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040257-WS

PAPPAS METCALF JENKS & MILLER

PROFESSIONAL ASSOCIATION

ATTORNEYS AT LAW

245 RIVERSIDE AVENUE, SUITE 400
JACKSONVILLE, FLORIDA 32202-4926

TELEPHONE: (904) 353-1980

TELECOPIER: (904) 353-5217

www.pmjmlaw.com

March 23, 2004

RECEIVED-PPSC

MAR 24 AM 9:30

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


Re: Application by Nocatee Utility Corporation for Approval of the Transfer of Certificates in Duval and St. John Counties from Nocatee Utility Corporation to JEA

Dear Ms. Bayo:

Please find an original and five (5) copies of an Application by Nocatee Utility Corporation ("NUC") for Approval of the Transfer of Certificates in Duval and St. Johns Counties from NUC to JEA. Copies of Florida Public Service Commission ("Commission") Certificates of Authorization Nos. 617-W and 531-S are enclosed. Please file the original and distribute the copies in accordance with your customary procedures. I have been advised by the staff of the Commission that no filing fee is required for an Application for Approval of the Transfer of Certificates to a governmental authority such as JEA, and, accordingly, no filing fee is enclosed.

If you have any questions or comments concerning the enclosed Application for Approval of the Transfer, please do not hesitate to call me at 904/353-1980.

Sincerely,



Scott G. Schildberg

SGS:vmm
Enclosures

- cc: M. Lynn Pappas, Esq. (w/enc.)
- Mr. H.J. Skelton (w/enc.)
- Michael B. Wedner, Esq. (w/enc.)
- Mr. James A. Perry (w/enc.)
- Mr. Douglas Miller (w/enc.)
- Mr. Greg Barbour (w/enc.)

04 MAR 24 AM 8:42
DISTRIBUTION CENTER

03851 MAR 24

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Nocatee Utility Corporation for Approval of the Transfer of Certificates in Duval and St. Johns Counties from Nocatee Utility Corporation to JEA)
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)
)
)
)

Docket No. 040257-WS

Submitted for Filing on March 23, 2004

**APPLICATION FOR APPROVAL OF THE
TRANSFER OF CERTIFICATES IN DUVAL
AND ST. JOHNS COUNTIES FROM NOCATEE
UTILITY CORPORATION TO JEA**

Nocatee Utility Corporation ("NUC"), pursuant to Section 367.071(4)(a), Florida Statutes (2003), and Rule 25-30.037(4), Florida Administrative Code, hereby files this Application for Approval of the Transfer of NUC's Florida Public Service Commission Certificates of Authorization from NUC to JEA, a public body corporate and politic of the State of Florida. In support of this Application, NUC states as follows:

1. The name, address, and telephone and facsimile numbers of the regulated utility

are:

Nocatee Utility Corporation
4310 Pablo Oaks Court
Jacksonville, Florida 32224-9631
Telephone: 904/223-4700
Facsimile: 904/223-7499

2. The name, address, and telephone and facsimile numbers of NUC's authorized

representatives are:

M. Lynn Pappas, Esq.
Scott G. Schildberg, Esq.
Pappas Metcalf Jenks & Miller, P.A.
245 Riverside Avenue, Suite 400
Jacksonville, Florida 32202-4926
Telephone: 904/353-1980
Facsimile: 904/353-5217

DOCUMENT NUMBER-DATE

03851 MAR 24 8

3. The name, address, and telephone and facsimile numbers of the transferee for purposes of this Application are:

James A. Perry
Acquisition and Disposition Specialist
JEA
21 West Church Street, Tower 12
Jacksonville, Florida 32202-3139
Telephone: 904/665-6340
Facsimile: 904/665-7386

4. The name, address, and telephone and facsimile numbers of JEA's representative for purposes of this Application are:

Michael B. Wedner, Esq.
Assistant General Counsel
Office of General Counsel
City of Jacksonville
City Hall, St. James Building
117 West Duval Street, Suite 480
Jacksonville, Florida 32202
Telephone: 904/630-1700
Facsimile: 904/630-1731

5. The Florida Public Service Commission ("Commission") issued NUC Certificate Nos. 617-W and 531-S (collectively the "PSC Certificate") related to NUC's water and wastewater service area in Duval and St. Johns Counties.

