

State of Florida



ORIGINAL

Public Service Commission

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

RECEIVED FPSC

MAR 10 11:49

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

COMMISSION CLERK

DATE: March 10, 2005

TO: Division of the Commission Clerk & Administrative Services

FROM: Shannon J. Hudson, Regulatory Analyst IV, Division of Economic Regulation

RE: Docket No. 030191-SU – Complaint against K W Resort Utilities Corp. by Historic Seaport District, Inc. d/b/a Hurricane Hole Marina regarding capacity reservation fees in Monroe County

The attached letters were sent to the Division of Economic Regulation. Please include them in the official docket file for Docket No. 030191-SU.

Thank You.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC j
- OTH _____

DOCUMENT NUMBER-DATE
 02390 MAR 10 08
 FPSC-COMMISSION CLERK

HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

March 6, 2005

Mr. Troy Rendell
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 030191-SU- Complaint against KW Resort Utilities Corp. by
Historic Seaport District, Inc. d/b/a Hurricane Hole Marina regarding sewer
capacity reservation fees in Monroe County

Via FedEx

Dear Troy

As I explained by phone on March 4, 2005, I am still having trouble trying to negotiate a fair impact fee based on our sewer usage. As is evidenced by my August 18, 2004 letter, our usage is just not as much as the Utility wants to charge me for.

The updated numbers since that letter, from the Utilities OWN billing (see attachment) are:

Aug/2004	58.5/M Gal	=	7.5 ERU's
Sept/2004	49.9/M	=	6.4
Oct/2004	10.2/M	=	1.3
Nov/2004	9.1/M	=	1.2
Dec/2004	49.9/M	=	6.4
Jan/2005	67.8/M	=	8.7

Our highest usage to date was Apr/2004 where an ERU equivalence would be 11.2

Troy, I really do not mind paying for my fair share of capacity, but I strongly object to paying for capacity I will never use. And, even if some day I do use more than I have paid for, the contract with them allows them to bill me for the overage.

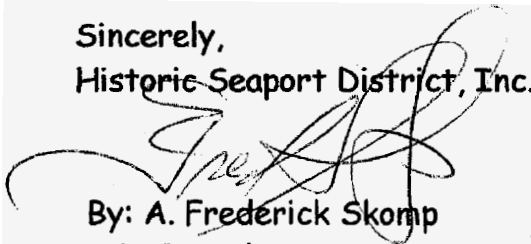
HISTORIC SEAPORT DISTRICT, INC.

Dba Hurricane Hole Marina

I have offered to pay them for a total of 20 ERU's (we have already paid for 13.75). I believe more than 20 is just extortion.

Please call me at (305)360-2910 (my cell phone) at any time. I, too am anxious to bring this matter to a close.

Sincerely,
Historic Seaport District, Inc.



By: A. Frederick Skomp
It's: President

Attachment

KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	115.24
THANK YOU FOR YOUR PAYMENT	-241.59
THANK YOU FOR YOUR PAYMENT	-115.24
PER M GALLONS 49.9/M	154.19
COMMERCIAL SEWER - BASE RATE	27.94

BILL DATE	AMOUNT DUE
12/30/2004	-59.46

AUTO DEBIT WILL OCCUR JAN
 TO SIGN UP FOR AUTO DEBIT CAL

SEND PAYMENTS TO:
 KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	-59.46
PER M GALLONS 67.8/M	209.50
COMMERCIAL SEWER - BASE RATE	27.94

BILL DATE	AMOUNT DUE
01/31/2005	177.98

AUTO DEBIT WILL OCCUR FEBRUAR
 TO SIGN UP FOR AUTO DEBIT CAL

Due 2/1st

UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
Beginning balance	390.84
Thank you for your payment	-208.71
Per M Gallons 10.2/M	31.52
Commercial Sewer - base rate	27.94

BILL DATE	AMOUNT DUE
10/31/04	\$241.59

Due 20th

SEND PAYMENTS TO:
 KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	390.84
THANK YOU FOR YOUR PAYMENT	-208.71
PER M GALLONS 9.01/M	31.52
COMMERCIAL SEWER - BASE RATE	27.94

BILL DATE	AMOUNT DUE
11/30 2004	177.98

AUTO DEBIT WILL TAKE PLI

UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	458.82
THANK YOU FOR YOUR PAYMENT	-250.11
PER M GALLONS 49.9/M	154.19
COMMERCIAL SEWER - BASE RATE	27.94

BILL DATE	AMOUNT DUE
09/30/2004	182.13

LOG ON TO KWRL.COM FOR OI
 "CUSTOMER PIPELINE" NEWS!

21st

SEND PAYMENTS TO:
 KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	467.37
THANK YOU FOR YOUR PAYMENT	-217.26
PER M GALLONS 58.5/M	180.77
COMMERCIAL SEWER - BASE RATE	27.94

BILL DATE	AMOUNT DUE
08/31/2004	458.82

208.71

HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

September 2, 2004

Mr. Troy Rendell
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RESOLUTION

04 SEP - 9 10:10:12

RE: Docket No. 030191 – SU – Complaint against KW Resort Utilities Corp. by
Historic Seaport District, Inc. d/b/a/ Hurricane Hole Marina regarding capacity
reservation fees in Monroe County

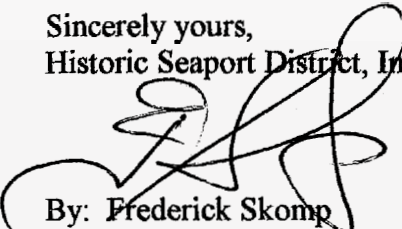
Dear Mr. Rendell:

Attached are copies of the billings from K W Resort Utilities as you requested via phone. The first four months gallonages that I referred to in my August 18, 2004 letter to Ms. Hudson were transposed a little; but the inaccuracies do not change the reality that our usage was *not close* to what was predicted by K W Resort Utilities.

