

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301
(850) 877-6555

RECEIVED-FPSC
98 SEP 18 PH 4:17

RECORDS AND
REPORTING
BUSINESS ADDRESS
PORT UPRIVER BOX 1167
TALLAHASSEE, FLORIDA 32302-1567
TELE OFFICE (850) 656-6029

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETERING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MENDELIN, P.A.
DAREN L. SHEPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMPER, P.A.
JOHN L. WILKINSON

September 18, 1998

ROBERT M. C. BIRD
OF COUNSEL

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

981180

Re: K.W. Resort Utilities Corporation
Application for Amendment of Wastewater Certificate
Our File No. 34000.01

Dear Ms. Bayo:

Attached hereto is the original and 15 copies of the Application for Amendment of Wastewater Certificate in Monroe County for K.W. Resort Utilities Corporation.

Also attached is a check in the amount of \$500 for the filing fee.

Should you or any members of the Commission staff have any questions in this regard, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY

F. Marshall Detering
For The Firm

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1 _____
LIR _____
OPR 1 _____
RTH _____
SEI 1 _____
WAS with maps _____
OTH _____

FMD/tmg
Enclosures
cc: William Smith, Esquire (with map)
Mr. Doug Carter (without map)
Mr. Joe Davis (without map)
kwresort\3bayo.ltr

DOCUMENT NUMBER-DATE

10296 SEP 18 98

FPSC-RECORDS/REPORTING

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initial person who forwarded check:
[Signature]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of K.W. Resort)
Utilities Corporation's Amendment)
of wastewater certificate in Monroe)
County, Florida.)

Docket No. 981180-SU

ORIGINAL

APPLICATION FOR AMENDMENT OF
WASTEWATER CERTIFICATE

Applicant, K.W. RESORT UTILITIES CORPORATION, (hereinafter "K.W. Resort" or "Utility" by and through its undersigned attorneys, and pursuant to Section 367.045, Florida Statutes, applies to the Florida Public Service Commission for amendment of its wastewater certificate to include additional territory in Monroe County, Florida, and in support thereof states:

I.

The full name and address of the Applicant is:

K.W. RESORT UTILITIES CORPORATION
P.O. Box 2125
Key West, Florida 33045

II.

The full name and address of the Applicant's attorney, to whom all Orders, notices, directives, correspondence and other communications shall be directed is:

F. Marshall Deterding
ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

III.

K.W. Resort Utilities Corporation was originally organized on December 18, 1984, and was granted authority to operate the Utility under Certificate 168-S by Order No. 14010 on January 18, 1985 in

DOCUMENT NUMBER-DATE

10296 SEP 18 85

FPSC-RECORDS/REPORTING

Commission Docket No. 850009-SU. The Utility was originally organized under the name of Nu-Age Utilities as a Division of Riviera Enterprises, Inc. which was granted a certificate by Commission Order No. 6803 on July 28, 1975 in Docket No. 750149-SU.

Transfer to the current owner was authorized pursuant to Commission Order No. PSC-98-1053-FOF-SU issued August 6, 1998.

IV.

K.W. Resort Utilities is requesting an extension of territory to serve the southern portion of Stock Island with central wastewater service immediately adjacent to where it is already certificated to provide such services.

K.W. Resort currently provides service to a substantial portion of Stock Island. Some of the southern portions of the Island have never been included in the service territory of any Utility and are in need of service at the present time. Those areas are composed primarily of existing residences and commercial buildings with onsite cesspool systems and many are in violation of the County's cesspool replacement ordinance. Local and state health officials are in favor of bringing centralized service to these areas and are willing to cooperate to see that those services are made available as replacement for existing cesspool and septic systems.

It is the intention of K.W. Resort Utilities Corporation to provide service to all of those in need of services within these proposed areas, whether as replacement for existing onsite treatment systems, or to service new development.

v.

The Utility has the financial and technical ability to provide service to the proposed territory, and that territory is in need of the service from the Utility. The Utility has approximately \$3.5 million in plant in service and a net rate base of approximately \$1.5 million and is currently providing service to over 800 residential and commercial wastewater customers. The Utility has constructed the necessary wastewater collection system to enable it to serve the existing areas in need of service and to have adequate size and configuration to allow it to connect the areas proposed herein for certification on Stock Island so that all wastewater needs can receive such service at build-out.

The Utility currently operates an extended aeration wastewater treatment facility with a rated capacity of 499,000 gallons per day. The average daily flows for the Utility are approximately 165,000 gallons per day and, as such, the Utility has substantial additional capacity.

The proposed additional territory will generate approximately 500 additional ERCs, about 95% of which are residential, once the area is completely served at build-out. The exact number and configuration of those additional ERCs is unclear at this time, and will remain unknown until such time it is determined what development will take place in undeveloped areas, and what existing facilities will ultimately be interconnected into the Utility's system. However, the additional flows anticipated from service throughout the proposed territory is only 100,000 gallons per day of additional sewage flow (based upon average daily flow of 200 gpd/ERC) which

still places the Utility substantially under its approved and permitted existing capacity. To the extent the Utility undertakes additional expansions of its service territory in the future, the Utility will construct additional treatment facilities as necessary to provide such service.

The Utility currently utilizes spray effluent to a golf course as its primary method of effluent disposal and the recipients of such service are in need of more flows than are currently generated by the plant. In addition, the Utility has back-up injection wells which are ample to handle the entire capacity of the treatment facilities. As such, the Utility is in a very good position with regard to disposing of effluent from both its current and proposed service territories at build-out.

The wastewater collection mains within the Utility's existing territory are sufficient in size and capacity to allow the Utility to provide the additional service to the proposed territory through those same mains. Those facilities are also situated in such a way to allow connection to the new area as and when needed.

VI.

The Utility has the financial ability to provide the service to the proposed territory in addition to its existing service territory in part because the Utility has substantial additional capacity in its treatment and disposal facilities to enable it to provide service to this area at build-out along with meeting all the needs within its existing territory. In addition, the Utility will fund any needed expansion of its collection facilities through a combination of debt

and/or equity and/or contributions-in-aid-of-construction as and when needed.

VII.

This territorial expansion has undertaken an order to provide wastewater service to the area described in **Exhibit "A"** hereto. No other water or wastewater Utility facilities are in close enough proximity to the area to offer a reasonable alternative to wastewater service by the Applicant. In fact, the Applicant is the only provider of central wastewater service to Stock Island, Florida who is immediately adjacent to the proposed extension area.

VIII.

Based upon a review of the water and wastewater section of the local Comprehensive Plan approved by the Department of Community Affairs, the Utility and its representatives have concluded that the proposed central service within the new territory is consistent with all sections of the local Comprehensive Plan, specifically the wastewater section.

IX.

Evidence of ownership of property in the form of a Title Insurance Policy on the property upon which the Utility's wastewater treatment facilities are located is attached hereto as **Exhibit "B"**.

X.

Detailed system maps showing the existing lines and treatment facilities and the territory proposed to be served, of sufficient scale and detail to enable correlation with the description of territory has been marked as **Exhibit "C"**. This exhibit shows the primary mains adjacent to the proposed territory along with the

location of the treatment facilities. These are the facilities that will be utilized in order to provide service to the proposed territory.

XI.

The Utility has not currently proposed any expansion of wastewater treatment or disposal facilities in order to serve the proposed and existing service territory. The wastewater treatment facilities and effluent disposal facilities as previously mentioned are adequate in size to meet the existing needs of the Utility's present and proposed service territory as well as the anticipated needs for both areas through build-out of both. To the extent construction of additional facilities is necessary, the Utility will undertake expansion as and when needed.

XII.

The maps included herewith as Exhibit "C" also depict the proposed territory plotted thereon. Since all of the current and proposed territory is located within Section 35 of Township 67 South, Range 25 East. As such, the maps enclosed are concerned only with that section and, therefore, do not show the section lines themselves.

XIII.