6. JEA is exempt from regulation by the Commission pursuant to Section 367.022(2), Florida Statutes (2003). JEA is a "governmental authority" subject to the "approval as a matter of right" provisions of Section 367.071(4)(a), Florida Statutes (2003). *See* Order No. PSC-03-1441-FOF-WS issued December 22, 2003 in Docket No. 030976-WS.

7. JEA and NUC have negotiated a Conveyance Agreement (the "Agreement"), a copy of which is attached as Exhibit "A." Pursuant to this Agreement, NUC will assign to JEA any and all of NUC's right, title and interest in the PSC Certificate. A copy of the executed

Agreement will be provided as soon as it is available. The acquisition is in the process of being approved by the appropriate government authorities pursuant to Chapter 180.301, Florida Statutes.

8. A statement by JEA that JEA has obtained NUC's most recently available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction as contemplated by Section 367.071(4)(a), Florida Statutes (2003), is attached as Exhibit "B."

9. There is no pending request for rate relief by NUC before the Commission.

10. There are no customer deposits.

11. No regulatory assessment fees are due from NUC through 2003. Regulatory assessment fees, if any, for 2004 will be paid by NUC when due.

12. There are no regulatory fines or refunds owed by NUC with respect to its system.

13. JEA conducted its Chapter 180 hearing to acquire the PSC Certificate on March 16, 2004. JEA's Board also approved the acquisition in its March 16, 2004, meeting following the Chapter 180 hearing.

14. NUC's original Certificate Nos. 617-W and 531-S have been misplaced.

WHEREFORE, NUC requests that this Commission:

A. Grant NUC's Application;

B. Approve the transfer of the PSC Certificate to JEA, as a matter of right pursuant to Section 367.071(4)(a), Florida Statutes (2003); and

C. Grant such other relief as is appropriate.

STATE OF FLORIDA)
) SS
COUNTY OF DUVAL)

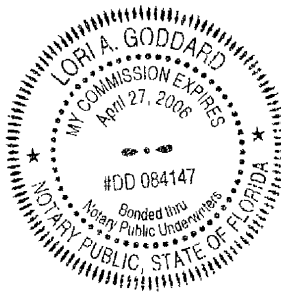
AFFIDAVIT

I, H.J. Skelton, as President of Nocatee Utility Corporation, (applicant), do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitute a complete statement of the matter to which it relates.

NOCATEE UTILITY CORPORATION

By: *H.J. Skelton*
H.J. Skelton, President

Subscribed and sworn to before me this 23 day of MARCH, 2004, by H.J. Skelton, as President of the Corporation, who is personally known to me.



Lori A. Goddard
Notary Public's Signature
Print Name: LORI A. GODDARD
Notary Public, State of Florida
Commission # DD084147
My Commission Expires: 4 | 27 | 2006

**JEA / NUC
CONVEYANCE AGREEMENT**

This CONVEYANCE AGREEMENT is entered into this _____ day of _____, 2004 by and between **JEA**, a public body corporate and politic of the State of Florida ("JEA") and **NOCATEE UTILITY CORPORATION**, a Florida corporation, with principal offices and doing business in Duval and St. Johns County, Florida ("NUC"), joined by **SONOC COMPANY, LLC**.

RECITALS:

A. JEA and NUC entered into that certain Agreement for Wholesale Utilities, Operations, Management and Maintenance between JEA and Nocatee Utility Corporation dated July 24, 2000 (the "Wholesale Agreement") under which terms JEA was to provide wholesale water, sewer and reclaimed water capacity and operations and maintenance services to NUC for the benefit of lands owned by SONOC COMPANY, LLC, as described on **Exhibit "A"** attached hereto (the "Nocatee Property").

