" Galv. Bushing 1 - 3/4" Sample Tap 1 - Splice Kit 1 - 8" x 3" Well Seal 1 - 3/4" Sample Tap 1 - Well Vent Electrical Junction Box and Polaris Connectors 1 - 4" x 3" Threaded Flange and Bolts 1 - 4" PVC Flange	6,503.47	6,503.47
SL-800		Labor to Pull 15 HP Turbine Pump	1,200.00	1,200.00
SL-800		Labor to Install Submersible Pump and Accessories. Pump Off Well - Up to 1 Hour.  **** Additional Time to Pump Off Well Shall Be \$195.00 Per Hour.  ****Use Customers Existing Motor Control. Any Additional Electrical By Others.  ****Water Testing and Noticing By Others.	1,500.00	1,500.00

**ACCEPTANCE OF PROPOSAL:** The above prices, specifications and conditions are hereby accepted. You are authorized to perform the work as specified. I understand that this proposal is an estimate for the work to be performed and due to the nature of the work, the well depth, quantity and type of casing, depth of drop pipe & wire, and the quantity of bags of cement may be greater or less than the estimate. I understand that Pope's Water Systems, Inc. is not responsible for damages to sidewalks, driveways, or lawns and landscapes. Warranty work will only be done during regular business hours. Balance is due upon completion.  
**PRICE QUOTED VALID FOR 30 DAYS. NO GUARANTEE OF WATER QUALITY OR AGAINST MINERALS AND/OR CHLORIDES IN WATER.**

<b>Subtotal</b>	\$9,203.47
<b>Sales Tax (7.0%)</b>	\$455.24
<b>Total</b>	\$9,658.71

Paul E. Pope

Accepted Signature & Date

Print Name

Michael Smallridge

**Pope's Water Systems, Inc.**  
**Well Drilling**

17610 US Highway 41 North  
 Lutz, FL 33549-4572  
 Phone 813-949-7413  
 Fax 813-948-8731

**Invoice**

Date	Invoice #
9/19/2016	9837

Bill To
<b>Florida Utilities Services          c/o Crestridge          3336 Grand Blvd. Ste 201          Holiday, FL 34690</b>

P.O. No.		Terms	Project Location		
		\$5000 Deposit Required	<b>Crestridge #2</b>		
Item	Qty	Description	Unit	Amount	
SL-800		Labor to Pull 20 HP Turbine Pump	1,200.00	1,200.00	
SL-800		Labor to Install Submersible Pump and Accessories. Pump Off Well - Up to 1 Hour.  **** Additional Time to Pump Off Well Shall Be \$195.00 Per Hour.  ****Use Customers Existing Motor Control. Any Additional Electrical By Others.  ****Water Testing and Noticing By Others.	1,500.00	1,500.00	



**Pump includes a 1-year manufacturer warranty.**

**Well X-Trol Tanks include a 5-year manufacturer warranty.**

<b>Subtotal</b>	\$10,541.88
<b>Sales Tax</b>	\$548.93
<b>Total</b>	\$11,090.81
<b>Payments/Credits</b>	-\$5,000.00
<b>Balance Due</b>	\$6,090.81

# Pope's Water Systems, Inc.

## Well Drilling

17610 US Highway 41 North  
 Lutz, FL 33549-4572  
 Phone 813-949-7413  
 Fax 813-948-8731

# Invoice

Date	Invoice #
9/19/2016	9837

Bill To
<b>Florida Utilities Services</b> <b>c/o Crestridge</b> <b>3336 Grand Blvd. Ste 201</b> <b>Holiday, FL 34690</b>

P.O. No.		Terms	Project Location		
		\$5000 Deposit Required	<b>Crestridge #2</b>		
Item	Qty	Description	Unit	Amount	
SP-100	1	<b>325 GPM @ 150 TDH - 12" Well</b> 1 - 20 HP Franklin Electric Submersible Motor - 230 Volts - 3-Phase 1 - 20 HP Grundfos Stainless Steel Submersible Pump - 300S200-5AA 50' - #4 x 3 Submersible Wire with Ground 42' - 3" Galvanized Drop Pipe 2 - 3" x 12" Galv. Nipple 1 - 3" Galvanized Tee 1 - 3" x 3/4" Galv. Bushing 1 - 3/4" Sample Tap 1 - Splice Kit 1 - 8" x 3" Well Seal 1 - 3/4" Sample Tap 1 - Well Vent Electrical Junction Box and Polaris Connectors 1 - 4" x 3" Threaded Flange Stainless Steel Bolts, Nuts and Washers	7,568.20	7,568.20T	
SP-100		Additional Cost for 12" x 3" Well Seal with Shipping in Lieu of 8" x 3".	273.68	273.68T	