I wish to proceed to a hearing, or in the alternative, have the complaint settled by allowing us a realistic 12.75 ERC capacity reservation fee. That would mean that the \$34,425 already paid as a reservation fee would be our final and only fee ($\$34,425 / \$2700.00 = 12.75$ ERC).

I will await a response from your office as to the disposition of this case.

Sincerely yours,
Historic Seaport District, Inc.


By: Frederick Skomp
Its: President

Attachments

KW RESORT UTILITIES CORP.
 P.O. BOX 2125
 KEY WEST, FL 33045
 305-294-9578

302/1

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	129.58
THANK YOU FOR YOUR PAYMENT	-151.73
PER M GALLONS 46.8/M	141.34
COMMERCIAL SEWER - BASE RATE	27.31

#1952
 11/20/03

BILL DATE	AMOUNT DUE
10/31/2003	289.42

EMERGENCY SERVICE HOTLINE
 CLEANING THIS MONTH

Due 21st

SEND PAYMENTS TO:
 KW RESORT UTILITIES CORP.
 P.O. BOX 2125
 KEY WEST, FL 33045
 EMERGENCY SERVICE HOTLINE
 305-295-0309
 ACCOUNTING OFFICE
 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	125.46
THANK YOU FOR YOUR PAYMENT	-125.46
COMMERCIAL SEWER - BASE RATE	27.55
PER M GALLONS 65.4/M	199.47

#12054
 2-21-04

BILL DATE	AMOUNT DUE
01/31/2004	227.02

CUSTOMERS WHO HAVE SIGNED UP
 DEBIT-PAYMENT WILL BE DEDUCTE

Due 19

KW RESORT UTILITIES CORP.
 P.O. BOX 2125
 KEY WEST, FL 33045
 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	125.46
THANK YOU FOR YOUR PAYMENT	-125.46
PER M GALLONS 46.8/M	141.34
COMMERCIAL SEWER - BASE RATE	27.31

54.7

BILL DATE	AMOUNT DUE
10/31/2003	289.42

EMERGENCY SERVICE HOTLINE
 CLEANING THIS MONTH

SEND PAYMENTS TO:
 KW RESORT UTILITIES CORP.
 P.O. BOX 2125
 KEY WEST, FL 33045
 EMERGENCY SERVICE HOTLINE
 305-295-0309
 ACCOUNTING OFFICE
 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	125.46
THANK YOU FOR YOUR PAYMENT	-125.46
COMMERCIAL SEWER - BASE RATE	27.55
PER M GALLONS 65.4/M	199.47

BILL DATE	AMOUNT DUE
01/31/2004	227.02

Due 19

KW RESORT UTILITIES CORP.
 P.O. BOX 2125
 KEY WEST, FL 33045
 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	125.46
THANK YOU FOR YOUR PAYMENT	-125.46
PER M GALLONS 41.4/M	125.03
COMMERCIAL SEWER - BASE RATE	27.31

64.4

BILL DATE	AMOUNT DUE
10/31/2003	289.42

EMERGENCY SERVICE HOTLINE
 CLEANING THIS MONTH

SEND PAYMENTS TO:
 KW RESORT UTILITIES CORP.
 P.O. BOX 2125
 KEY WEST, FL 33045
 EMERGENCY SERVICE HOTLINE
 305-295-0309
 ACCOUNTING OFFICE
 305-294-9578

ACCOUNT NO.	SEC/LOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	209.42
THANK YOU FOR YOUR PAYMENT	-209.42
PER M GALLONS 41.4/M	125.03
COMMERCIAL SEWER - BASE RATE	27.31

BILL DATE	AMOUNT DUE
11/30/2003	152.34

KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SECLOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	236.78
THANK YOU FOR YOUR PAYMENT	-236.78
PER M GALLONS 84/M	256.20
COMMERCIAL SEWER - BASE RATE	27.55

BILL DATE	AMOUNT DUE
04/30/2004	283.75

AMOUNT DUE

Due 20th

SEND PAYMENTS TO:
KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SECLOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	202.32
THANK YOU FOR YOUR PAYMENT	-202.32
COMMERCIAL SEWER - BASE RATE	27.55
PER M GALLONS 68.6/M	209.23

BILL DATE	AMOUNT DUE
03/31/2004	236.78

AMOUNT DUE

CUSTOMERS WHO HAVE SIGNED UP DEBIT-PAYMENT WILL BE DEDUCT

Due 20th

KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SECLOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	227.02
THANK YOU FOR YOUR PAYMENT	-227.02
PER M GALLONS 57.3/M	170.77
COMMERCIAL SEWER - BASE RATE	27.55

BILL DATE	AMOUNT DUE
02/29/2004	202.32

AMOUNT DUE

#1762
2/19/04

CUSTOMERS WHO HAVE SIGNED UP DEBIT-PAYMENT WILL BE DEDUCT

3/20 Due

SEND PAYMENTS TO:
KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SECLOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	217.26
PER M GALLONS 71.9/M	222.17
COMMERCIAL SEWER - BASE RATE	27.94

BILL DATE	AMOUNT DUE
07/31/2004	467.37

AMOUNT DUE

25011

AUTO-DEBIT WILL TAKE PLACE ON

-22nd

SEND PAYMENTS TO:
KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SECLOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	220.92
THANK YOU FOR YOUR PAYMENT	-220.92
PER M GALLONS 62.2/M	189.71
COMMERCIAL SEWER - BASE RATE	27.55

BILL DATE	AMOUNT DUE
06/30/2004	217.26

AMOUNT DUE

26

.....