The Utility currently has wastewater lines of varying sizes throughout the territory served and immediately adjacent to that proposed to be served under this amendment. Those facilities are adequately sized and of sufficient capacity to provide wastewater service throughout the territory and to the proposed territory. As the need for additional wastewater service throughout the proposed

territory occurs, the Utility will extend those lines to provide such service. The Utility is already receiving inquiries from several individuals in the proposed territory requesting that the Utility provide them with information concerning obtaining central sewer service. The Utility expects the demand for such services to increase substantially once approval is received from the PSC for the provision of such service in the proposed territory.

XIV.

The number and date of outstanding permits issued by the Florida Department of Environmental Protection are listed below:

DEP Permit No. FLA 014951 Date Issued 11/26/96

XV.

A description of the types of customers anticipated to be served by the extension at build-out of the K.W. Resort Utilities, Inc. is outlined below.

Residential	<u>475</u>	ERCs
Commercial	<u>25</u>	ERCs

XVI.

As noted previously, all of the wastewater treatment and disposal facilities necessary to provide service to the present and proposed territories have already been constructed and are in place and were financed through the infusion of debt, equity, and contributions-in-aid-of-construction. Any additional capital investment necessary in order to construct collection facilities will be financed through the same sources of capital and substantially through contributions-in-aid-of-construction in conformance with the Utility's tariff and Commission rules. Because there are no

additional capital investments required immediately and a substantial portion of any needed capital to construct collection facilities will come from CIAC, there is no immediate impact on the Utility's capital structure resulting from this extension and any long-term impact will be minor.

XVII.

No impact on monthly service charges or service availability charges is currently anticipated to result directly from this extension of the Utility's service territory, due in large part to the fact that the Utility has in place the treatment and disposal facilities necessary to provide this service. In fact, because this extension application as proposed will allow the Utility to fully utilize its existing treatment and disposal facilities, this extension may in fact help the Utility to keep service rates to a minimum through full utilization of facilities and the benefits of economies in scale. However, changes in the rates and service availability charges are possible as a result of changes in local, state and federal environmental requirements placed upon both the Utility's wastewater treatment and disposal facilities upon proper allocation of costs and upon proper allocation of costs to Utility services.

XVIII.

The wastewater certificated service territory as originally granted by the Commission in Order No. 6803 includes approximately 1,200 - 1,300 ERCs at build-out and the territory proposed for service herein includes approximately 500 additional ERCs at build-out. As such, the entire wastewater service territory of the

Utility, including the extension area, will be approximately 1,700 ERCs.

XIX.

The original and two copies of proposed sample tariff sheets reflecting the additional service territory are attached hereto as **Exhibit "D"**.

XX.

The original of the Applicant's water and wastewater certificates are currently being retained by the Florida Public Service Commission staff at the request of the Utility in order to modify those for this amendment. Those have recently been reissued as a result of the Transfer of Majority Organizational Control recently approved by the Commission in its Order No. PSC-98-1053-FOF-SU in Docket No. 980341-SU. Those should be retained by the Commission for modification in accordance with this Amendment Application.

XXI.

An affidavit showing compliance with the provisions of Section 367.045, Florida Statutes, and the necessary compliance with Rule 25-30.030, Florida Administrative Code, is attached hereto as **Exhibit "E"**. In accordance with the requirements of Section 25-30.030(7) Fla. Adm. Code, the Utility is currently in the process of publishing Notice of this Application. Within 30 days of the date of filing this Application, the Applicant will submit proof of such publication to the Commission as **Exhibit "F"**.

XXII.

The numbers of the most recent Commission Order establishing or amending the Applicant's rates and charges are as follows:

Order No. - 14620 Issued on July 23, 1985, approving a stipulation as to wastewater rates for the Utility.

XXIII.

Attached hereto as **Exhibit "G"** is an affidavit that the Utility has tariffs and Annual Reports on file with the Commission.

XXIV.

Between 201 and 500 additional wastewater ERCs will be served by the proposed territory extension herein. As such, attached hereto in compliance with the provisions of Section 25-30.020(2)(b), Florida Administrative Code is a check in the amount of \$500.

WHEREFORE, the Applicant, K.W. Resort Utilities Corporation requests that this Commission issue its Order amending the wastewater certificate of the applicant to include the additional territory immediately adjacent to the Utility's existing territory and proposed for service herein. Time is of the essence in the approval of this Application for Extension of Territory. There are numerous persons requesting consideration of their desire for central wastewater service and the environmental regulatory authorities in the area are anxious to have those individuals retire their existing cesspools and septic tanks and utilize the Utility's central services. The Utility cannot move forward with planning for, nor extending lines to these individuals until such time as the Commission grants this extension of service territory. As such, the Utility request that the

Commission act expeditiously to grant this request. Time is of the essence.

Respectfully submitted this
15th day of September, 1998, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555


F. MARSHALL DETERDING

kwresort\amend.app

K.W. RESORT UTILITIES CORPORATION
Legal Description of Extension Area

EXHIBIT A

Expansion Territory - KW Resort Utility Corp.

Township 67 South, Range 25 East, Section 35

All of that portion of Stock Island South of U.S. Highway No. 1 (State Road No. 5) as now constructed. Except for the following -

A parcel of land as delineated on Maloney's plat of Stock Island as recorded in plat book 1, page 55 of official records of Monroe County, Florida and more particularly described as follows.

BEGINNING at the intersection of the Easterly abutment of the North-bound lane of the Stock Island-Key West Bridge and the Southerly right-of-way line of Highway U.S. No. 1 (State Road No. 5), run in Northerly direction along the Southerly right-of-way line of Highway U.S. No. 1 to a point which is the intersection of said Southerly right-of-way line of U.S. No. 1 and the Southerly right-of-way line of McDonald Avenue; thence in an Easterly direction along the Southerly right-of-way line of McDonald Avenue to a point which is the intersection of the Southerly right-of-way line of McDonald Avenue and the Southeastery right-of-way line of Maloney Avenue; thence in a Southeastery direction along the Southerly right-of-way line of Maloney Avenue to the shores of the Atlantic Ocean; thence meander the shoreline of Stock Island in Westerly, Southerly and Northerly direction back to the **POINT OF BEGINNING**.

Note the exception property above is currently part of the existing Franchise Territory.

K.W. RESORT UTILITIES CORPORATION

Evidence of Utility's Right to Serve
(Title Insurance Policy)

EXHIBIT B

NATIONAL HEADQUARTERS
Richmond, Virginia
COMMITMENT FOR TITLE INSURANCE

LAWYERS TITLE INSURANCE CORPORATION, a Virginia corporation, herein called the Company, for valuable consideration, hereby promises to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedule A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused the Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

CONDITIONS AND STIPULATIONS

1. The term "mortgage," when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed insured and such parties included under the definition of insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in under taking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the proposed insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

Lawyers Title Insurance Corporation

By: *Paul O. Albert*

President

Attest:

Michelle St

Secretary

L A W Y E R S T I T L E
I N S U R A N C E C O R P O R A T I O N

N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D , V I R G I N I A

Ent.Div.No. COMMITMENT FOR TITLE INSURANCE
Agent No. 35888.0558 SCHEDULE A

1. EFFECTIVE DATE: July 8, 1998 at 8:00 a.m. CASE NO. 9703894 -6-mia
THIRD REVISED COMMITMENT

2. POLICY OR POLICIES TO BE ISSUED:
(a) ALTA OWNER'S POLICY (10-17-92) AMOUNT \$ 800,000.00
with Florida Modifications
PROPOSED INSURED:

K.W. Resort Utilities Corp., a Florida corporation

(b) ALTA LOAN POLICY (10-17-92) AMOUNT \$ 600,000.00
with Florida Modifications
PROPOSED INSURED:

Republic Bank, a Florida banking corporation

(c) AMOUNT \$
with Florida Modifications
PROPOSED INSURED:

3. TITLE TO THE FEE SIMPLE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED
TO IN THIS COMMITMENT IS AT THE EFFECTIVE DATE HEREOF VESTED IN:

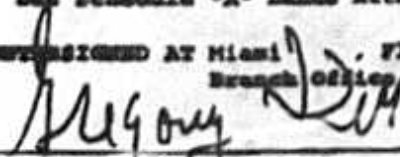
K.W. Resort Utilities Corp., a Florida Corporation

4. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

See Schedule "A" Lands Attached Hereto

COMPLETED AT Miami, Florida
Branch Office

Schedule A-Page 1


Authorized Officer or Agent
Form No. 91-98 with Florida Modifications
915-1-688-0001/11

This commitment is invalid unless
the insuring Provisions and
Schedules A and B are attached

LAWYERS TITLE
INSURANCE CORPORATION

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Parcel A

Schedule "A" Lands

FEE

A parcel of filled submerged land on Stock Island, Monroe County, Florida, being a portion of that certain submerged land described in Parcel No. 18837-A; said parcel being more particularly described and bounded as follows:

Commence at the intersection of the southeasterly right-of-way line of [redacted] and the southeasterly right-of-way line of Front Street; thence S 30° E along said southeasterly right-of-way line for [redacted] feet to the westerly right-of-way line of a 50-foot wide access easement; thence S 6° 01' 50" W along said westerly right-of-way line for [redacted] feet to the Point of Beginning of the hereinafter described parcel of land; thence S 70° 27' 30" W for 240.30 feet; thence N 37° 15' 00" E for 234.83 feet; thence N 9° 16' 30" E for 304.20 feet to an intersection with a line 251.66 feet southwesterly of as measured at right angles and parallel to said southeasterly right-of-way of Front Street; thence S 47° 13' 30" E along said parallel line for 319.80 feet to the Point of Beginning. Said parcel contains 2.00 acres more or less.

Together with a Non-Exclusive Drainage Easement, the legal description of which is below:

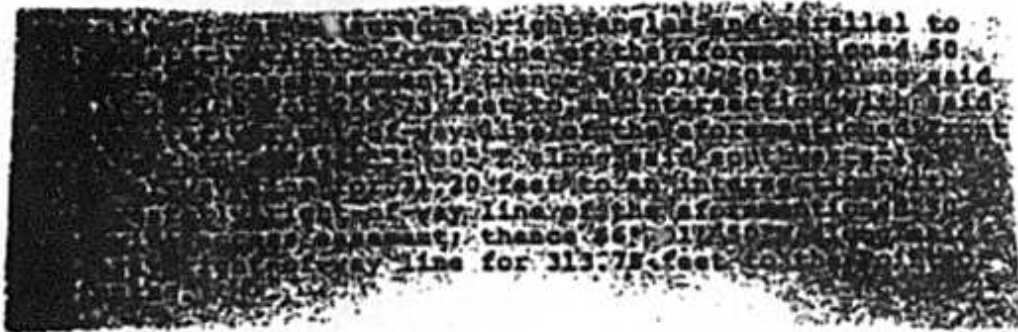
An area being 15 feet in width, the southerly line thereof being more particularly described as follows: begin at the most southerly corner of the property described in the parcel described above, thence south 70 degrees, 27 minutes 30 seconds west along the southwesterly prolongation of the southeasterly boundary line of said above parcel for 250 feet more or less, to the easterly shore line of the existing harbor and the point of termination of said southerly line.

Together with a Non-Exclusive Access Easement, the legal description of which is below:

An area having a minimum width of 25.00 feet and being more particularly described as follows: Commence at the intersection of the southeasterly right-of-way line of Fourth Avenue and the southwesterly right-of-way line of Front Street; thence S 47° 13' 30" E along said southwesterly right-of-way line for 1003.76 feet to the westerly right-of-way line of an existing 50 foot wide access easement; thence S 6° 01' 50" W along said westerly right-of-way line for 313.78 feet to the most easterly corner of the proposed S.T.P. site, said corner being the Point of Beginning of the hereinafter described non-exclusive access easement; thence N 47° 13' 30" W along the northeasterly boundary of said proposed S.T.P. site for 76.71 feet; thence N 42° 46' 30" E for 25.00 feet; thence N 69° 24' 10" E for 24.07 feet to an intersection with a line that is 25.00 feet

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands



Parcel B (Intentionally Omitted)

LAWYERS TITLE
INSURANCE CORPORATION

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

FEE

Land on Stock Island, Monroe County, Florida, being a portion of the land described in T.I.T.F. Deed No. 34078, lying southerly and easterly and portion of Lots 1 and 5, Block 57, as shown on a Plat of a part of Stock Island, according to the Plat thereof, Book 1, Page 55, of the Public Records of Monroe County, Florida, and particularly described as follows:

Beginning at the intersection of the center line of Fifth Street, as described in Deed Book 132, at Page 414, of the Public Records of Monroe County, Florida, and the center line of Seventh Avenue, as shown on the Plat of Lincoln Street, according to the Plat thereof, as recorded in Plat Book 1, Page 55, of the Public Records of Monroe County, Florida; thence South 89 degrees, 41 minutes, 00 seconds East along the easterly prolongation of said center line of Fifth Street for 30.00 feet to an intersection with the Easterly Right-of-Way line of said Street; thence South 8 degrees, 18 minutes, 36 seconds West along said Right-of-Way line for 0.57 feet to the point of beginning of the parcel of land; thence South 82 degrees, 41 minutes, 00 seconds West for 15.00 feet; thence South 0 degrees, 16 minutes, 34 seconds West for 15.00 feet; thence North 0 degrees, 41 minutes, 00 seconds West for 15.00 feet to said Easterly Right-of-Way line; thence North 0 degrees, 16 minutes, 34 seconds West along said Easterly Right-of-Way line for 16.50 feet to the point of beginning.

LAWYERS TITLE
INSURANCE CORPORATION

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

Parcel D

FEE

A Parcel of land on Stock Island, Monroe County, Florida, being a portion of the
Public Records Book 152, at Page 414, of the Public Records of Monroe County,
Florida, comprising lands as described in T.I.I.F. Deed No. 24078, lying southerly
of Lots 1 through 4 inclusive and portion of Lots 1 and 3, Block 37, as shown on
George A. McDonald's Plat of a part of Stock Island, according to the plat thereof,
as recorded in Plat Book 1, at Page 55, of the Public Records of Monroe County,
Florida, being more particularly described as follows:

Beginning at the intersection of the center line of Fifth Street, as described
in Public Records Book 152, at Page 414, of the Public Records of Monroe County,
Florida, and the center line of Ninth Avenue, as shown on the Plat of Lincoln
Street, according to the Plat thereof, as recorded in Plat Book 5, at Page
10, of the Public Records of Monroe County, Florida; thence South 89
degrees, 06 minutes, 06 seconds East along the Easterly prolongation of said center
line of Fifth Street for 50.00 feet to an intersection with the Easterly Right-of-Way
line of said Ninth Avenue; thence South 0 degrees, 18 minutes, 56 seconds West along
said Easterly Right-of-Way line for 42.80 feet to the point of beginning of the
described parcel of land; thence South 89 degrees, 41 minutes, 04 seconds
West for 10.00 feet; thence South 0 degrees, 18 minutes, 56 seconds West for 20.00
feet; thence North 89 degrees, 41 minutes, 04 seconds East for 10.00 feet to an
intersection with said Easterly Right-of-Way line; thence North 0 degrees, 18 minutes,
56 seconds East along said Easterly Right-of-Way line for 22.00 feet to the point
of beginning.

Together with the following described real property and all of Borrower's
right, title, and interest now or hereafter acquired or benefiting
therein (1) or more of the parcels described above as Parcel A, Parcel B,
Parcel C and Parcel D, to wit:

A. All property and rights, if any, which are, by the express provisions
of the Mortgage, required to be subjected to the lien thereof and any additional
property and rights that may from time to time hereafter, by instrument
or writing of any kind, be subjected to the lien hereof by Borrower or by
anyone authorized on Borrower's behalf.

B. All rights to and to access roads on adjacent properties heretofore
granted to Borrower and after-acquired title or reversion in and to the
basis of any ways, roads, streets, avenues and alleys adjoining the property
described as Parcels A, B, C, and/or D.

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

C. The following described sewer easement granted by Riviera Drive-in Theatre, a Florida corporation ("Riviera") to Nu-Age Utility Corp., a Florida corporation ("Nu-Age") for the purpose of laying or causing to be laid sewer pipes and mains and conduits on, under, through, over and across the following described land, to-wit:

The North six (6) feet of the South Half of Block A of "LINCOLN GARDENS NO. 1," as recorded in Plat Book 5, Page 89 of the Public Records of Monroe County, Florida.