B. NUC obtained Water Certificate No. 617-W and Wastewater Certificate No. 531-S from the Florida Public Service Commission dated September 24, 2001 under which terms the Nocatee Property is the certificated service territory of NUC (the "PSC Certificate").

C. JEA has entered into an agreement with St. Johns County with respect to water, sewer and reclaimed water service by JEA within St. Johns County known as the St. Johns County / JEA Water and Wastewater Interlocal Agreement dated July 20, 1999, as amended by Addendum dated December 19, 2001, as amended to the date hereof (the "St. Johns / Interlocal Agreement").

D. JEA and NUC have agreed to terms and conditions under which (i) NUC will convey its right, title and interest in and to the PSC Certificate to JEA and JEA will be released from its obligations under the Wholesale Agreement, (ii) JEA and SONOC COMPANY, LLC will enter into a Developer and Utility Service Agreement for the Nocatee Property (the "Service Agreement"), (iii) community development district(s) to be formed in St. Johns County and Duval County, Florida shall enter into an Interlocal Agreement with JEA for payment of contribution in aid of construction fees to JEA, and (iv) JEA will pay certain cash and certain recurring consideration for such conveyance to NUC.

E. Terms not defined herein shall have the meaning set forth in the Service Agreement attached hereto as **Exhibit "C"**

NOW THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the parties agree as follows:

EXHIBIT "A"

1. Consideration Paid.

1.1 NUC agrees to assign to JEA the PSC Certificate as of the Closing Date, as hereinafter defined, in accordance with the form of Assignment attached hereto as **Exhibit "B,"** in consideration for which JEA will pay to NUC, or its assigns, a "Purchase Price" equal to (i) the amount of Two Million Two Hundred Fifty Thousand and No/100 Dollars (\$2,250,000.00) to be paid in cash to NUC on the Closing Date, and (ii) an amount equal to Five Hundred and No/100 Dollars (\$500.00) to be paid to NUC for each Equivalent Residential Connection ("ERC") connected to the water, sewer or reclaimed water system (or some combination thereof) owned and operated by JEA (the "JEA System") from the Nocatee Property (the "ERC Payments").

1.2 The ERCs used in determining the ERC Payments for each connection shall be equal to the gallons per day of average daily water capacity for the connection (as estimated and approved by JEA in accordance with Section 105 of JEA's Water & Sewer Rate Document) divided by 350 gallons per day per ERC; provided, however, the minimum number of ERCs for a connection shall be one (1) ERC. The ERC Payments shall be due and payable from JEA to NUC, or its assigns, on a quarterly basis on the first day of each calendar quarter in each year and shall be accompanied by a certification of all Equivalent Residential Connections made to the JEA System from the Nocatee Property for such period and calculation of the total amount of ERC Payments then due to NUC or its assigns, certified as true and correct by the chief financial officer of JEA.

1.3 NUC, or its assigns, shall have the right to inspect and to audit the records of JEA during normal business hours to verify the accuracy of ERC Payments. If any audit or inspection shall conclusively determine that the amount of ERC Payments previously paid from JEA to NUC under review were understated by more than three percent (3%), the cost of the inspection or audit shall be borne by JEA, otherwise shall be borne by NUC, or its assigns. Any ERC Payments not paid within thirty (30) days of the due date shall be in default and shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. The provisions of this Section 1 shall survive Closing and shall be the continuing obligation of JEA, its successors or assigns, until completion of development of the Nocatee Property and payment of all ERC Payments due NUC or its assigns.

2. Assignment of PSC Certificate.

2.1 NUC shall submit such documentation as necessary to request the consent of the Public Service Commission to the Assignment (the "PSC Consent") not later than thirty (30) days from the date hereof and shall, at its expense, utilize its good faith efforts to obtain the PSC Consent not later than July 30, 2004 (the "PSC Deadline"). If NUC does not obtain the PSC Consent on or before the PSC Deadline, then either party may extend the PSC Deadline and the Closing Date by up to one hundred and twenty (120) days by written notice to the other. If the PSC Consent has not been obtained by the extended PSC Deadline, this Agreement may be terminated by either party by written notice to the other within fifteen (15) days of the extended PSC Deadline.