SEND PAYMENTS TO:
KW RESORT EMERGENCY SERVICE HOTLINE
 UTILITIES CORP. 305-295-0309
 P.O. BOX 2125 ACCOUNTING OFFICE
 KEY WEST, FL 33045 305-294-9578

ACCOUNT NO.	SECLOT
HH002	5130 OVERS

TRANSACTION DESCRIPTION	AMOUNT
BEGINNING BALANCE	283.75
THANK YOU FOR YOUR PAYMENT	-283.75
PER M GALLONS 63.4/M	193.37
COMMERCIAL SEWER - BASE RATE	27.55

BILL DATE	AMOUNT DUE
05/31/2004	220.92

AMOUNT DUE

PAID

AUTO-DEBIT CUSTOMERS WILL BE JUNE 22, 2004

HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

August 18, 2004

Ms Shannon Hudson
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

ENVIRONMENTAL
REGULATION

04 AUG 23 AM 9:48

Re: Docket No. 030191-SU – Complaint against K W Resort Utilities Corp. by Historic Seaport District, Inc. d/b/a Hurricane Hole Marina regarding capacity reservation fees in Monroe County

Dear Ms Hudson,

We have now been hooked up to K W Resort Utility sewer for one year and one month. I have records for their billings for each month; the results of this tracking will prove exactly, not theoretically what we should have been charged as impact fees for our sewer. Here are the billed quantities for each month, the ERU's represented by the quantity used, and a notation for some of the months where an anomaly occurred.

July 2003	64.4/m	8.58 ERU	inflated, some dock usage
Aug 2003	54.7	7.29	inflated, some dock usage
Sep 2003	46.8	6.24	reconfigured water
Oct 2003	41.4	5.52	first fully correct bill
Nov 2003	41.4	5.52	
Dec 2003	32.1	4.14	
Jan 2004	65.4	8.44	height of season
Feb 2004	57.3	7.90	height of season
Mar 2004	68.6	8.85	height of season
Apr 2004	84	11.2	height of season
May 2004	63.4	8.18	
Jun 2004	62.2	8.29	
Jul 2004	71.9	9.27	

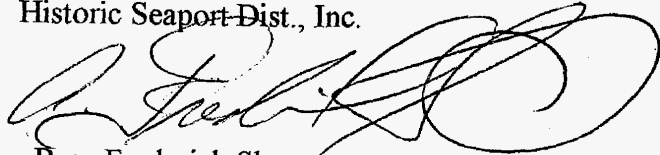
As is very evident, we should not have been charged more than \$30,420.00 for the 11.2/M gallons in April, our highest usage month (11.2 divided by 31 days divided by 250 gallons). Instead we have already paid \$34,425.00 on April 28, 2003, BUT the utility argues that we should still pay an additional \$71,790.00 for a total of 38.05 ERU's.

I have records, we can prove usage for each month. We have already overpaid by \$4,005.00.

We will fight these erroneous, exorbitant fees they have tried to saddle us with. We knew they were high we signed the contract, now we have proof.

I will anxiously await your response

Sincerely,
Historic Seaport Dist., Inc.

A handwritten signature in black ink, appearing to read "Frederick Skomp", written in a cursive style with a large, looping flourish at the end.

By: Frederick Skomp
It's President

HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

October 20, 2003

Mr. Troy Rendell
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0865

031
2003

Re: Docket #030191-SU-complaint against K.W.Resort Utilities Corp. by
Historic Seaport District, Inc. d/b/a Hurricane Hole Marina regarding
capacity reservation fees in Monroe County

Dear Mr. Rendell

Pursuant to your letter to me of October 15, 2003, we do wish to have the
commission hear our complaint regarding the capacity reservation fees that
were charged to us by K.W. Resort Utilities Corp.

Our negotiations with K.W.Resort Utility Corp. were conducted "with a gun
to our head" as we had invested over 2 million dollars into this property and
had no choice but to hook up to their sewer plant. Therefore we signed
their agreement and paid the down payment using 38.05 ERU's that they
demanded. We have felt all along that a true audit of our sewer water would
produce an ERU count of less than half of their demand of 38.05

We will be prepared at the hearing to prove to the Commission what a fair
ERU count should be based on real sewer water usage, as opposed to the
exorbitant number the utility is claiming.

Please advise if I need to provide any other information to ensure that we
stay docketed for a hearing.

Sincerely yours

Historic Seaport District, Inc.

By: A. Frederick Skomp
It's President

STATE OF FLORIDA

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 22, 2002

Doug Carter
Key West Resort Utilities Corp.
P.O. Box 2125
Key West, FL 33045

Re: Capacity Reservation Fee for Hurricane Hole Marina

Dear Mr. Carter:

We recently received a letter from Hurricane Hole Marina concerning the capacity reservation fee charged by Key West Resort Utilities in order for the marina to connect to the Stock Island treatment plant. This letter also contained page 7 of the Marina - Utility Agreement where section (b) lists the area structures of Hurricane Hole Marina and the corresponding ERCs assigned to each. It is the marina's concern that some of these ERCs are overstated and therefore result in incorrect high capacity reservation fees.

Staff has spoken with marina officers regarding their concerns and has also reviewed the findings and settlement included in Docket No. 020520-SU. In this docket, ERCs were determined for a wide variety of connections in Safe Harbor Marina. It appears that many of the connections contained in this docket could be used to estimate the demands placed on KW Resort Utilities by Hurricane Hole Marina. This does not appear, however, to be how these ERCs were determined.

