

September 11, 2015

Via E-mail/Hand-Delivery

Ms. Luly Massaro
Division Clerk
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, Rhode Island 02888

In re: Rhode Island Fast Ferry, Inc. – Docket No. D-13-51

Dear Luly:

On behalf of Rhode Island Fast Ferry, Inc. (“RIFF”) and in accordance with the Hearing Officer’s Order dated August 11, 2015, please find an original and four (4) copies of the enclosed Declaration of RIFF for filing in the above docket.

Please let me know if you have any questions.

Very truly yours,



ALAN M. SHOER
ashoer@apslaw.com

Enclosures

STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: RHODE ISLAND FAST FERRY, INC.:

Docket No.: D-13-51

AFFIDAVIT
OF CHARLES A. DONADIO, JR.

I, Charles A. Donadio, Jr., being sworn upon oath, depose and say:

1. That I am President of Rhode Island Fast Ferry, Inc. and as such I have personal knowledge of the facts set forth in this Affidavit;

2. That this Affidavit is submitted as the “declaration” of RIFF identifying the docking facility it intends to utilize on Block Island and as an offer of proof of its availability, as required by Division Order 22030, dated and effective August 11, 2015, as amended;

2. That attached hereto as Exhibit “A” is a Lease Option Agreement by and between RIFF and Bluewater LLC (“Bluewater”) for use of a pier facility to be constructed by Bluewater in Old Harbor, Block Island as a disembarkation and embarkation point for RIFF;

3. That attached hereto as Exhibit “B” is the Affidavit of Bluewater’s Principal Member attesting to its intent to construct such a facility and the concrete steps it has taken in furtherance of that intent;

4. That RIFF intends to make use of the South Pier, so-called, in Old Harbor only as an alternative docking facility in the event that the Bluewater facility is not constructed for whatever reason;

5. That RIFF no longer intends to use Payne’s Dock or any other facility in New Harbor as a disembarkation or embarkation point.

Charles A. Donadio, Jr.

Charles A. Donadio, Jr.
President
Rhode Island Fast Ferry, Inc.

Subscribed and sworn to in Providence, Rhode Island, on the 11th day of
September, 2015.

Alan Shogr
Notary Public
ALAN SHOGR

*my Commission Expires:
October 8, 2017*

EXHIBIT A

LEASE OPTION AGREEMENT

This Lease Option Agreement is made this 11 day of September, 2015 by and between Rhode Island Fast Ferry, Inc. (hereinafter "RIFF"), and Bluewater, LLC (hereinafter "Bluewater").

WHEREAS, RIFF currently has pending before the Rhode Island Public Utilities Commission (PUC) an application for a Certificate of Public Convenience and Necessity to run seasonal high speed ferry between Quonset Point, North Kingstown, R.I. and Old Harbor, Block Island, R.I.

WHEREAS, RIFF has secured a docking facility in Quonset Point, but it has not yet secured a docking facility in Old Harbor.

WHEREAS, RIFF has asserted that based on provisions of the United States 1890 Rivers and Harbors Act it is possessed of the right to berth at what is commonly known as the South Wharf within the Inner Basin of Old Harbor, and, nothing in this Agreement shall be construed as a waiver of that claim by RIFF.

WHEREAS, in the event RIFF possesses the right to dock its ferry at the South Wharf, and it does indeed utilize said dockage, Bluewater believes that said use will dramatically alter the use of the Inner Basin to the detriment of the commercial fishermen, charter boats, recreational boats and local commercial interests, as well as the Town of New Shoreham, which operates the South Wharf.

WHEREAS, Bluewater believes that the Town of New Shoreham and the people of Block Island have a significant economic and cultural interest in maintaining the traditional use of the Inner Basin to the exclusion of ferries.

WHEREAS, in the event that RIFF does not secure alternate dockage in Old Harbor, it may pursue a judicial declaration that it has the right to dock its ferry at the South Wharf, as well as injunctive relief ordering the relocation of all vessels that would obstruct its

use of the South Wharf.

WHEREAS, in order to preserve the traditional use of the Inner Basin, Bluewater LLC has agreed to enter into this lease agreement with RIFF.

WHEREAS, it is the desire of the abovementioned parties, to come to an enforceable agreement regarding RIFF's use of a pier facility to be constructed by Bluewater in Old Harbor, Block Island, Rhode Island, (hereinafter the "Bluewater Pier").

WHEREAS, RIFF intends to use the Bluewater Pier as a passenger disembarkation and embarkation point for a fast ferry service from Quonset Point, Rhode Island (hereinafter "the service"), pending approval of its application to the Rhode Island Division of Public Utilities and Carries (hereinafter the "DPUC") for a Certificate of Public Convenience and Necessity to do so (hereinafter the "CPCN").

