

970273-WU

**APPLICATION FOR TRANSFER OF CERTIFICATE
(FOR UTILITY IN EXISTENCE AND CHARGING RATES)
(SECTION 367.071, FLORIDA STATUTES)**

LEGAL NOTICE

Notice is hereby given on 3-3-97, pursuant to Section 367.071, Florida Statutes, of the application of Sun Coast Utility, Inc. to operate a water and wastewater utility to provide service to the following described territory in Clay County, Florida as follows:

A part of Section 5 and a part of the Andrew Brennan Grant, Section 37, all in Township 5 South, Range 25 East, Clay County, Florida, more particularly described as follows:

Begin at the Northeast corner of said Section 37; thence South 00 degrees, 35' 30" West along the Easterly line of said Section 37, 1123.00 feet or more or less to the waters of Black Creek; thence Southwesterly along said waters, 1240 feet more or less; thence North 61 degrees 14' 00" West, 155 feet more or less; thence North 83 degrees 04' 45" West 319.73 feet to an iron pipe Southwesterly, Westerly, Northwesterly, Northerly, Northeasterly, Easterly and Southeasterly along said edge of Cypress and Gum Swamp, 5750 feet more or less to an iron pipe; thence North 00 degrees 28' 12" East, 617.70 feet to the Northerly line of said Section 37; thence South 89 degrees 31' 48" East along said Northerly line, 1320.00 feet to the Point of Beginning.

Any objections to the said application must be made in writing within (30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Sumard Oak Boulevard, Tallahassee, Florida 32399-0850. A copy of said objection should be mailed to the applicant whose address is:

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG 1
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS 1
- OTH _____

SUN COAST UTILITY, INC.
P.O. BOX 23249
JACKSONVILLE, FLORIDA 32241-3249

SUN COAST UTILITY, INC.

By: James McCormack
JAMES McCORMACK, PRESIDENT

DOCUMENT NUMBER-DATE
02488 MAR-76
FPSC-RECORDS/REPORTING

AGREEMENT

THIS AGREEMENT dated August 21, 1995, ^{1st} ^{of} ^{SUN} by and between DUVAL UTILITY COMPANY, a Florida corporation ("Duval"), and JAMES McCORMACK d/b/a SUN COAST UTILITY, a sole proprietorship ("Sun Coast"),

W I T N E S S E T H :

WHEREAS, Duval is the owner and operator of certain facilities located in Clay County, Florida, which provide utility services to a residential subdivision known as "McRae Landing" (said facilities are hereinafter referred to as the "Utility"); and

WHEREAS, Duval wishes to contract with Sun Coast for management and possible future acquisition of the Utility;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein, and other valuable consideration, the receipt and sufficiency of which are acknowledged by each party hereto, Duval and Sun Coast agree as follows:

1. Management of Utility. Duval hereby retains Sun Coast, and Sun Coast hereby agrees, to manage the utility on the terms set forth herein. Management of the utility will consist of maintaining and operating the Utility in accordance with the standards and requirements of any public service commission, municipality or other government regulatory agency having jurisdiction over the Utility (collectively referred to hereinafter as "Regulatory Authorities"); file all reports required by any of the Regulatory Authorities, bill and collect payment from the customers of the Utility; and take any action normally taken in the ordinary course of business by the operation of a utility of the same size and type as the Utility. All expenses of operating the Utility will be paid from receipts on customer billings. Out of the balance of such receipts, if any, Sun Coast will remit to Duval \$10.00 per year and will be entitled to retain any excess.

2. Option to Purchase. Duval hereby grants to Sun Coast and option to purchase the Utility on the following terms:

(a) The purchase price for the Utility will be \$10.00 plus fifty percent (50%), less \$5,000.00, of the net sales proceeds, after closing costs, received by Sun Coast from any subsequent sale of the Utility;

(b) The option shall continue in effect for the term of this agreement, including any extension thereof;

(c) The option may be exercised by written notice to Duval delivered as provided in this Agreement, and closing will occur within five (5) days after exercise of the option;

(d) Duval will convey title to the Utility by warranty deed in statutory power and will pay all closing costs associated with the conveyance, including but not limited to documentary stamp taxes;

(e) Upon any exercise of the Option, this Agreement shall terminate and neither party shall have any further rights or obligations hereunder on and after recording of the deed.

3. Term of Agreement. Unless sooner terminated pursuant to Section 2(c) hereof, this Agreement shall have an initial term of five (5) years, commencing on the date hereof. Sun Coast shall have the option to extend the term for a period of five (5) years by notice given in the manner provided herein within fifteen (15) days of the expiration date of the initial term hereof. Upon expiration of the initial term without extension, or upon

expiration of the extension period, this Agreement shall terminate and neither party shall have any further rights or obligations hereunder.