In order to help alleviate the concerns of Hurricane Hole Marina and ensure that proper consideration is given to KW Resort Utilities, please provide staff with further explanation of the following:

The first two lines of the ERC listings on page 7, section (b) of the Marina - Utility Agreement are illegible. Please clarify which structures are listed and the corresponding ERC value.

Please provide circumstances and/or details to the determination of the following ERC values: Bath house, Dry Boat Slips, and Wet Boat Slips.

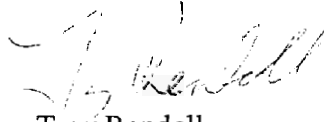
Hurricane Hole Marina intends to open a 150-seat bar/restaurant in

Doug Carter
Page 2
November 22, 2002

early 2003. Please provide explanation to why this capacity has not been included in the listings of page 7, section (b) of the Marina - Utility Agreement.

If you have any questions concerning the above requests, please inform the staff of the Division of Economic Regulation assigned to this matter, Tony Sargent at (850) 413-6968.

Sincerely,



Troy Rendell
Public Utilities Supervisor

TR:ts



HISTORIC SEAPORT DISTRICT, INC.

Db a Hurricane Hole Marina

November 13, 2002

Mr. Marshall Willis
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Fl.

02 NOV 14 PM 3:24
ECONOMIC REGULATION
COMMUNICATIONS

Dear Mr. Marshall:

Hurricane Hole Marina is a new development at Cow Key Channel and Overseas Highway (U.S 1) in Key West, Fl. We have a dry rack storage barn for 56 boats, with some charter boat wet slips. The remainder of the development is (a) CBS building of about 975 square feet (already occupied) and (b) a restroom facility (no showers, just toilets and sinks.) Soon we will be building (c) a dive shop (1,000s.f), and finally (d) a 150-seat restaurant.

We are classified as a private lift facility operator. We have tried to negotiate a fair contract with Key West Resort Utilities to re-direct our sewage from our present anaerobic injection well system to the utility on Stock Island.

As you can see by the attached, unsigned agreement (page7), the Service Company has presented us with a "reservation" of 24 ERC's, not including the restaurant. Although we believe all of the numbers to be high, we cannot accept the "Wet Boat Slips" usage of 14.6 ERC's and the "Dry Boat Slips" usage of 3.6 ERC's. We will not use anything close to these numbers.

We are a daytime marina, with no bathhouse, only toilets. We have no live-a boards; the property is not zoned for them. The present restroom facility is handling all of our needs, and will continue to accommodate all usage. We believe the Service Company has overstated the impact our development will produce by as much as three times.

Although we have met with Mr. Carter, Mr. Smith and Mr. Johnson from the utility, and explained all of the above, we cannot find any justification for

HISTORIC SEAPORT DISTRICT, INC.

DbA Hurricane Hole Marina

this unreasonably high ERC count that they continue to demand. We expect to pay our FAIR share of the Reserve Capacity Fee, but we are being asked

(perhaps forced), to pay this unjustifiable fee to ensure our ability to use their facility.

We would ask you, as the unbiased regulator of this service, to arbitrate this dispute so we can complete our project and be tied into this central sewage plant. We will welcome you to visit our property so we can show you, first hand, why we feel we are being overcharged.

We will anxiously await your return letter or phone call.

Sincerely,

Historic Seaport District, Inc.
DBA Hurricane Hole Marina



By: A. Frederick Skomp
It's President
Cell phone 305-304-9393

Attn: Utility Agreement

CC: Dixie Spehar, Monroe County Commissioner

UTILITY AGREEMENT

THIS UTILITY AGREEMENT (“Agreement”), dated as of the 15 day of October 2002, by and between Key West Resort Utilities, a Florida corporation, having its office(s) at 6450 College Road, Key West Florida 33040, (“Service Company”), and Historic Seaport District a Florida corporation, (US 1 Marina), having its office(s) at 5130 US Highway 1, Key West, Florida 33040. (“Developer”).

R E C I T A L S

- A. Developer is the lessee of certain real property more particularly described on Exhibit “A”, attached hereto and made a part hereof (the “Property”).
- B. Developer proposes to construct, own, operate and maintain sewage collection system on the Property to service existing structures located on the Property.
- C. Service Company owns, operates, manages and controls a central sewage system and is willing to provide sanitary sewer services pursuant to this Agreement.
- D. Developer requests sewer service to their property. Monroe County may allocate funds for the construction of a collection system, by Service Company, that would serve developers property. Although anticipated, Monroe County has not allocated funds for construction at the date of this agreement. If Monroe County does not proceed with the funding, The Service Company will not be responsible for the construction, or expansion, of a system to serve developers property. In this event Developer may construct the extension to the Service Company’s existing central sewerage system or not, but in no event shall the service company be required to refund any deposits here under or shall it excuse Developer from paying all amounts under paragraph 5(c).

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00), and the mutual covenants and agreements hereinafter set forth, and intending to be legally bound thereby, it is agreed as follows:

1. **Definitions**

“Business Day” – shall mean any day of the year in which commercial banks are not required or authorized to close in New York, New York.

“Capacity Reservation Fee” – as such term is defined in Section 5 hereof.

“Central Connection Lines” – shall mean all pipes, lines, valves, pumps and other appurtenances from the Central Sewage System to the Point of Delivery.

“Central Sewage System” – shall mean the central sewage system owned and operated by the Service Company.

“Connection” – as such term is defined in Section 5 hereof.

“Connection Charges” – as such term is defined in Section 5 hereof.

“Customer” – shall mean any residential or commercial customer of Service Company.