2.2 Both NUC and JEA shall cooperate in providing any information as may be required by the PSC as a condition to obtaining the PSC Consent. Any participation by JEA or its attorneys in such proceedings shall be at the expense of JEA.

2.3 Pursuant to the St. Johns / Interlocal Agreement, JEA has the authority to provide service to the Nocatee Property. JEA shall submit documentation as is necessary to obtain the approval, if any, by St. Johns County of the Service Agreement or CDD Interlocal Agreement if required under the St. Johns / Interlocal Agreement (the "St. Johns Consent") not later than thirty (30) days from the date hereof and shall, at its expense, utilize its good faith efforts to obtain the St. Johns Consent not later than July 30, 2004 (the "St. Johns Deadline"). If JEA determines that the St. Johns Consent is required and does not obtain the St. Johns Consent on or before the St. Johns Deadline, then either party may extend the St. Johns Deadline and the Closing Date by up to one hundred twenty (120) days by written notice to the other. If any required St. Johns Consent has not been obtained by the extended St. Johns Deadline, this Agreement may be terminated by either party by written notice to the other within fifteen (15) days of the extended St. Johns Deadline. Nothing contained herein shall require the consent of St. Johns County to the Service Agreement, the CDD Interlocal Agreement or to this transaction.

2.4 JEA shall submit such documentation and conduct such hearings as are required pursuant to Chapter 180, Florida Statutes, related to the transactions contemplated under this Agreement and obtain necessary governing Board approval prior to execution hereof by JEA.

2.5 The parties acknowledge that the JEA Onsite Improvements as depicted on Exhibits to the Service Agreement may be subject to modifications to integrate such improvements into the JEA System Improvements, which modifications shall be initiated by JEA, at its expense, under the Service Agreement and shall be subject to the approval of SONOC COMPANY, LLC. Recognizing that the timing of construction of the initial Development Unit(s) to be constructed by SONOC COMPANY, LLC will require commencement of final design of the JEA Onsite System immediately after Closing, JEA agrees that it shall undertake such review activities of the JEA Onsite System and submit any conceptual modifications of the JEA Onsite System for integration into the JEA System Improvements for the initial Development Unit(s) within twenty (20) days of notice from SONOC COMPANY, LLC of the location of and capacities needed to serve the initial Development Unit(s) (the "JEA Onsite Modifications"). The JEA Onsite Modifications shall be submitted to SONOC COMPANY, LLC for review and approval not later than March 31, 2004.

3. SONOC COMPANY, LLC and JEA Service Agreement. At Closing, SONOC COMPANY, LLC and JEA shall enter into the Developer and Utility Service Agreement in form and content attached hereto as **Exhibit "C,"** under which terms JEA shall agree to provide water, sewer and reclaimed water service to the Nocatee Property. At Closing, Community Development District(s) established under Chapter 190, Florida Statutes, in St. Johns County and Duval County, Florida (each a "CDD") shall enter into Interlocal

Agreements with JEA to provide for payment of certain contribution in aid of construction fees to JEA upon service connections to JEA within the jurisdictional territory of each such CDD (the "CDD Interlocal Agreements"), in form and content attached hereto as **Exhibit "D."**

4. Termination of Wholesale Agreement. At Closing, JEA and NUC will execute and deliver a termination of the Wholesale Agreement in form and content attached hereto as **Exhibit "E"** (the "Termination Agreement").

5. Closing Date. The closing of the transactions contemplated herein will be held at the offices of Pappas Metcalf Jenks & Miller, 245 Riverside Avenue, Suite 400, Jacksonville, Florida 32202, fifteen (15) days after the last to occur of (i) issuance of the PSC Consent, (ii) issuance of the St. Johns County Consent, and (iii) conclusion of the Chapter 180, Florida Statutes public hearing process and expiration of all applicable appeal periods without appeal, but not later than August 15, 2004, except as may be extended pursuant to Section 2.1 or 2.3 above.