ALSO

The North six (6) feet of the South Half of Block B of "LINCOLN GARDENS NO. 1," as recorded in Plat Book 5, Page 89 of the Public Records of Monroe County, Florida.

ALSO

LAWYERS TITLE
INSURANCE CORPORATION

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

1. The North 6.0 feet of the South 90 feet of Block "C" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, at Page 90 of the Public Records of Monroe County, Florida.
2. The North 6.0 feet of the South 90 feet of Block "D" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, Page 90 of the Public Records of Monroe County, Florida.
3. The North 6.0 feet of the South 90 feet of Block "E" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, at Page 90 of the Public Records of Monroe County, Florida.
4. The North 6.0 feet of Lots 8 and 55, Block "C" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, Page 90 of the Public Records of Monroe County, Florida.
5. The North 15.0 feet of Lot 8, Block "Y" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, Page 90 of the Public Records of Monroe County, Florida.
6. The North 6.0 feet of Lots 23 and 38, Block "C" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, Page 90 of the Public Records of Monroe County, Florida.
7. The North 15.0 feet of Lot 23, Block "C" of "LINCOLN GARDENS NO. 2," as recorded in Plat Book 5, Page 90 of the Public Records of Monroe County, Florida.

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

TOGETHER WITH the right of ingress and egress over property of Riviera, so as to afford Mr. Age complete use and enjoyment of this easement, including the right to cut and trim from time to time, trees, brush, overhanging branches and other natural obstructions on the above described land, which may injure or interfere with the full and complete use of the aforesaid easement:

E An easement for installation and maintenance for utilities and drainage reserved in Protective Covenant dated October 1, 1958, by Charley Topping & Sons, Inc., a Florida corporation, and for Balido and Yleana Balido, his wife, recorded on December 24, 1958, in Monroe County, Florida Official Records Book 119, Page 15, shall have the following described real property, to wit:

The rear five (5) feet of all lots comprising Sections 1 and 2 of PALM SPRINGS SUBDIVISION, according to the Plat thereon, as recorded in Plat Book 4, Page 57 of the Public Records of Monroe County, Florida, being a resubdivision of Lots 11 through 19 inclusive, Block 57, Stock Island, according to the Plat thereof, recorded in Plat Book 1, Page 55, of the Public Records of Monroe County, Florida.

F Any and all rights in favor of Stock Island Utility Company or the fee owners or lessees of the above described Parcel A, B, C, and D presently existing or hereafter acquired, including, without limitation rights acquired by lapse of time, adverse possession or prescription, allowing the installation, use, maintenance, repair or replacement of any and all pipes, conduits, lift stations or other facilities comprising the Sewage Treatment Plant, as presently existing ^{SE-55} hereafter modified, supplemented or expanded, including without limitation, any and all pipes, conduits, lift stations or other facilities shown on those certain Engineering Plans, dated May 9, 1966 (Job No. 66-812) comprised of three (3) sheets, prepared by Bailey, Mooney, Post Associates, entitled Site Plan, Plan and Profile and Plan and Profile Detail prepared for B. Bernstein.

LAWYERS TITLE
INSURANCE CORPORATION

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

Parcel E

TOGETHER WITH an easement for construction, maintenance, operation, use, repair, replacement or relocation of sewer lines and equipment and access to and from such sewer lines and equipment as granted in Utility Easement Agreement dated March 30, 1983 by and between Keys Racing Association, Ltd. and Stock Island Utility Company more particularly described as follows:

An easement (115 ft. in width and 120 ft. in length) on a part of Stock Island, Monroe County, Florida, and being more particularly described as follows:

Commence at the intersection of the southerly right-of-way line of Fifth Avenue with the easterly right-of-way line of Fifth Street of the Plat of Stock Island, recorded in Plat Book 1, Page 55 of the Public Records of Monroe County, Florida, bear S. 81 degrees 56 minutes east for 300.00 feet, thence bear S. 06 degrees 04 minutes west for 204.00 feet to the POINT OF BEGINNING of this description; said POINT OF BEGINNING also being the southwest corner of land conveyed to Tourist Attraction, Inc. (O.R. 278, P. 338, etc.), run thence east along the south line of land so conveyed to Tourist Attraction, Inc., a distance of 120.00 feet; thence N. 06 degrees 04 minutes E. 15.00 feet; thence west and parallel with the south line of land so conveyed to Tourist Attraction, Inc., a distance of 120.00 feet; thence south 06 degrees 04 minutes west 15.00 feet to the POINT OF BEGINNING.

Tax Folio Numbers: 00123600 8642113 Utility
00123850 8648821 Utility

L A N D T I T L E
I N S U R A N C E C O R P O R A T I O N
N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D, V I R G I N I A

SCHEDULE B--SECTION 1

Requirements

The following are the requirements to be complied with:

Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record to-wit:

Insured Deed recorded.

Mortgage from To Be Determined to Republic Bank, a Florida banking corporation.

Item (c) Proof of payment, satisfactory to the Company, of taxes for the year(s) 1997 must be furnished, and any tax certificates issued must be duly cancelled by the tax collector.

Item (d) Proof, satisfactory to the Company, must be furnished that there are no unrecorded assessment liens of any type, including but not limited to these liens imposed by Chapter 159 of the Florida Statutes.

Item (e) A survey, meeting the current minimum technical standards as established by the Florida Society of Professional Land Surveyors, the Florida Land Title Association, and the State of Florida, and certified to the Company and/or its Agent, must be furnished. If said survey should disclose building setback lines, easements, encroachments, overlaps, boundary line disputes, or other adverse matters, they will appear as exceptions in Schedule B of the Owner's Policy and Schedule B, Part 1 of the Loan Policy to be issued.

Item (f) Furnish Owner's/Mortgagor's Affidavit establishing that: All sums due for labor and/or materials for any work performed on the property have been paid and that no liens or encumbrances against the property other than as stated herein, are outstanding.

Item (g) Furnish Owner's Affidavit establishing the rights of parties in possession.
NOTE: Same may be included in the above Affidavit.

This commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.

Case No. 9701894
Schedule B-Section 1-Page 1
Form No. 91-88 035-1-088-001/11
With Florida Modification

L A W Y E R S T I T L E
I N S U R A N C E C O R P O R A T I O N
N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D , V I R G I N I A

SCHEDULE B--SECTION 2

Exceptions

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage covered by this Commitment.
2. Taxes and assessments for the year 1998 and subsequent years.
3. The nature and extent of the Riparian and Littoral Rights.
4. Any land described in Schedule A which is artificially filled land in what was formerly navigable waters, is subject to the rights of the United States government, arising by said government's control over navigable waters involving navigation and commerce.
5. Notwithstanding the legal description in Schedule A, this policy does not insure against rights of the State of Florida based on the doctrine of the state's sovereign ownership of lands lying below the ordinary high water line of any navigable waters.
6. Statute and Regulations recorded in O.R. Book 668, Page 43.
7. Interest of Board of County Commissioners of Monroe County, pursuant to Quit Claim Deed recorded in O.R. Book 1363, Page 2023.

continued

NOTE: In accordance with Florida Statutes Section 627.4131, please be advised that the insured hereunder may present inquiries, obtain information about coverage, or receive assistance in resolving complaints, by contacting the Lawyers Title Insurance Corporation Regional Office, 180 North Tampa Street, Suite 2050, Tampa, Florida 33603. Telephone Number 813-222-1450.

NOTE: If policy is to be issued in support of a mortgage loan, attention is directed to the fact that the Company can assume no liability under its policy, the closing instructions, or Insured Closing Service for compliance with the requirements of any consumer credit protection or truth in lending law in connection with said mortgage loan.

This commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.

