



FRIEDMAN,
FRIEDMAN & LONG, P.A.
ATTORNEYS & COUNSELORS

June 9, 2014
Via E-Filing

Carlotta S. Stauffer, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 130265-WU; Application for a Staff Assisted Rate Case in Charlotte County
by Little Gasparilla Water Utility, Inc.
Our File No.: 35019.04

Dear Ms. Stauffer:

Little Gasparilla Water Utility, Inc. previously sent responses to the Staff's Second Data Request dated April 30, 2014. Attached is the Response to No. 13, which was not available at the time of the prior filing.

Should you or Staff have any questions concerning this filing, please do not hesitate to give me call.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Martin S. Friedman", written in a cursive style.

MARTIN S. FRIEDMAN
For the Firm

MSF/

cc: Jack Boyer (via e-mail)
Sonica Bruce (via e-mail)



June 4, 2014

Little Gasparilla Water Utility, Inc.
Mr. & Mrs. John Boyer
P.O. Box 5159
Grove City, FL 34224

RE: Loan Commitment

Dear Mr. & Mrs. Boyer:

Stonegate Bank (the "Bank") is pleased to offer you (the "Borrower") a commitment to lend on the following basic terms and conditions:

BORROWER: Little Gasparilla Water Utility, Inc.

GUARANTORS: John R. Boyer and Diane K. Boyer

PURPOSE: Proceeds to be used to finance the costs of a water transmission line that will connect the Charlotte County Utilities Plan to Little Gasparilla Water Utility, Inc. delivery system on Little Gasparilla Island and replace their existing structure and pay off in full an existing loan with BB&T.

LOAN AMOUNT: \$880,000.00, not to exceed 85% of project cost.

TERM: 6-Years; 12 month construction term followed by 5-year term note.

INTEREST RATE: Fixed at 4.75% for term of loan.

TERMS OF REPAYMENT: Twelve month interest only draw period followed by monthly principal and interest payments based on a 20-year amortization. Balloon payment of outstanding principal and accrued interest due at maturity.

PREPAYMENT PENALTY: None unless refinanced by another financial institution, then 3% of outstanding balance in year one, 2% of outstanding balance for the second year, 1% of outstanding balance for the remaining term of the loan.

COMMITMENT /BANK FEE: \$4,500.00 payable one-half upon acceptance of commitment letter and balance due as closing.

500 U.S. 41 Bypass North ■ Venice, Florida 34285

phone: 941.237.2000 ■ fax: 941.237.2001 ■ WWW.STONEGATEBANK.COM

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COLLATERAL: Borrower's obligation to repay the Loan will be secured by the following (collectively, the "Collateral"):

- A priority lien on all monthly billings as well as a priority lien on all assets of the company specifically the water transmission equipment (including lines) of the company and accounts receivable.
- A 1st mortgage lien on Water Plant (Charlotte County Parcel #422022180009).
- A \$250,000.00 Assignment of Life Insurance insuring John K. Boyer.

INSURANCE:

At the time the loan closes and all times thereafter, until the loan is paid in full, you must maintain applicable insurance on the collateral against such risks and in such form and amount as the Bank may require. The Bank must be named as a loss payee on the policies and you must provide us with the insurance certificates. The insurance must be issued by a company approved by the Bank and licensed to transact business in the state in which the collateral is located.

FINANCIAL INFORMATION OF BORROWER AND GUARANTORS:

Until the loan is repaid in full, the Borrower will be obligated on a continuing basis to provide the Bank with such financial information concerning the Borrower as the Bank may reasonably request from time to time.

The Borrower/Guarantors will also provide the Bank with copies of their federal income tax returns within 30 days after the date they are submitted to the appropriate tax authorities.

The Guarantors will provide the Bank with an updated personal financial statement annually by May 31st each year.

The Borrower will immediately inform the Bank of any material change in the condition, financial or otherwise, of the Borrower and of any actual or threatened litigation, which might substantially affect the condition, financial or otherwise, of the Borrowers.

Financial Covenants: Borrower will not create, incur, assume or become liable in any manner for any indebtedness (for borrowed money, deferred payment for the purchase of assets, lease payments, as surety or guarantor for the debt for another, or otherwise other than to the Bank) except for normal trade debts incurred in the ordinary course of Borrower's business that do not individually exceed \$50,000, and except for existing indebtedness disclosed to the Bank in writing and acknowledged by the Bank prior to the date of this Commitment Letter.

LOAN DOCUMENTS:

The closing of the loan is contingent upon the proper execution and delivery of necessary loan documents which will be acceptable to Stonegate Bank.