4. Authorization. Each party hereby represents to the other that it has been duly authorized by act of its respective board of directors or owner to enter into this Agreement and undertake and perform the transactions contemplated hereby.

5. Representations. The covenants, representations, warranties and other written statements set forth in this Agreement shall survive the execution and delivery hereof. Each of such covenants, representations, warranties and other written statements shall be deemed to be independent and material and to have been relied upon by the party to whom made.

6. Notices. All notices, demands, requests, consents or other communications required, permitted or provided for hereunder shall be in writing and shall be deemed to have been given when delivered by personal service or deposited in the United States mail and sent by certified or registered mail, return receipt requested, postage prepaid and addressed to the address set forth below:

A. If to Duval, Attention: Thomas C. Bergmann, Stokes and Company, 9551 Baymeadows Road, Suite 4, Jacksonville, Florida 32256.

B. If to Sun Coast, Attention: James McCormack, Sun Coast Utility, Post Office Box 23249, Jacksonville, Florida 32241-3249.

7. Further Assurances. Each of the parties hereto shall hereafter execute and deliver such further instruments and do such further acts and things consistent with the provisions of this Agreement as may be required or useful to carry out the intent and purpose of this Agreement.

8. Captions. Titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

10. Proceedings. The Circuit Court for Duval County in the City of Jacksonville, Florida, shall have sole jurisdiction of any action brought hereunder by any party hereto. In any litigation each such party waives personal service of any summons and complaint and agrees that service may be made by registered or certified mail sent to such party at the address set forth above.

11. Entire Agreement; Amendment. Except as herein otherwise expressly provided, this instrument incorporates the entire agreement and understanding between the parties hereto with respect to the subject matter hereof. This Agreement may not be modified or amended except with the written consent of all parties hereto.

12. Successors. Except as otherwise provided herein, all provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

13. No Waiver. The failure of any party hereto to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent

or waiver to or of any other breach or default in the performance of the same or any other obligation.

14. Invalidity of any Provision. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such term or provision to persons or circumstances other than those as to which it shall have been held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall continue to be valid and be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Jessica B. Taylor
KRMW 7-25-95



James M. McCormack
JAMES MCCORMACK, d/b/a
SUN COAST UTILITY

DUVAL UTILITY COMPANY

By: *Sharon W. Fredenhagen*
Sharon W. Fredenhagen
Vice President

repared by and return to:
Sherry Hice
1551 Baymeadows Road, Suite 4
Jacksonville, FL 32256

Exhibit Part 5-A-1



Book: 1615
Page: 2141
Rec: 08/12/96
10:38 A.M.
File# 9630126
John Keene
Clerk Of Courts
Clay County, FL
Fee: \$6.00
Doc: \$56.70

WARRANTY DEED
(Corporate)

THIS INDENTURE, Made this 1st day of August, 1996, between
DUVAL UTILITY COMPANY, a Florida corporation, Grantor, whose
mailing address is 9551 Baymeadows Road, Suite 4, Jacksonville, FL
32256, and SUN COAST UTILITY, INC., a Florida corporation,
Grantee, whose mailing address is 9621 Shellie Road, Jacksonville,
FL 32257,

WITNESSETH: That the said Grantor, for and in consideration
of the sum of Ten Dollars (\$10.00) and other valuable
consideration, to it in hand paid by the said Grantee, the receipt
whereof is hereby acknowledged, has granted, bargained and sold to
the said Grantee, its successors and assigns forever, the
following described land, situate, lying and being in the County
of Clay, State of Florida, to-wit: 37-05-25-010149-099-00

Tract "A", McRAE LANDING, according to Plat Book 15,
pages 51 through 58, inclusive, of the public records of
Clay County, Florida.

Together with all tenements, hereditaments and
appurtenances thereunto belonging or in any wise
appertaining.

Subject to easements, covenants and restrictions of
record and ad valorem property taxes accruing subsequent
to December 31, 1995.

And the said Grantor does hereby fully warrant the title to
said land, and will defend the same against the lawful claims of
all persons whomsoever.

IN WITNESS WHEREOF, the said Grantor has caused this
instrument to be executed in its name by its Vice President and
caused its Corporate Seal to be hereto affixed the day and year
first above written.

Signed, sealed and delivered
in the presence of:

Jo Ann McLeod
Jo Ann McLeod

Sherry Hice
Sherry Hice

DUVAL UTILITY COMPANY

By: Sharon W. Fredenhagen
Sharon W. Fredenhagen
Vice President

(CORPORATE
SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 1st
day of August, 1996, by Sharon W. Fredenhagen, as Vice President
of Duval Utility Company, a Florida corporation, on behalf of the
corporation. She is personally known to me, and did not take an
oath.

Sherry Hice
Sherry Hice
Notary Public, State of Florida

(SEAL)



Sherry Hice
MY COMMISSION # CC025209 Expires
March 30, 2000