6. Conditions to Closing.

6.1 NUC's Conditions to Closing. NUC's obligations to close this transaction shall be conditioned upon satisfaction of the following conditions, which if not satisfied on or before the Closing Date, may be waived by NUC or NUC shall be entitled to terminate this Agreement.

6.1.1 JEA shall have performed all obligations of JEA as of the Closing Date including, but not limited to, execution of the CDD Interlocal Agreements (subject to Section 6.1.3 below), Service Agreement and Termination Agreement.

6.1.2 All representations and warranties of JEA shall be true and correct as of the Closing Date.

6.1.3 A CDD having jurisdiction in St. Johns County and a CDD having jurisdiction in Duval County shall have been formed under Chapter 190, F.S. and shall have executed and delivered the CDD Interlocal Agreements to JEA.

6.1.4 JEA shall have obtained the St. Johns Consent pursuant to Section 2.3.

6.1.5 NUC shall have obtained the PSC Consent.

6.2 JEA's Conditions to Closing. JEA's obligations to close this transaction shall be conditioned upon satisfaction of the following conditions, which if not satisfied on or before the Closing Date may be waived by JEA or JEA shall be entitled to terminate this Agreement.

6.2.1 NUC (or SONOC COMPANY, LLC) shall have performed all obligations of NUC (or SONOC COMPANY, LLC) as of the Closing Date, including but not limited to execution of the Service Agreement and Termination Agreement.

6.2.2 All representations and warranties of NUC shall be true and correct as of the Closing Date.

6.2.3 A CDD having jurisdiction in St. Johns County and a CDD having jurisdiction in Duval County shall have been formed under Chapter 190, F.S. and shall have executed and delivered the CDD Interlocal Agreements to JEA.

6.2.4 JEA shall have obtained the St. Johns Consent pursuant to Section 2.3.

6.2.5 NUC shall have obtained the PSC Consent.

7. Documents to be Delivered at Closing. At or prior to Closing (if provided elsewhere herein), the following documents will be executed and/or delivered by JEA, NUC, SONOC COMPANY, LLC and each CDD, as applicable:

- 7.1 the Assignment
- 7.2 the Service Agreement
- 7.3 the Termination Agreement
- 7.4 Closing Statement
- 7.5 PSC Consent
- 7.6 the CDD Interlocal Agreements
- 7.7 the St. Johns Consent, if required
- 7.8 the JEA Onsite Modifications

8. Closing Costs. JEA shall pay any and all transfer taxes or related costs and expenses associated with the assignment of the PSC Certificate to JEA, except as provided in Section 2.2 above, and each party shall pay its own attorneys' fees.

9. Representations and Warranties.

9.1 Representations and Warranties of NUC. NUC hereby represents and warrants to JEA, which representations and warranties are true as of the date hereof and shall be deemed to be restated at Closing:

9.1.1 NUC has full power and authority to execute this Agreement and to perform the obligations of NUC hereunder, subject to obtaining the PSC Consent.

9.1.2 There is no litigation or administrative proceeding pending, or to the knowledge of NUC threatened, which affects the PSC Certificate, or the performance by NUC under this Agreement.

9.1.3 The execution and delivery of this Agreement and consummation of the transactions contemplated hereby will not (i) constitute a default under any instrument, document or obligation to which NUC is now, or may become a party, or by which NUC may be bound or affected, or (ii) violate any order, writ, injunction or decree of any court in any litigation to which NUC is a party.

9.1.4 There are no liens, attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy or under any applicable debt or relief laws, or any other litigation contemplated by or pending or to the knowledge of NUC threatened against NUC or the PSC Certificate.

9.1.5 NUC holds no customer deposits, or other monetary customer accounts and has not imposed any fines, obligated itself to any customer refunds nor is subject to any regulatory assessments.

10. Representations and Warranties of JEA. JEA hereby represents and warrants to NUC, which representations and warranties are true as of the date hereof and shall be deemed to be restated at Closing.

10.1 JEA is a public body corporate and politic of the State of Florida; the individual executing this Agreement on behalf of JEA is duly qualified and authorized to execute this Agreement on behalf of JEA.