OTHER CONDITIONS:

1. There is no charter, bylaw, stock provision, agreement or other document pertaining to the organization, power or authority of Borrower and no provision of any existing agreement, mortgage, indenture or contract binding on Borrower or affecting its property, which would conflict with or in any way prevent the execution, delivery or

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carrying out of the terms of this Commitment Letter. Borrower attests that all warranties, representations, or statements made or furnished to the Bank by Borrower, in connection with the issuance of this Commitment Letter, do not violate the covenants and conditions of any other financial obligations the Borrower/ Guarantors, and/or related entity, has existing as of the date of this Commitment Letter, and will not violate any future incurred financial obligations.

2. There is no proceeding involving Borrower/Guarantors, and/or related entity, pending or, to the knowledge of borrower, threatened before any court or governmental authority, agency or arbitration authority, except as disclosed to the Bank in writing and acknowledged by the Bank prior to the date of this Commitment Letter.
3. Set up lockbox deposit for borrower's collection of monthly receipt of payments in a depository account with Bank which product will be put in place post-closing upon bank product being compatible to collection of such deposits.
4. Loan advances to be controlled by Bank for construction portion of the loan; supported by contractor draw requests and Borrower's approval.
5. BB&T to terminate UCC filings upon payoff of their loans to Borrower.
6. Subordinate Lien position of Island Dreams North related loan to Bank.
7. Any new customers that hook up for water service during 12 month construction period the funds received will be held in a Bank Controlled Escrow Checking Account with Stonegate Bank which funds will be applied to the outstanding principal balance of loan prior to term out period. Borrower to provide the bank with a monthly report of new customer.

Prior to closing Borrower shall provide to Bank:

1. Receipt of payoff letter from BB&T
2. Receipt of certified construction costs for the project. Completed sources and uses and draw schedule for both water connection and facility renovation.
3. Receipt of fully executed construction contracts.
4. Receipt of Contractors Insurance (including workers compensation).
5. Receipt of Contractors Licenses
6. Receipt of fully executed final contract with Charlotte County Utilities.
7. Receipt of Builders Risk Insurance (including wind & flood if applicable).
8. Copy of Corporate Documents (Articles of Incorporation and Bylaws)

While we intend to conform to our customary requirements for this type of loan, this loan commitment letter is not intended to include all of the requirements for the loan. We reserve the right to require additional information, documentation, and the satisfaction of conditions we consider appropriate or required to consummate the loan transaction.

LOAN CLOSING:

The loan closing must occur on or before July 31, 2014. If the loan is not closed on or before that date, our obligation to fund the loan will terminate. If, prior to closing, there is a material adverse change in your business or affairs, or if we discover adverse circumstances of which we are currently unaware, we may rescind this commitment, in which case we will have no further obligation to fund the loan.

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COMMITMENT PROVISIONS SURVIVE CLOSING:

The provisions of this letter agreement will survive the closing of the loan and will not be merged into any of the other Loan Documents. If any terms in this letter agreement are inconsistent with those of the other Loan Documents, the terms of the other Loan Documents will control.

LOAN CLOSING COSTS:

You will be responsible for the payment of all costs and expenses incurred in connection with the closing of the loan, including without limitation, insurance, and our attorneys' fees, regardless of whether the loan actually closes.

MODIFICATION:

No modification or amendment of any provision of this agreement or in any other Loan Document executed pursuant to this agreement will be effective unless in writing and signed by an authorized officer of the Bank.

CONFIDENTIALITY:

The terms of this loan commitment are confidential. You agree not to disclose the contents of this loan commitment to any other lender.

COMMITMENT EXPIRATION:

This commitment will expire unless it has been accepted by you in writing and the acceptance received by the undersigned on or before June 12, 2014.

DEPOSIT RELATIONSHIP:

Borrower is required to maintain principal operating account at Stonegate Bank during the term of the loan. We are a relationship-oriented bank and we look forward to handling your financial needs.

This loan commitment is communicated only to the Borrower and may not be transferred by the Borrower to anyone else. Bank's obligations under this Commitment are conditioned on the fulfillment to Bank's sole satisfaction of each term and condition referenced by this Commitment. If the terms and conditions outlined in this letter are acceptable, please evidence your acceptance by signing and returning the original copy of this letter to me. Unless I receive your written acceptance within the time specified in this letter, your application and our loan approval will be considered withdrawn.

We appreciate the opportunity to serve your lending needs. Please evidence your acceptance by signing and returning the original copy of this letter to me. We hope you will permit us to assist you in satisfying your other financial goals. We look forward to working with you in connection with this loan transaction.

Sincerely,



Stonegate Bank

By: Kathleen R. Castellano
Sr. Vice President – Relationship Manager

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ACCEPTANCE OF LOAN COMMITMENT:

Each of the undersigned hereby accepts the Loan Commitment set forth above, subject to the terms and conditions set forth therein, this _____ day of _____, 2014.

**BORROWER:
LITTLE GASPARILLA WATER UTILITY, INC.**

By: _____
John R. Boyer, Vice President

By: _____
Diane K. Boyer, President

GUARANTORS:

By: _____
John R. Boyer, Individually

By: _____
Diane K. Boyer, Individually