“Developer” – as such term is defined at the outset hereof.

“Equivalent Residential Connections” – (ERC), shall be defined as one individual residential connection or, for commercial and other uses, the estimated flow based on the use and Chapter 64E-6 F.A.C., divided by the most recently approved “Capacity Analysis” rate per residential connection (currently 205 gallons per day per residential connection).

“Plans and Specifications” – as such term is defined in Section 2 hereof.

“Point of Delivery” – shall mean the point where Central Connection Lines connect to the proposed sewage collection system at the Property boundary or as specified herein.

“Property” – as such term is defined in the Recitals hereof.

“Property Installations” – shall mean any service lines located on individual lots or parcels of the Property or to buildings located on the Property that connect to the Central Connection Lines.

“Service Company” – as such term is defined at the outset hereof.

“Service Company’s Affiliates” – shall mean any disclosed or undisclosed officer, director, employee, trustee shareholder, partner, principal, parent, subsidiary or other affiliate of Service Company.

“Single Family Installations” – shall mean any service lines that connect single-family residences or lots to the Central Connection Lines.

“System” – shall mean all pipes, lines, manholes; lift or pump stations, reservoirs or impoundments constructed or installed on the Property, in public rights-of-way or easements dedicated to Service Company, or on lands conveyed to Service Company by deed in fee simple, including, without limitation, Central Connection Lines.

“Tariff” – shall mean Service Company’s existing and future schedules of rates and charges for sewer service.

2. **System Construction**

- (a) Prior to the construction and installation of the system, Developer shall, at its sole cost and expense, cause to be prepared and provide to Service Company plans and specifications of the system (“Plans and specifications”), which Plans and Specifications shall be prepared by engineers acceptable to Service company, in its sole and absolute discretion, in accordance with all policies and practices of Service Company and all applicable laws and regulations and standards adopted by the Department of Environmental Protection and Monroe County.
- (b) Service Company shall, in its sole discretion, approve or disapprove of the Plans and Specifications within thirty days (30) of receipt thereof by written notice to Developer.
- (c) Upon Developer’s receipt of Service Company’s written notice of disapproval of the Plans and Specifications, Developer shall promptly revise the Plans and Specifications in accordance with any requirements set forth by Service Company in its written notice of disapproval, and re-submit such revised Plan and specifications to Service Company for approval or disapproval. Service Company shall, in its sole discretion, approve or disapprove of any revised Plans and Specifications with five (5) business days of receipt thereof by written notice to Developer.
- (d) Upon Developer’s receipt of Service Company’s written notice of approval of the Plans and Specifications,

Developer may proceed with the construction and installation of the System. Developer shall notify Service Company seventy-two (72) hours prior to beginning construction. All work shall be completed and inspected by licensed and insured contractors and engineers acceptable to Service Company in its sole and absolute discretion. In accordance with Chapter 62-604 F.A.C., Developer shall provide, at its sole cost, a Professional Engineer Registered in Florida to provide on-site observation during construction and testing and to certify that the system is constructed in compliance with the approved Plans and Specifications. All materials employed by Developer for the System shall be acceptable to Service Company in its sole and absolute discretion. No portion or element of the System shall be covered or concealed until inspected by Service Company. Developer shall notify Service Company of Developer's readiness for inspection of the System, and Service Company shall inspect the System within two (2) business days after each such notice. Any portion of the System not inspected by Service Company within said time period shall be deemed to have been accepted by Service Company. In the event that Service Company determines through any such inspection that any portion of the System does not fully comply with the Plans and specific conditions or applicable laws and regulations, Service Company shall notify Developer in writing of such noncompliance not more than two (2) business days after any such inspection and Developer shall immediately modify the System to insure that the System fully complies with the Plans and Specifications and applicable laws and regulations.

- (e) In the event Service Company discovers that any portion or element of the System has been installed, covered or concealed without the prior approval of Service Company, Developer shall, upon written demand by Service Company, immediately dismantle or excavate such portion of the System at its sole cost and expense.

3. **System Records**

Prior to Service Company's acceptance of all or any portion of the System for service, operation and maintenance or for service only, Developer shall deliver the following records and documents to Service Company:

- (a) Copies of all invoices and/or contracts for the construction and installation.
- (b) An affidavit signed by the Developer stating that there are no parts or portions of the System which are not included in the invoices and contracts noted in subsection (a) above, that said invoices and contracts accurately and fully reflect the total cost of the System and that the System is free and clear of all liens and encumbrances.
- (c) Lien waivers from all contractors, subcontractors, material people, and any other parties that provided labor, services or materials in connection with the construction of the System.
- (d) A reproducible Mylar and two (2) sets of blue line copies, accurately depicting all of the System as constructed and installed, and signed and sealed by the engineer and surveyor of record for the System.
- (e) Copies of the results of all tests conducted on the System.
- (f) Any other records or documents required by applicable law or required under the Tariff.
- (g) A certificate of completion of the System signed and sealed by the engineer of record.
- (h) A copy of the Department of Environmental Protection permit to construct the System and all inspection reports and approvals issued by the Engineer and the Department of Environmental Protection and any other applicable governmental authority or agency.
- (i) Developer shall furnish a one (1) year written warranty and a one (1) year maintenance bond, guaranteeing Service Company against any defects in materials and workmanship of the System for the period of one (1) year after the date of acceptance of the System by the Service Company.
- (j) A bill of sale, in recording form, conveying all right, title and interest in and to the System, including, without limitation, Central Connection Lines and Single Family Installations, to Service Company free of any and all liens and encumbrances.