Case No. 3703824
Schedule B Section 2 Page 1

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

SCHEDULE B, SECTION II
EXCEPTIONS CONTINUED

8. Oil and Mineral Reservations in favor of the State of Florida, as set forth in the deed from the Trustees of the Internal Improvement Fund, recorded in Official Records Book 53, Page 238.
9. Easement(s) in favor of Utility Board of the City of Key West set forth in instrument(s) recorded in Official Records Book 687, Page 834 and Official Records Book 244, Page 401.
10. Easement(s) in favor of City of Key West set forth in instrument(s) recorded in Official Records Book 359, Page 89; Official Records Book 326, Page 139; Official Records Book 359, Page 79 and in Official Records Book 139, Page 520.
11. Easement Agreement recorded in O.R. Book 866, Page 2469.
12. Oil and Minerals Reservations in favor of the State of Florida, as set forth in the deed from the Trustees of the Internal Improvement Fund, recorded in Official Records Book 380, Page 381.
13. Any loss or damage occasioned by or resulting from the failure to obtain fill permits.
14. Easement Agreement recorded in O.R. Book 866, Page 2456.
15. Title to the portion lying within public roads and/or highways is not insured hereunder. The rights of the public are specifically reserved.
16. Reservations in favor of the State of Florida, as set forth in the deed from the Trustees of the Internal Improvement Fund, recorded in Deed Book G-65, Page 82.
17. Ingress-Egress Easement recorded in O.R. Book 311, Page 53. (Affects Parcel E Only)
18. Easement recorded in O.R. Book 193, Page 272, corrected in Official Records Book 310, Page 323, as assigned in Official Records Book 547, Page 147. (Affects Parcel E Only)
19. Easement in Warranty Deed recorded in O.R. Book 728, Page 4. (Affects Parcel E Only)

continued

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

SCHEDULE B, SECTION II
EXCEPTIONS CONTINUED

20. Easement in Warranty Deed recorded in O.R. Book 792, Page 37 and in Official Records Book 742, Page 49. (Affects Parcel E Only)
21. Easements recorded in O.R. Book 780, Page 1169; Official Records Book 782, Page 1363; Official Records Book 788, Page 662 and Official Records Book 728, page 1. (Affects Parcel E Only)
22. Rights of ingress-egress in Warranty Deed recorded in O.R. Book 375, Page 646.
23. Easement recorded in O.R. Book 351, Page 192, assigned in Official Records Book 866, Page 2474.
24. Easements as shown on the Plat recorded in Plat Book 5, Page 89.
25. Restrictions as shown on the Plat recorded in Plat Book 5, Page 89.
NOTE: This exception omits any restriction, covenant, or condition based on race, color, religion, sex, handicap, familial status or national origin, if any, unless and only to the extent that the restriction is not in violation of state or federal law, or relates to a handicap, but does not discriminate against handicapped people.
26. Protective Covenants recorded in O.R. Book 139, Page 144.
27. Easements as shown on the Plat recorded in Plat Book 4, Page 87.
28. Restrictions as shown on the Plat recorded in Plat Book 4, Page 87.
NOTE: This exception omits any restriction, covenant, or condition based on race, color, religion, sex, handicap, familial status or national origin, if any, unless and only to the extent that the restriction is not in violation of state or federal law, or relates to a handicap, but does not discriminate against handicapped people.
29. Terms and conditions of Utility Easement recorded in O.R. Book 878, Page 2318.
30. Easement recorded in O.R. Book 879, Page 392.
31. Supplementary Agreement recorded in O.R. Book 53, Page 241.

continued

I N S U R A N C E L A W Y E R S T I T L E
C O R P O R A T I O N
N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D , V I R G I N I A

SCHEDULE B, SECTION II
EXCEPTIONS CONTINUED

32. Lease Agreement recorded in O.R. Book 169. Page 115.
33. Deed referencing lease agreement recorded in O.R. Book 286. Page 270.
34. Easement in Deed recorded in O.R. Book 742. Page 49.
35. Easement recorded in O.R. Book 375. Page 62.
36. Access to Parcel E is not insured.

NOTE: The final loan policy will contain Florida Endorsement Form 9. The Company must first be provided with a survey as described herein, and the Company further reserves the right to revise and amend this commitment in accordance with its review of the same.

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

ENDORSEMENT # 1

ENDORSEMENT

CODE NAME
TBD/STOCK ISLAND UTILITY

Case No. 9703894

Attached to and made a part of Lawyers Title Insurance Corporation commitment No.9703894

1. Schedule A & is amended to read as follows:

See Attached

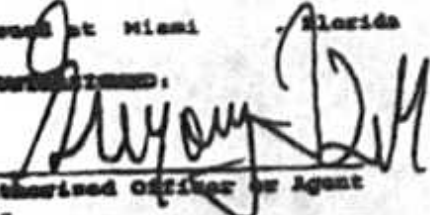
The total liability of the Company under said policy, binder or commitment and under this and any prior endorsements thereto shall not exceed, in the aggregate, the amount of liability stated on the face of said policy, binder or commitment, as the same may be specifically amended in dollar amount by this or any prior endorsements, and the costs which the Company is obligated to pay under the Conditions and Stipulations of the policy.

This endorsement is made a part of said policy, binder or commitment and is subject to all the terms and provisions thereof, except as modified by the provisions hereof.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy, binder or commitment unless otherwise expressly stated.

IN WITNESS WHEREOF, the Company has caused this Endorsement to be signed and sealed as of August 3, 1998, to be valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.

Issued at Miami, Florida
COUNTERSIGNED:


Authorized Officer or Agent
GTS

Form 91-11A Rev 4/76

LAWYERS TITLE INSURANCE CORPORATION

Janet A. Alpert
President

John R. Carter
Secretary

INSURANCE TITLE
CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Schedule "A" Lands

PARCEL A (Sea):

A parcel of filled submerged land on Stock Island, Monroe County, Florida, being a portion of that certain submerged land described in T.I.F. Deed No. 19837-A; said parcel being more particularly described by "notes and bounds" as follows:

Commence at the intersection of the southeasterly right-of-way line of Fourth Avenue and the Southwesterly right-of-way line of Front Street; then S. 47°13'30" E along said Southwesterly right-of-way line for 1003.76 feet to the Westerly right-of-way line of a 50 foot wide access easement; thence S 6°01'50" W along said Westerly right-of-way line for 313.78 feet to the Point of Beginning of the hereinafter described parcel of land; thence S 70°27'50" W for 240.30 feet; thence N 57°15'03" W for 234.81 feet; thence N 9°16'30" E for 104.20 feet to an intersection with a line 251.44 feet Southwesterly of as measured at right angles and parallel to said Southwesterly right-of-way of Front Street; thence S 67°13'30" E along said parallel line for 510.80 feet to the Point of Beginning.

Together with a Non-Exclusive Drainage Easement, the legal description of which is below:

An area being 15 feet in width, the Southerly line thereof being more particularly described as follows: begin at the west Southerly corner of the property described in the parcel described above, thence South 70°27'50" West along the Southwesterly prolongation of the southeasterly boundary line of said above parcel for 250 feet more or less, to the Westerly shore line of the existing harbor and the point of termination of said Southerly line.

Together with a Non-Exclusive Access Easement, the legal description of which is below:

An area having a minimum width of 25.00 feet and being more particularly described as follows:

Commence at the intersection of the Southeasterly Right-of-way line of Fourth Avenue and the Southwesterly right-of-way line of Front Street; thence S 47°13'30" E along said Southwesterly right-of-way line for 1003.76 feet to the Westerly right-of-way line of an existing 50 foot wide access easement; thence S 6°01'50" W along said Westerly right-of-way line for 313.78 feet to the west Easterly corner of the proposed S.T.P. site, said corner being the Point of Beginning of the hereinafter described Non-exclusive access easement; thence N 47°13'30" W along the Northeasterly boundary of said proposed S.T.P. site for 76.71 feet; thence N 42°44'30" E for 25.00 feet; thence N 63°24'10" E for 24.07 feet to an intersection with a line that is 25.00 feet Westerly of, as measured at right angles and parallel to said Westerly right-of-way line of the aforementioned 50 foot wide access easement; thence N 6°01'50" E along said parallel line for 235.71 feet to an intersection with said Southwesterly right-of-way line of the aforementioned Front Street; thence S 47°13'30" E along said Southwesterly right-of-way line for 31.20 feet to an

continued

Case No. 9703894

L A W Y E R S T I T L E
I N S U R A N C E C O R P O R A T I O N
N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D , V I R G I N I A

LEGAL DESCRIPTION CONTINUED

Intersection with said Westerly right-of-way line of the aforementioned 50 foot wide access easement; thence S 6°01'50" W along said Westerly right-of-way line for 313.78 feet to the Point of Beginning.