<b>Subtotal</b>
<b>Sales Tax</b>
<b>Total</b>
<b>Payments/Credits</b>
<b>Balance Due</b>



**Pope's Water Systems, Inc.**  
**Well Drilling**

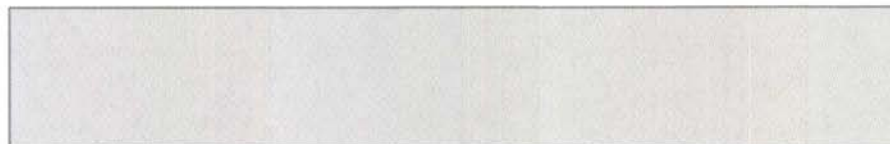
17610 US Highway 41 North  
 Lutz, FL 33549-4572  
 Phone 813-949-7413  
 Fax 813-948-8731

**Invoice**

Date	Invoice #
9/19/2016	9848

Bill To
<b>Florida Utilities Services</b> <b>c/o Crestridge</b> <b>3336 Grand Blvd. Ste 201</b> <b>Holiday, FL 34690</b>

P.O. No.		Terms	Project Location		
		\$5000 Deposit Required	<b>Crestridge #4</b>		
Item	Qty	Description	Unit	Amount	
SL-800		Labor to Pull 15 HP Turbine Pump	1,200.00	1,200.00	
SL-800		Labor to Install Submersible Pump and Accessories. Pump Off Well - Up to 1 Hour.	1,500.00	1,500.00	
**** Additional Time to Pump Off Well Shall Be \$195.00 Per Hour. ****Use Customers Existing Motor Control. Any Additional Electrical By Others. ****Water Testing and Noticing By Others.					



**Pump includes a 1-year manufacturer warranty.**

**Well X-Trol Tanks include a 5-year manufacturer warranty.**

<b>Subtotal</b>	\$9,477.15
<b>Sales Tax</b>	\$474.40
<b>Total</b>	\$9,951.55
<b>Payments/Credits</b>	-\$5,000.00
<b>Balance Due</b>	\$4,951.55

**Pope's Water Systems, Inc.**  
**Well Drilling**

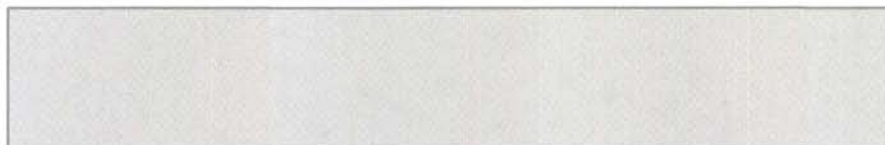
17610 US Highway 41 North  
 Lutz, FL 33549-4572  
 Phone 813-949-7413  
 Fax 813-948-8731

**Invoice**

Date	Invoice #
9/19/2016	9848

Bill To
<b>Florida Utilities Services          c/o Crestridge          3336 Grand Blvd. Ste 201          Holiday, FL 34690</b>

P.O. No.		Terms	Project Location		
		\$5000 Deposit Required	<b>Crestridge #4</b>		
Item	Qty	Description		Unit	Amount
SP-100	1	255 GPM @ 150 TDH 12" Well 1 - 15 HP Franklin Electric Submersible Motor - 230 Volts - 3-Phase 1 - 15 HP Grunfos Stainless Steel Submersible Pump - 230S150-4 50' - # 6 x 3 Submersible Wire with Ground 42' - 3" Galvanized Drop Pipe 2 - 3" x 12" Galv. Nipple 1 - 3" Galvanized Tee 1 - 3" x 3/4" Galv. Bushing 1 - 3/4" Sample Tap 1 - Splice Kit 1 - 8" x 3" Well Seal 1 - 3/4" Sample Tap 1 - Well Vent Electrical Junction Box and Polaris Connectors 1 - 4" x 3" Threaded Flange Stainless Steel Bolts, Nuts and Washers		6,503.47	6,503.47T
SP-100		Additional Cost for 12" x 3" Well Seal with Shipping in Lieu of 8" x 3".		273.68	273.68T



<b>Subtotal</b>
<b>Sales Tax</b>
<b>Total</b>
<b>Payments/Credits</b>
<b>Balance Due</b>