4. **Property Rights**

Prior to Service Company's acceptance of all or any portion of the System for service, operation and maintenance, Developer shall convey the following property rights and interests for that portion of the System to Service Company:

- (a) A non-exclusive easement in and to any and all portions of the System not located in public rights-of-way of sufficient size to enable Service Company ingress and egress and to operate, maintain and replace such portions of the System not located within public rights-of-way. The foregoing easement shall be in effect for a period of time not less than the period during which the Service Company shall use the System to provide service to Customers.
- (b) A non-exclusive easement of sufficient size to enable ingress, egress and access by Service company personnel or vehicles to any lift or pump station within the System and to any Property Installations. The foregoing easement shall be in effect for a period of time not less than the period during which the Service Company shall use the System to provide service to Customers.
- (c) Notwithstanding the existence of the foregoing easements, Developer retains all rights and privileges to utilize the Property in any manner it deems appropriate provided such use is not inconsistent with the purposes intended for such easements.
- (d) Notwithstanding the foregoing, Service Company will not accept the collection system to be located on Developer's property and the same should be owned and maintained by Developer, subject to Service Company's rules and regulations.

5. **Rates, Fees, Charges**

- (a) All Customers will pay the applicable fees, rates and charges as set forth in the Tariff. Nothing contained in this Agreement shall serve to prohibit Service Company's right to bill or collect its rates and charges from Customers, nor to require compliance with any provision of its Tariff.

(b) Developer shall pay to Service Company a reservation fee (“Capacity Reservation Fee”), in the amount of Two Thousand Seven Hundred (\$2,700.00) dollars per E.R.C. connection to be reserved by Developer to serve the residential or commercial structures to be constructed in or upon the Property (individually, a “Connection”, collectively, the “Connections”). In the event that Developer and Service Company shall not agree as to the number of Connections required by Developer for the Property, the decision of the Service Company shall control, and Developer shall pay for, and Service Company will reserve for Developer, the number of Connections specified by Service Company. Prior to execution of this agreement, Developer shall supply Service Company access and information necessary to determine number of ERC’s proposed. Information may include plans, occupational licenses, etc. for:

*Retail 576 SF	1.0 ERC’s
*Building 1245 SF	.9 ERC
*Dive Shop	1.0 ERC
*CBS Building 975 SF	1.0 ERC
*Bath House Structure	2.4 ERC
*Dry Boat Slips (63)	3.1 ERC
*Wet Boat Slips	14.6 ERC
*Workshop	.1 ERC
Total	24.1 ERC

(c) The Capacity Reservation Fee for each connection shall be payable by Developer to Service Company as follows:

- (i) 1/3 (\$21,690) upon execution of this agreement
- (ii) 2/3 (\$43,380) upon connection to sewer system

(d) In the event of additional development on the property or a change in use Developer shall provide Service Company with a site plan and schedule of proposed development of the Property setting forth the amount of Connections for which capacity shall be additionally reserved under this Agreement. Service Company hereby agrees to reserve such capacity for the benefit for Developer subject to the provisions of this Section 5, provided, however, that such reservations shall not be

effective until Service Company has received the initial installment of the Capacity Reservation Fee in accordance with Section 5 © (I) hereof, and provided, further, that Service Company shall have the right to cancel such reservations in the event of Developer's failure to comply with the terms of this Agreement.

- (e) - Developer shall reimburse Service Company for engineering services and applicable administrative fees necessary to review and approve construction plans and documents and for periodic inspection during construction and testing.
- (f) In the event of default by Developer and the payment of fees hereunder, Service Company may cancel this agreement by giving 30 (thirty) days written notice of default and retain all payments hereunder as liquidated damages.
- (g) Developer agrees that in the event of a change of use or any change that might affect the flows (i.e. Addition of a restaurant) Service Company will be notified and the applicable Capacity Reservation fees will be paid prior to discharge to the Central Sewage System.

6. **Absolute Conveyance**

Developer understands, agrees and acknowledges that Developer's conveyance of any and all easements, real property or personal property (including, without limitation, the System), or payment of any funds hereunder (including, without limitation, the Capacity Reservation Fee and Connection Charges), shall, upon acceptance by Service Company, be absolute, complete and unqualified, and that neither Developer nor any party claiming by or through Developer shall have any right to such easements, real or personal property, or funds, or any benefit which Service Company may derive from such conveyance or payments in any form or manner.

7. **Delivery of Service; Operation and Maintenance**

- (a) Upon Developer's full performance of its obligations under this Agreement, Service Company shall provide service to the Point of Delivery in accordance with the terms of this Agreement and subject to the funding in Recital D, all applicable laws and regulations and shall operate and maintain the System to the Point of Delivery

in accordance with the terms and provisions of this Agreement. Said service shall be provided 9 months after funding of construction by Monroe County.

- (b) Developer shall, at its sole cost and expense, own, operate and maintain all Property Installations that have not been conveyed to Service Company pursuant to the terms and conditions of this Agreement.
- (c) Developer acknowledges that certain water quality standards must be met prior to influent entering the wastewater treatment plant (primarily chloride levels and excessive flows) and agrees to allow Service Company to monitor flows and water quality at Service Company's discretion at a point prior to the Point of Delivery. If it is determined that substandard influent or excessive flows are entering the System via Developers collection system, Developer agrees to isolate the source and to repair or replace the portion or portions of the faulty collection system in a manner acceptable to Service Company in accordance with this agreement.
- (d) In the event any portion of the Property is developed as a condominium, the condominium association shall be required to execute a maintenance agreement with respect to all Property Installations (excluding Single Family Installations). Such maintenance agreement shall provide that if the condominium association fails to adequately maintain and repair any Property Installations, In the event any portion of the Property is developed as a condominium, the condominium association shall be required to execute a maintenance agreement with respect to all Property Installations (excluding Single Family Installations). Such maintenance agreement shall provide that if the condominium association fails to adequately maintain and repair any Property Installations, Service Company shall have the right to maintain and repair such Property Installations at the sole cost and expense of the condominium association.