PARCEL B (Intentionally Omitted)

PARCEL C (See):

A parcel of land on Stock Island, Monroe County, Florida, being a portion of the filled submerged lands as described in T.I.I.F. Deed No. 24078, lying Southerly of Lots 2 through 4 inclusive and portion of Lots 1 and 5, Block 57, as shown on George L. McDonald's Plat of a part of Stock Island, according to the Plat thereof, as recorded in Plat Book 1, at Page 55, of the Public Records of Monroe County, Florida; being more particularly described as follows:

Commence at the intersection of the center line of Fifth Street, as described in Official Records Book 152, at Page 414, of the Public Records of Monroe County, Florida and the center line of Seventh Avenue, as shown on the Plat of Lincoln Gardens No. 1, according to the Plat thereof, as recorded in Plat Book 5, at Page 89, of the Public Records of Monroe County, Florida; thence South 89°41'04" East along the Easterly prolongation of said center line of Seventh Avenue for 50.00 feet to an intersection with the Easterly Right-of-Way line of said Fifth Street; thence South 0°18'56" West along said Easterly Right-of-Way line for 0.57 feet to the point of beginning of the following described parcel of land; thence South 89°41'04" East for 15.66 feet; thence South 0°18'56" West for 16.50 feet; thence North 89°41'04" West for 15.00 feet to an intersection with said Easterly Right-of-Way line; thence North 0°18'56" East along said Easterly Right-of-Way line for 16.50 feet to the point of beginning.

PARCEL D (See):

A parcel of land on Stock Island, Monroe County, Florida, being a portion of the filled submerged lands as described in T.I.I.F. Deed No. 24078, lying Southerly of Lots 2 through 4 inclusive and portion of Lots 1 and 5, Block 57, as shown on George L. McDonald's Plat of a part of Stock Island, according to the plat thereof, as recorded in Plat Book 1, at Page 55, of the Public Records of Monroe County, Florida; being more particularly described as follows:

Commencing at the intersection of the center line of Fifth Street, as described in Official Records Book 152, at Page 414, of the Public Records of Monroe County, Florida

continued

L A W Y E R S T I T L E
I N S U R A N C E C O R P O R A T I O N
N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D , V I R G I N I A

LEGAL DESCRIPTION CONTINUED

and the center line of Ninth Avenue, as shown on the Plat of Lincoln Gardens No. 1, according to the Plat thereof, as recorded in Plat Book 5, at Page 89, of the Public Records of Monroe County, Florida; thence South 89°41'04" East along the Easterly prolongation of said center line of Ninth Avenue for 50.00 feet to an intersection with the Easterly Right-of-Way line of said Fifth Street; thence South 0°18'56" West along said Easterly Right-of-Way line for 49.80 feet to the point of beginning of the following described parcel of land; thence South 89°41'04" East for 10.00 feet; thence South 0°18'56" West for 30.00 feet; thence North 89°41'04" West for 10.00 feet to an intersection with said Easterly Right-of-Way line; thence North 0°18'56" East along said Easterly Right-of-Way line for 20.00 feet to the point of beginning.

Together with the following described real property and all of Borrower's right, title, and interest now or hereafter acquired or benefiting any one (1) or more of the parcels described above as Parcel A, Parcel B, Parcel C and Parcel D, to wit:

Easement:

A. All property and rights, if any, which are, by the express provisions of the Mortgage, required to be subjected to the lien thereof and any additional property and rights that may from time to time hereafter, by instrument or writing of any kind, be subjected to the lien hereof by Borrower or by anyone authorized on Borrower's behalf.

B. All rights to and to access roads on adjacent properties heretofore granted to Borrower and after acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described as Parcels A, B, C and/or D.

C. The following described sewer easement granted by Riviera Drive-in Theatre, a Florida corporation ("Riviera") to Wu-Age Utility Corp., a Florida corporation ("Wu-Age") for the purpose of laying or causing to be laid sewer pipes and mains and conduits on, under, through, over and across the following described land, to-wit:

The North six (6) feet of the South Half of Block A of "LINCOLN GARDENS NO. 1", as recorded in Plat Book 5, Page 89, of the Public Records of Monroe County, Florida.

ALSO

The North six (6) feet of the South Half of Block B of "LINCOLN GARDENS NO. 1", as recorded in Plat Book 5, Page 89, of the Public Records of Monroe County, Florida.

ALSO

1. The North 6.0 feet of the South 90 feet of Block 'C' of "LINCOLN GARDENS

continued

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

LEGAL DESCRIPTION CONTINUED

- NO. 2", as recorded in Plat Book 5, at Page 90, of the Public Records of Monroe County, Florida.
2. The North 6.0 feet of the South 90 feet of Block "D" of "LINCOLN GARDENS NO. 2", as recorded in Plat Book 5, Page 90, of the Public Records of Monroe County, Florida.
 3. The North 6.0 feet of the South 90 feet of Block "E" of "LINCOLN GARDENS NO. 2", as recorded in Plat Book 5, Page 90, of the Public Records of Monroe County, Florida.
 4. The North 6.0 feet of Lots 2 and 53, Block "G" of "LINCOLN GARDENS NO. 2", as recorded in Plat Book 5, Page 90, of the Public Records of Monroe County, Florida.
 5. The North 15.0 feet of Lot 8, Block "F" of "LINCOLN GARDENS NO. 2", as recorded in Plat Book 5, Page 90, of the Public Records of Monroe County, Florida.
 6. The North 6.0 feet of Lots 13 and 18, Block "G" of "LINCOLN GARDENS NO. 2", as recorded in Plat Book 5, Page 90, of the Public Records of Monroe County, Florida.
 7. The North 15.0 feet of Lot 23, Block "G" of "LINCOLN GARDENS NO. 2", as recorded in Plat Book 5, Page 90, of the Public Records of Monroe County, Florida.

EASEMENT PARCEL:

TOGETHER WITH the right of ingress and egress over property of Riviera, so as to afford full and complete use and enjoyment of this easement, including the right to cut and trim. From time to time, trees, brush, overhanging branches and other natural obstructions on the above described land, which may injure or interfere with the full and complete use of the aforesaid easement.

2. An easement for installation and maintenance for utilities and drainage reserved in Protective Covenants, dated October 1, 1958, by Charley Toppino & Sons, Inc., a Florida corporation, and Joe Balido and Yelena Balido, his wife, recorded on December 8, 1988, in Monroe County, Florida, Official Records Book 139, Pages 144-148 over the following described real property, to wit:

The rear five (5) feet of all Lots comprising Sections 1 and 2 of BALIDO SUBDIVISION,
continued

L A W Y E R S T I T L E
I N S U R A N C E C O R P O R A T I O N

N A T I O N A L H E A D Q U A R T E R S
R I C H M O N D , V I R G I N I A

LEGAL DESCRIPTION CONTINUED

according to the Plat thereof, as recorded in Plat Book 4, Page 57, of the Public Records of Monroe County, Florida, being a resubdivision of Lots 11 through 10 inclusive, Block 53, Stock Island, according to the Plat thereof, recorded in Plat Book 1, Page 55, of the Public Records of Monroe County, Florida.

F. Any and all rights in favor of Stock Island Utility Company or the fee owners or leases of the above described Parcels A, B, C, and D presently existing or hereafter acquired, including, without limitation rights acquired by lapse of time, adverse possession or prescription, allowing the installation, use, maintenance, repair or replacement of any and all pipes, conduits, lift stations or other facilities comprising the Sewage Treatment Phase, as presently existing or as hereafter modified, supplemented or expanded, including without limitation, any and all pipes, conduits, lift stations or other facilities shown on those certain Engineering Plans, dated May 9, 1966 (Job No. 66-812) comprised of three (3) sheets, prepared by Bailey, Mooney, Post Associates, entitled Site Plan, Plan and Profile and Plan and Profile Detail prepared for S. Barstein.