10.2 There is no litigation or administrative proceeding pending, or administrative proceeding pending, or to the knowledge of JEA threatened, which affect the ability of JEA to perform its obligations under this Agreement or the Service Agreement.

10.3 The execution and delivery of this Agreement and consummation of the transactions contemplated hereby will not (i) constitute a default under any instrument, document or obligation to which JEA is now, or may become a party, or by which JEA may be bound or affected, or (ii) violate any order, writ, injunction or decree of any court in any litigation to which JEA is a party.

10.4 The execution and delivery of this Agreement and consummation of the transactions contemplated hereby are specifically authorized pursuant to the St. Johns / Interlocal Agreement and all statutory and regulatory requirements and no consent or authorization is necessary from St. Johns County or any other governmental authority (other than the St. Johns Consent and the PSC Consent) to authorize JEA to provide service to the Nocatee Property and to accept the Assignment.

11. Default. If JEA fails to consummate the transactions contemplated in accordance with the terms of this Agreement for any reason (other than default by NUC or SONOC COMPANY, LLC), or if JEA shall default in its obligation to pay the ERC Payments, NUC or its assigns shall be entitled to the remedy of specific performance and damages, but excluding consequential damages and shall be entitled to payment of default interest on any such delinquent ERC Payments as provided for in Section 1.3 above.

In the event that NUC fails to consummate the transactions contemplated herein for any reason other than a default of JEA, JEA shall be entitled to pursue the remedy of specific performance or damages, but excluding consequential damages.

12. Assignment. JEA may assign its rights and obligations under this Agreement to any entity which acquires all or substantially all of the assets of JEA and assumes the obligations of JEA hereunder. JEA may not otherwise assign its rights under this Agreement to any other party without the prior written consent of NUC which may be granted or withheld in its sole discretion. NUC may assign its rights under this Agreement (and rights to the ERC Payments) in its discretion subsequent to Closing, but may not assign its rights under this Agreement prior to Closing without prior written consent of JEA, which may be granted or withheld in its sole discretion.

13. Applicable Law. This Agreement is to be construed and enforced according to the laws of the State of Florida.

14. Notices. All notices herein required shall be in writing. Whenever any notice, demand or request is required or permitted hereunder, such notice, demand or request shall be hand-delivered personally or sent by express mail or courier service to the addresses set forth below:

If to JEA:

JEA
Director of Strategic Partnerships & Acquisition
21 West Church Street
Jacksonville, Florida 32202

With a copy to:

Office of General Counsel
City of Jacksonville
117 West Duval Street, Suite 480
Jacksonville, Florida 32202

If to Nocatee Utility Corporation:

Richard Ray
c/o The PARC Group
4314 Pablo Oaks Court
Jacksonville, Florida 32224

With a copy to:

M. Lynn Pappas, Esq.
Pappas Metcalf Jenks & Miller, P.A.
245 Riverside Avenue, Suite 400
Jacksonville, Florida 32202

Any notice or demand to be given hereunder shall be deemed sufficiently given for all purposes hereunder (1) at the time such notices or demands are hand-delivered, or (2) when received by the party to whom the notice is sent by any express mail or other overnight courier service. Any party hereto may change its address by notice in writing to the other parties in the manner herein provided.

15. Time of Essence. TIME IS OF THE ESSENCE of this Agreement.

16. No Recording of Agreement. JEA and NUC each agree not to place this Agreement of record.

17. Survival of Representations and Warranties. All representations, warranties and covenants contained herein or otherwise made in writing in connection herewith shall survive the Closing for a period of two (2) years from the date of Closing, unless a longer time frame is specifically provided.

18. Judicial Interpretation. Should any of the provisions of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that the agents of all parties have participated in the preparation hereof.

19. Entire Agreement. This Agreement and Exhibits hereto contain all of the agreements, representations and warranties of the parties hereto and supersedes all other discussions, understandings or agreements in respect to the subject matter hereof. All prior discussions, understandings and agreements are merged into this Agreement, which alone fully and completely expresses the agreements and understandings of the parties hereto. This Agreement may be amended, superseded, extended or modified only by an instrument in writing referring hereto signed by all parties.