8. **Repair of System**

In the event of any damage to or destruction of any portion of the System owned, operated or maintained by Service Company (including the Central Connection Lines, the Single Family Installations and lift pump stations on the property), due to any acts

or omissions by Developer, any Customer or their respective agents, representatives, employees, invitees or licensees, Service Company shall repair or replace such damaged or destroyed portion of the System at the sole cost and expense of Developer. Developer shall pay all costs and expenses associated with such repair or replacement within five (5) days after receipt of any invoice from Service Company setting forth any such costs and expenses. Developer shall operate, maintain and repair all other portions of the System at its sole cost and expense.

9. **Term**

This Agreement shall become effective as of the 21st day of March, 2002, and shall continue for so long as Service Company provides sewer service to the public.

10. **Default**

In the event of a default by either party of its duties and obligations hereunder, the non-defaulting party shall provide written notice to the defaulting party specifying the nature of the default and the defaulting party shall have five (5) days to cure any default of a monetary nature and thirty (30) days for any other default. If the default has not been cured within the applicable period (time being of the essence), the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, including but not limited to, the right to damages, injunctive relief and specific performance. Service Company may, at its sole option, discontinue and suspend the delivery of service to the System in accordance with all requirements of applicable law and the Tariff if Developer fails to timely pay all fees, rates and charges pursuant to the terms of this Agreement.

11. **Excuse from Performance**

(a) **Force Majeure**. If Service Company is prevented from or delayed in performing any act required to be performed by Service Company hereunder, and such prevention or delay is caused by strikes, labor disputes, inability to obtain labor, materials or equipment, storms, earthquakes, electric power failures, land subsidence, acts of God, acts of public enemy, wars, blockades, riots, acts of armed forces, delays by carriers, inability to obtain rights-of-way, acts of public authority, regulatory agencies, or courts, or any other cause, whether the same kind is enumerated herein, not within the control of Service Company ("Force Majeure"), the performance of such act

shall be excused for a period equal to the period of prevention or delay.

(b) Governmental Acts If for any reason during the term of this Agreement, other than the fault of Developer, any federal, state or local authorities or agencies fail to issue necessary permits, grant necessary approvals or require any change in the operation of the Central Sewage System or the System ("Governmental Acts"), then, to the extent that such Governmental Acts shall affect the ability of any party to perform any of the terms of this Agreement in whole or in part, the affected party shall be excused from the performance thereof and a new agreement shall be negotiated, if possible, by the parties hereto in conformity with such permits, approvals or requirements. Notwithstanding the foregoing, neither Developer nor Service Company shall be obligated to accept any new agreement if it substantially adds to its burdens and obligations hereunder.

(c) Emergency Situations Service Company shall not be held liable for damages to Developer and Developer hereby agrees not to hold Service Company liable for damages for failure to deliver service to the Property upon the occurrence of any of the following events:

1. A lack of service due to loss of flow or process or distribution failure;
2. Equipment or material failure in the Central Sewage System or the System, including storage, pumping and piping provided the Service Company has utilized its best efforts to maintain the Central Sewage System in good operating condition; and
3. **Force Majeure, unforeseeable failure or breakdown** of pumping, transmission or other facilities, any and all governmental requirements, acts or action of any government, public or governmental authority, commission or board, agency, agent, official or officer, the enactment of any statute, ordinance, resolution, regulation, rule or ruling, order, decree or judgment, restraining order or injunction of any court, including, without limitation, Governmental Acts.

(d) Notwithstanding any excuse of performance due to the occurrence of any of the foregoing events, Developer shall not be excused from payment of any fees, charges

and rates due to Service Company under the terms of this Agreement (including without limitation, the Capacity Reservation Fee and Connection Charges).

12. **Successors and Assigns**

This Agreement and the easements granted hereby, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. **Indemnification**

Developer shall indemnify and defend Service Company and Service Company's affiliates and hold Service Company and Service Company's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses, including, without limitation, attorneys' fees and disbursements, suffered or incurred by Service or any of Service Company's Affiliates and arising out of or in connection with use, occupancy, or operation of the system, the property, or Developer's activities on or about the Property. Developer's duty to indemnify shall also include, but not be limited to, indemnification from and against any fine, penalty, liability, or cost arising out of Developer's violation of any law, ordinance, or governmental regulation, requirement or permit applicable to Developer's operation of the System or Developer's activities on or about the Property. The provisions of this Section 13 shall survive the termination of this Agreement.

14. **Insurance**

Developer shall maintain or cause to be maintained during the entire term of this Agreement, and any extension thereof, a policy of commercial general liability insurance with a broad form contractual liability endorsement covering Developer's indemnification obligations contained in Section 13 of this Agreement, and with a combined single limit of not less than \$1,000,000 general liability, insuring Service Company and Service Company's Affiliates, as additional insured, against any injuries or damages to person or property that may result from or are related to Service Company or Service Company's representatives' actions or omissions under this Agreement, in such forms and with an insurance company acceptable to Service Company, and shall deliver a copy of such insurance policy together with a certificate of

insurance to Service Company prior to or upon execution of this Agreement. All such insurance shall be written on an “occurrence form”.