PARCEL B:

TOGETHER WITH an easement for construction, maintenance, operation, use, repair, replacement or relocation of sewer lines and equipment and access to an from such sewer lines and equipment as granted in Utility Easement Agreement dated March 30, 1983 by and between Keys Racing Association, Ltd. and Stock Island Utility Company more particularly described as follows:

An easement (15 ft. in width and 120 ft. in length) on a part of Stock Island, Monroe County, Florida, and being more particularly described as follows:

Commence at the intersection of the southerly right-of-way line of Fifth Avenue with the easterly right-of-way line of Fifth Street of the Plat of Stock Island, recorded in Plat Book 1, Page 55, of the Public Records of Monroe County, Florida, bear S. 83°56' East for 550.00 feet; thence bear S. 06°04' West for 700.00 feet to the POINT OF BEGINNING of this description; said POINT OF BEGINNING also being the southwest corner of land conveyed to Tourist Attraction, Inc. (O.R. 228, P. 234, etc.), run thence East along the South line of land so conveyed to Tourist Attraction, Inc., a distance of 120.00 feet; thence N 06°04' E. 15.00 feet; thence West and parallel with the South line of land so conveyed to Tourist Attraction, Inc., a distance of 120.00 feet; thence South 06°04' West 15.00 feet to the POINT OF BEGINNING.

continued

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

ENDORSEMENT 0 2

ENDORSEMENT

CODE NAME
TED/STOCK ISLAND UTILITY

Case No. 9703894

Attached to and made a part of Lawyers Title Insurance Corporation commitment No. 9703894

1. Item (e) on Schedule B Section 1 is hereby deleted.

2. The following is added to Schedule B Section 2:

37. The following matters shown on survey last dated July 12, 1998, prepared by Frederick H. Kildebrandt:

1. Overhead wires on south side of treatment tank parcel suggest easement.
2. Chain link fence around Parcel C encroaches onto adjacent property.
3. Chain link fence around Parcel D encroaches onto adjacent property.

continued

The total liability of the Company under said policy, binder or commitment and under this and any prior endorsements thereto shall not exceed, in the aggregate, the amount of liability stated on the face of said policy, binder or commitment, as the same may be specifically amended in dollar amount by this or any prior endorsements, and the costs which the Company is obligated to pay under the Conditions and Stipulations of the policy.

This endorsement is made a part of said policy, binder or commitment and is subject to all the terms and provisions thereof, except as modified by the provisions hereof.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy, binder or commitment unless otherwise expressly stated.

IN WITNESS WHEREOF, the Company has caused this Endorsement to be signed and sealed as of August 5, 1998, to be valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.

Issued at Miami, Florida

~~COMPANION~~


Authorized Officer or Agent

gts
Form SI-11A Rev 4/76

LAWYERS TITLE INSURANCE CORPORATION

Janet A. Alpert
President

John R. Carter
Secretary

LAWYERS TITLE
INSURANCE CORPORATION
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

ENDORSEMENT CONTINUED

Note: The final loan policy will contain Florida Endorsement form 9 without deletion, except as to easements in Balido' Subdivision, Lincoln Gardens No. 1 Subdivision, and Lincoln Gardens No. 2 Subdivision not surveyed.

K.W. RESORT UTILITIES CORPORATION

System Maps

EXHIBIT C

K.W. RESORT UTILITIES CORPORATION

Proposed Tariff Sheets

EXHIBIT D

K.W. RESORT UTILITIES CORPORATION

FIRST REVISED SHEET NO. 3.1
CANCELS ORIGINAL SHEET NO. 3.1

WASTEWATER TARIFF

DESCRIPTION OF TERRITORY SERVED

Expansion Territory - KW Resort Utility Corp.

Township 67 South, Range 25 East, Section 35

All of that portion of Stock Island South of U.S. Highway No. 1 (State Road No. 5) as now constructed. Except for the following -

A parcel of land as delineated on Maloney's plat of Stock Island as recorded in plat book 1, page 55 of official records of Monroe County, Florida and more particularly described as follows.

BEGINNING at the intersection of the Easterly abutment of the North-bound lane of the Stock Island-Key West Bridge and the Southerly right-of-way line of Highway U.S. No. 1 (State Road No. 5), run in Northeasterly direction along the Southerly right-of-way line of Highway U.S. No. 1 to a point which is the intersection of said Southerly right-of-way line of U.S. No. 1 and the Southerly right-of-way line of McDonald Avenue; thence in an Easterly direction along the Southerly right-of-way line of McDonald Avenue to a point which is the intersection of the Southerly right-of-way line of McDonald Avenue and the Southeasterly right-of-way line of Maloney Avenue; thence in a Southeasterly direction along the Southerly right-of-way line of Maloney Avenue to the shores of the Atlantic Ocean; thence meander the shoreline of Stock Island in Westerly, Southerly and Northerly direction back to the POINT OF BEGINNING.

Note the exception property above is currently part of the existing Franchise Territory.

WILLIAM L. SMITH, JR.
ISSUING OFFICER

PRESIDENT
TITLE

WASTEWATER TARIFF

DESCRIPTION OF TERRITORY SERVED

Expansion Territory - KW Resort Utility Corp.

Township 67 South, Range 25 East, Section 35

All of that portion of Stock Island South of U.S. Highway No. 1 (State Road No. 5) as now constructed. Except for the following -

A parcel of land as delineated on Maloney's plat of Stock Island as recorded in plat book 1, page 55 of official records of Monroe County, Florida and more particularly described as follows.

BEGINNING at the intersection of the Easterly abutment of the North-bound lane of the Stock Island-Key West Bridge and the Southerly right-of-way line of Highway U.S. No. 1 (State Road No. 5), run in Northeasterly direction along the Southerly right-of-way line of Highway U.S. No. 1 to a point which is the intersection of said Southerly right-of-way line of U.S. No. 1 and the Southerly right-of-way line of McDonald Avenue; thence in an Easterly direction along the Southerly right-of-way line of McDonald Avenue to a point which is the intersection of the Southerly right-of-way line of McDonald Avenue and the Southeasterly right-of-way line of Maloney Avenue; thence in a Southeasterly direction along the Southerly right-of-way line of Maloney Avenue to the shores of the Atlantic Ocean; thence meander the shoreline of Stock Island in Westerly, Southerly and Northerly direction back to the POINT OF BEGINNING.

Note the exception property above is currently part of the existing Franchise Territory.

WILLIAM L. SMITH, JR.
ISSUING OFFICER

PRESIDENT
TITLE

WASTEWATER TARIFF

DESCRIPTION OF TERRITORY SERVED

Expansion Territory - KW Resort Utility Corp.

Township 67 South, Range 25 East, Section 35

All of that portion of Stock Island South of U.S. Highway No. 1 (State Road No. 5) as now constructed. Except for the following -

A parcel of land as delineated on Maloney's plat of Stock Island as recorded in plat book 1, page 55 of official records of Monroe County, Florida and more particularly described as follows.

BEGINNING at the intersection of the Easterly abutment of the North-bound lane of the Stock Island-Key West Bridge and the Southerly right-of-way line of Highway U.S. No. 1 (State Road No. 5), run in Northeasterly direction along the Southerly right-of-way line of Highway U.S. No. 1 to a point which is the intersection of said Southerly right-of-way line of U.S. No. 1 and the Southerly right-of-way line of McDonald Avenue; thence in an Easterly direction along the Southerly right-of-way line of McDonald Avenue to a point which is the intersection of the Southerly right-of-way line of McDonald Avenue and the Southeasterly right-of-way line of Maloney Avenue; thence in a Southeasterly direction along the Southerly right-of-way line of Maloney Avenue to the shores of the Atlantic Ocean; thence meander the shoreline of Stock Island in Westerly, Southerly and Northerly direction back to the POINT OF BEGINNING.

Note the exception property above is currently part of the existing Franchise Territory.

WILLIAM L. SMITH, JR.
ISSUING OFFICER

PRESIDENT
TITLE

K.W. RESORT UTILITIES CORPORATION

Affidavit of Noticing

EXHIBIT E

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF LEON

Before me, the undersigned authority, authorized to administer oaths and take acknowledgements, personally appeared TONYA M. GRAHAM, who, after being duly sworn on oath, did depose on oath and say that she is the secretary of F. Marshall Deterding, attorney for K.W. Resort Utilities Corporation and that on September 18, 1998, she did send by certified mail, return receipt requested, a copy of the notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.