WHEREAS, the parties recognize that the construction and operation of the Bluewater Pier would also require the issuance of an Assent by the Rhode Island Coastal Resources Management Council (hereinafter the "CRMC") as well as the consent of the U.S. Army Corps of Engineers, and a water quality certificate from the Rhode Island Department of Environmental Management (hereinafter the "DEM").

WHEREAS, in consideration of the mutual promises herein and other good and valuable consideration, the receipt, validity and sufficiency of which is hereby acknowledged;

NOW THEREFORE, the parties agree as follows:

1. RIFF hereby agrees to lease a dock space provided by Bluewater at a pier to be constructed in Old Harbor, Block Island sufficient in length to safely berth a fast ferry of not more than 125 feet in length for a period of ten (10) years, for \$24,000 per year for years 1 through 5 and \$30,000 for years 5 through 10 to begin either on the first May 1st after the Strike Date or the second May 1st after the Strike Date. RIFF may choose which May 1st after the Strike Date that its occupancy will commence. Lease payments shall be made in full on each May 1st for the succeeding year. The dock space is for a non-stop fast ferry service originating from Quonset Point directly to Block Island only. Both Bluewater and RIFF agree that if RIFF requires dock space in the future for ferries that take on passengers or drop off passengers at other locations other than Quonset or Block Island, a separate lease agreement will be negotiated.

2. The Strike Date shall be the date upon which the Bluewater Pier is first ready for use and occupancy by RIFF and either one of RIFF's existing vessels or a vessel to be constructed by RIFF is available to perform the service, at RIFF's option. In the event that the DPUC rejects RIFF's CPCN application on the merits and there is no timely appeal, or such rejection is affirmed on appeal, or Bluewater's dock Application is denied, the parties shall have no further obligations under this agreement.

3. RIFF has inspected the two alternative locations at which Bluewater intends to construct a pier, as well as the adjacent property and water usages, as well as Bluewater's riparian rights and has concluded that its proposed ferry can safely navigate and dock in this location, and RIFF assumes the risk of this assessment.

4. Bluewater shall pay all costs and fees for obtaining any necessary regulatory approvals to build its facilities to accommodate the landing of a ferry boat, as well as the actual build-out of the those facilities, including but not limited to attorney fees, engineer fees and the actual construction costs, as well as any litigation costs incurred that are related to the approval or construction of the Bluewater Pier. In the event that any necessary approvals are not obtained or necessary construction cannot be completed the parties shall have no further obligations under this agreement.

5. RIFF shall procure liability insurance for bodily injury and property damage with minimum limits of \$3,000,000 per occurrence and naming Bluewater and its principles as additional insureds.

6. RIFF will not assign this agreement without the written consent of Bluewater, at Bluewater's sole and unfettered discretion.

7. This agreement will be governed by and construed in accordance with the laws of the state of Rhode Island.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first written above.

RHODE ISLAND FAST FERRY, INC.

By: Charles D. Donof
Title: PRESIDENT

BLUEWATER LLC

By: Paul Filippi
Title: CEO

EXHIBIT B

STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: RHODE ISLAND FAST FERRY, INC.:

Docket No.: D-13-51

AFFIDAVIT
OF PAUL FILIPPI

I, Paul Filippi, being sworn upon oath, depose and say:

1. That I am the principal Member of Bluewater LLC (hereinafter "Bluewater") and as such I have personal knowledge of the facts set forth in this Affidavit;

2. That Bluewater has acquired from the riparian landowner of Lots 158 and 159 in plat 6, and Platt 7 lot 23 in Old Harbor, Block Island, the right to wharf out at two locations, the first being the Northerly Ell of the stone jetty at the Inner Basin and the second being at the former location of the Mount Hope Pier adjacent to the Easterly Breakwater;

3. That Bluewater has engaged St. Jean Engineering, LLC, to perform extensive engineering and drafting of plans for construction of piers at each of the two aforementioned locations, as reflected in the Plan attached hereto as Exhibit "A";

4. That Bluewater has also engaged the services of Kelly Dyre LLP, a Washington, D.C. law firm specializing in such matters, to provide legal counsel and represent its interests in applications to the Rhode Island Coastal Resources Management Council (hereinafter "the CRMC") and the U.S. Army Corps of Engineers (hereinafter "the Army Corps") for the necessary permits to construct the piers;

5. That on September 8th, 2015, Bluewater and its consultants met with representatives of the Army Corps for purposes of discussing Bluewater's plans and applications;

6. That Bluewater plans to file the applications for the necessary permits with the CRMC and the Army Corps no later than November 1st, 2015.

Paul Filippi
Paul Filippi
Member
Bluewater LLC

Subscribed and sworn to in Block Island
Public Safety Compt., Rhode Island, on the 11 day of
September, 2015.

Barbara J. Rousseau
Notary Public

My Commission Expires 05 01 19