15. **Notices**

All notices, demands, requests or other communications by either party under this Agreement shall be in writing and sent by (a) first class U.S. certified or registered mail, return receipt requested, with postage prepaid, or (b) overnight delivery service or courier, or (c) telefacsimile or similar facsimile transmission with receipt confirmed as follows:

If to Service Company:

Mr. Doug Carter, General Manager
6450 Junior College Road
Key West, Florida 33040
Fax (305) 294-1212

With a copy to:

Mr. Jeff Weiler, P.E.
Weiler Engineering
1777 Tamiami Trail, Suite 304
Port Charlotte, Florida 33948
Fax (941) 764-8915

If to Developer:

Historic Seaport District Inc.
US 1 Marina
5130 US HWY 1
Key West, Florida 33040

16. **Tariff**

This Agreement is subject to all of the terms and provision of the Tariff. In the event of any conflict between the Tariff and the terms of this Agreement, the Tariff shall govern and control.

17. **Miscellaneous Provisions**

- (a) This Agreement shall not be altered, amended, changed, waived, terminated or otherwise modified in any respect or particular, and no consent or approval required pursuant to this Agreement shall be effective, unless the

same shall be in writing and signed by or on behalf of the party to be charged.

- (b) All prior statements, understandings, representations and agreements between the parties, oral or-written, are superseded by and merged in this Agreement, which alone fully and completely expresses the agreement between them in connection with this transaction and which is entered into after full investigation, neither party relying upon any statement, understanding, representation or agreement made by the other not embodied in this Agreement. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Service Company or the party drafting this Agreement.
- (c) No failure or delay of either party in the exercise of any right or remedy given to such party hereunder or the waiver by any party of any condition hereunder for its benefit (unless the time specified herein for exercise of such right or remedy has expired) shall constitute a waiver of any other or further right or remedy nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or any other right or remedy. No waiver by either party of any breach hereunder or failure or refusal by the other party to comply with its obligations shall be deemed a waiver of any other or subsequent breach, failure or refusal to so comply.
- (d) This Agreement may be executed in one or more counterparts, each of which so executed and delivered shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. It shall not be necessary for the same counterpart of this Agreement to be executed by all of the parties hereto.
- (e) Each of the exhibits and schedules referred to herein and attached hereto is incorporated herein by this reference.
- (f) The caption headings in this Agreement are for convenience only and are not intended to be a part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained.

- (g) This Agreement shall be interpreted and enforced in accordance with the laws of the state in which the Property is located without reference to principles of conflicts of laws. In the event that the Florida Public Service commission loses or relinquishes its authority to regulate Service Company, then all references to such regulatory authority will relate to the agency of government or political subdivision imposing said regulations. If no such regulation exists, then this Agreement shall be governed by applicable principles of law.
- (h) Each of the parties to this Agreement agrees that at any time after the execution hereof, it will, on request of the other party, execute and deliver such other documents and further assurances as may reasonably be required by such other party in order to carry out the intent of this Agreement.
- (i) If any provision of this Agreement shall be unenforceable or invalid, the same shall not affect the remaining provisions of this Agreement and to this end the provisions of this Agreement are intended to be and shall be severed. Notwithstanding the foregoing sentence, if (I) any provision of this Agreement is finally determined by a court of competent jurisdiction to be unenforceable or invalid in whole or in part, (ii) the opportunity for all appeals of such determination have expired, and (iii) such unenforceability or invalidity alters the substance of this Agreement (taken as a whole) so as to deny either party, in a material way, the realization of the intended benefit of its bargain, such party may terminate this Agreement within thirty (30) days after the final determination by notice to the other. If such party so elects to terminate this Agreement, then this Agreement shall be terminated and neither party shall have any further rights, obligations or liabilities hereunder, except for any rights, obligations or liabilities which by this specific terms of this Agreement survive the termination of this Agreement.
- (j) THE PARTIES HERETO DO HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABKLY WAIVE ANY RIGHT ANY PARTY MAY HAVE TO A JURY TRIAL IN EVERY JURISDICTION IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY

OTHER DOCUMENT EXECUTED AND DELIVERED BY EITHER PARTY IN CONNECTION THEREWITH (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT, AND ANY CLAIM OR DEFENSE ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT.

- (k) In the event of any litigation arising out of or connected in any manner with this Agreement, the non-prevailing party shall pay the costs of the prevailing party, including its reasonable counsel and paralegal fees incurred in connection therewith through and including all other legal expenses and the costs of any appeals and appellate costs relating thereto. Wherever in this Agreement it is stated that one party shall be responsible for the attorneys' fees and expenses of another party, the same shall automatically be deemed to include the fees and expenses in connection with all appeals and appellate proceedings relating or incidental thereto. This subsection (k) shall survive the termination of this Agreement.
- (l) This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending by the provisions hereof to confer no such benefits or status.
- (m) Developer agrees that Service Company may, at its sole discretion, require certain allocations to the proposed collection and transmission systems for future connections. Developer further agrees that Service Company may, at its sole discretion, extend the sewer line for any reason. It is understood that there will be no reimbursement or additional credit.

IN WITNESS WHEREOF, Service Company and Developer have executed this Agreement as of the day and year first above written.

SERVICE COMPANY:

Print Name _____

By: _____

Title _____

Address Key West Resort Utility

6450 Junior College Road

Key West, Florida 33040

DEVELOPER:

Hisrotic Seaport District Inc.

Print Name _____

By _____

Title _____

Address _____

STATE OF _____)

) ss:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by _____, as _____, a Florida corporation, on behalf of said corporation. He/she is personally known to me or who has produced _____ as identification.

My Commission Expires:

STATE OF _____)

) ss:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 200__, by _____, as _____, a Florida corporation, on behalf of said corporation. He/she is personally known to me or who has produced _____ as identification.

My Commission Expires:

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