Tonya M. Graham

Sworn to and subscribed before me this 18th day of September, 1998, by Tonya M. Graham, who is personally known to me.



Print Name
NOTARY PUBLIC
My Commission Expires:



LEAH MASSA
MY COMMISSION # CC470985 EXPIRES
August 19, 1999
BONDED THIRD PARTY FARM INSURANCE, INC.

September 18, 1998

NOTICE OF APPLICATION FOR AMENDMENT OF WASTEWATER CERTIFICATE

Pursuant to the provisions of Section 367.045, Florida Statutes, and the provisions of Florida Public Service Commission Rule 25-30.030, Notice is hereby given by K.W. Resort Utilities Corporation, P.O. Box 2125, Key West, Florida 33045, of its Application to extend its service area to provide sewer service to the following described lands in Monroe County, Florida:

Expansion Territory - KW Resort Utility Corp.

Township 67 South, Range 25 East, Section 35

All of that portion of Stock Island South of U.S. Highway No. 1 (State Road No. 5) as now constructed. Except for the following -

A parcel of land as delineated on Maloney's plat of Stock Island as recorded in plat book 1, page 55 of official records of Monroe County, Florida and more particularly described as follows.

BEGINNING at the intersection of the Easterly abutment of the North-bound lane of the Stock Island-Key West Bridge and the Southerly right-of-way line of Highway U.S. No. 1 (State Road No. 5), run in Northeasterly direction along the Southerly right-of-way line of Highway U.S. No. 1 to a point which is the intersection of said Southerly right-of-way line of U.S. No. 1 and the Southerly right-of-way line of McDonald Avenue; thence in an Easterly direction along the Southerly right-of-way line of McDonald Avenue to a point which is the intersection of the Southerly right-of-way line of McDonald Avenue and the Southeasterly right-of-way line of Maloney Avenue; thence in a Southeasterly direction along the Southerly right-of-way line of Maloney Avenue to the shores of the Atlantic Ocean; thence meander the shoreline of Stock Island in Westerly, Southerly and Northerly direction back to the POINT OF BEGINNING.

Note the exception property above is currently part of the existing Franchise Territory.

Written objections of the above noted extension must be filed with the Director of the Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, and a copy provided to F. Marshall Deterding, ROSE, SUNDSTROM & BENTLEY, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, no later than 30 days after the last date this notice was mailed or published whichever is later.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

September 9, 1998

Mr. F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

**Re: Noticing List for the Application of Amendment of K.W. Resort Utilities Corporation
in Monroe County**

Dear F. Marshall Deterding:

Enclosed is the list of water and wastewater utilities and governmental/regulatory agencies in the above mentioned counties. Please refer to Commission Rule 25-30.030, Florida Administrative Code, for the noticing requirements. Noticing must be done in the proper format, consistent with the rule. If your notice is not in the proper format, you will be required to renotice and your application will be delayed. The description that refers to McDonalds and Maloney Avenues do not meet the rule. Enclosed are the proper instructions for preparation of a territory description.

Please note that if your county list includes two Department of Environmental Protection offices or two Water Management District offices, you must identify which is the proper district office for your notice.

You will note that the county list is dated and is valid for sixty days from that date. If you have not performed the noticing by this date, you must request an updated list.

If you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads 'John D. Williams'.

John D. Williams, Chief
Bureau of Policy and Industry Structure

C:\kwcorp.fs
Enclosures

LIST OF WATER AND WASTEWATER UTILITIES IN MONROE COUNTY

(VALID FOR 60 DAYS)
09/09/1998-11/07/1998

UTILITY NAME

MANAGER

MONROE COUNTY

K W RESORT UTILITIES CORP. (SU336)
X DAVIS WATER ANALYSIS
P. O. BOX 2125
KEY WEST, FL 33045-2125

JOE DAVIS
(305) 294-9578

KEY HAVEN UTILITY CORPORATION (SU306)
P. O. BOX 2067
KEY WEST, FL 33045-2067

A. WAYNE LUJAN
(305) 296-5052 OR -3826

LIST OF WATER AND WASTEWATER UTILITIES IN MONROE COUNTY

(VALID FOR 60 DAYS)
09/09/1998-11/07/1998

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CLERK, BOARD OF COUNTY COMMISSIONERS, MONROE COUNTY
500 WHITEHEAD ST.
KEY WEST, FL 33040-6547

DEP SOUTH DISTRICT
2295 VICTORIA AVE., SUITE 364
FORT MYERS, FL 33901

MAYOR, CITY OF KEY COLONY BEACH
P. O. BOX 141
KEY COLONY BEACH, FL 33051-0141

MAYOR, CITY OF KEY WEST
P. O. BOX 1409
KEY WEST, FL 33041-1490

MAYOR, CITY OF LAYTON
P. O. BOX 778
LONG KEY, FL 33001-0778

SO. FLORIDA REGIONAL PLANNING COUNCIL
3440 HOLLYWOOD BLVD, SUITE 140
HOLLYWOOD, FL 32201

SO. FLORIDA WATER MANAGEMENT DISTRICT
P.O. BOX 24680
WEST PALM BEACH, FL 33416-4680

LIST OF WATER AND WASTEWATER UTILITIES IN MONROE COUNTY

(VALID FOR 60 DAYS)
09/09/1998-11/07/1998

UTILITY NAME

MANAGER

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF RECORDS AND REPORTING
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

K.W. RESORT UTILITIES CORPORATION

Proof of Publication
(Late filed)

EXHIBIT F

K.W. RESORT UTILITIES CORPORATION

Affidavit of Officer

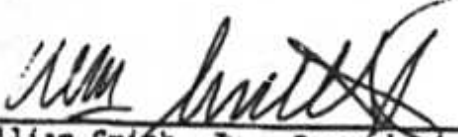
EXHIBIT G

A F F I D A V I T

STATE OF FLORIDA)
COUNTY OF _____)

BEFORE ME, the undersigned authority, authorized to administer oaths and take acknowledgements, personally appeared William Smith, Jr., President of K.W. RESORT UTILITIES CORPORATION, who after being duly sworn, did depose on oath and say that K.W. RESORT UTILITIES CORPORATION does currently have tariffs and annual reports on file with the Florida Public Service Commission.


FURTHER AFFIANT SAYETH NOT.



William Smith, Jr., President

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of September, 1998, by William Smith, Jr., who is personally known to me or who has produced _____ as identification.



GILLIAN SEIBERT
Comm. No. CC 490877
My Comm. Exp. Sept. 20, 1999
Bonded thru Fidelity Ins. Agcy.
Print Name _____
Notary Public
State of Florida at Large
My Commission Expires:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DEPOSIT

DATE

D009

SEP 21 1998

In re: Application of K.W. Resort)
Utilities Corporation's Amendment)
of wastewater certificate in Monroe)
County, Florida.)

Docket No.

981180-SU

APPLICATION FOR AMENDMENT OF
WASTEWATER CERTIFICATE

Applicant, K.W. RESORT UTILITIES CORPORATION, (hereinafter "K.W. Resort" or "Utility") by and through its undersigned attorneys, and pursuant to Section 367.045, Florida Statutes, applies to the Florida Public Service Commission for amendment of its wastewater certificate to include additional territory in Monroe County, Florida, and in support thereof states:

I.

The full name and address of the Applicant is:

K.W. RESORT UTILITIES CORPORATION
P.O. Box 2125
Key West, Florida 33045

II.

The full name and address of the Applicant's attorney, to whom all Orders, notices, directives, correspondence and other communications shall be directed is:

ROSE, SUNDSTROM & BENTLEY, LLP

OPERATING ACCOUNT
PH 877-8555
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FL 32301

20421

DATE September 18, 1998

PAY TO THE ORDER OF Florida Public Service Commission

\$ 500.00

Five Hundred and 00/100

DOLLARS

Capital City Bank
MAIN OFFICE
TALLAHASSEE, FL

[Handwritten Signature]
[Handwritten Signature]

FOR