20. No Benefit to Other Parties. Except as otherwise provided herein, none of the provisions hereof shall inure to the benefit of any party other than the parties hereto and their respective successors and permitted assigns, or be deemed to create any rights, benefits or privileges in favor of any other party except the parties hereto.

21. No Agency, Partnership or Joint Venture. Nothing herein shall be construed to establish an agency relationship between JEA and NUC for any purpose.

22. Waiver. No provision of the Agreement or rights hereunder may be waived unless such waiver is in writing and signed by the party waiving such provision or right. The waiver by one party of the performance of any covenant or condition herein shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant or condition herein. The waiver by either or both parties of the time for performing any act shall not constitute a waiver at the time for performing any others act or an identical act required to be performed at a later time. The exercise of any remedy provided by law in

the provisions of this Agreement shall not exclude other remedies unless they are expressly excluded.

23. Attorneys' Fees. In connection with any arbitration, mediation or litigation brought to rescind or enforce this Agreement, before or after Closing, the prevailing parties shall be entitled to recover all costs therein incurred including reasonable attorneys' fees at trial and on appeal.

24. Counterparts. This Agreement may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be an original and all of which will constitute one and the same Agreement.

25. Headings. The captions and headings contained in this Agreement are for reference purposes only and shall not in any way effect the meaning or interpretation hereof.

26. Time for Acceptance. If this Agreement is not executed within ten (10) days of the date of execution of the party first executing, the Agreement shall be null and void.

[This space left blank intentionally]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day first above written.

JEA,
a public body corporate and
politic of the State of Florida

By: _____

Name: _____

Title: _____

Date: _____

NOCATEE UTILITY CORPORATION,
a Florida corporation

By: _____

Name: _____

Title: _____

Date: _____

CONSENT AND JOINDER

SONOC COMPANY, LLC hereby executes this Agreement for the sole purpose of evidencing its agreement to be bound by the provisions of Sections 3 and 5 hereof, as to SONOC COMPANY, LLC.

SONOC COMPANY, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Date: _____

LIST OF EXHIBITS

- Exhibit "A" - Nocatee Property

- Exhibit "B" - Form of Assignment

- Exhibit "C" - Form Service Agreement

- Exhibit "D" - CDD Interlocal Agreements

- Exhibit "E" - Termination Agreement

21 West Church Street
Jacksonville, Florida 32202-3139



March 16, 2004

Ms. Blanco Bayo
Director of Records and Reporting
Florida Public Service Commission
2540 Shumard Oaks Boulevard
Tallahassee, Florida 32399-0850

Re: Application by Nocatee Utility Corporation for Approval of the Transfer of
Certificates in Duval and St. Johns Counties from Nocatee Utility Corporation to
JEA

Dear Ms. Bayo:

Please be advised that in keeping with requirements of Section 376.071(4)(a),
Florida Statutes (2003), JEA has received the most recent available income and
expense statement, balance sheet, statement of rate base for regulatory purposes, and
contributions-in-aid-of-construction information from Nocatee Utility Corporation
("NUC"). Such information was included in NUC's Annual Report to the Florida
Public Service Commission for the year ended December 31, 2003.

Sincerely,

A handwritten signature in black ink that reads "Randy J. Boswell".

Randy J. Boswell
Vice President, Market Strategy

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

617 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

Nocatee Utility Corporation

Whose principal address is:

4310 Pablo Oaks Court
Jacksonville, FL 32224
(Duval and St. Johns Counties)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	PSC-01-1916-FOF-WS	DOCKET	990696-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Dorcas S. Bayo
Commission Clerk and Administrative Services Director

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

531 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

Nocatee Utility Corporation

Whose principal address is:

4310 Pablo Oaks Court
Jacksonville, FL 32224
(Duval and St. Johns Counties)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	PSC-01-1916-FOF-WS	DOCKET	990696-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

James L. Lays
Commission Clerk and Administrative Services Director