

ORDINANCE NO. 2014-14

AN ORDINANCE OF THE CITY OF OLDSMAR, FLORIDA, A FLORIDA MUNICIPAL CORPORATION (HEREINAFTER "OLDSMAR") GRANTING TO THE CITY OF CLEARWATER, FLORIDA, ITS LEGAL REPRESENTATIVES, SUCCESSOR AND ASSIGNS, (HEREINAFTER "CLEARWATER"), A GAS FRANCHISE AND IMPOSING CERTAIN CONDITIONS RELATING THERETO: PROVIDING FOR REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in addition and supplemental to their other powers, OLDSMAR and CLEARWATER, pursuant to Chapter 163, Part I, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to cooperate with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of government organization that will best accord with geographic, economic, population, and other factors influencing the needs and development of local communities; and

WHEREAS, it is in the best interests of the citizens of OLDSMAR to be provided gas service whenever and wherever feasible; and,

WHEREAS, pursuant to Chapters 166 and 180, Florida Statutes, CLEARWATER, d/b/a CLEARWATER GAS SYSTEM, has the power and the present capability to provide such gas services in OLDSMAR; and

WHEREAS, OLDSMAR and CLEARWATER wish to set forth the grants and conditions with respect to the provisions of such gas service to those areas within the corporate limits of OLDSMAR and OLDSMAR desires by virtue hereof to grant a franchise to CLEARWATER.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF OLDSMAR, FLORIDA:

SECTION 1. PURPOSE.

The parties acknowledge that CLEARWATER has the legal authority pursuant to Florida Statutes to provide gas service and, further, that OLDSMAR, upon appropriate exercise of its powers could also provide such service. OLDSMAR and CLEARWATER have determined it is in the best interests of both parties and their citizens for CLEARWATER to provide gas service within the corporate limits of OLDSMAR as defined herein.

SECTION 2. INTERPRETATION OF RECITALS.

The recitals and findings contained above are hereby incorporated herein.

SECTION 3. DEFINITIONS.

Whenever in this ordinance the words or phrases hereafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions, unless in the given instance, the context wherein they are used shall clearly import a different meaning:

- (a) CUSTOMER shall mean any person, firm, public or private corporation or governmental agency served by the Grantee within the corporate limits of OLDSMAR.
- (b) GRANTEE or CLEARWATER shall mean the City of Clearwater, a Florida municipal corporation, in its present incorporated form, or as may subsequently be reorganized, consolidated, or reincorporated.
- (c) GRANTOR or OLDSMAR shall mean the City of OLDSMAR, a Florida municipal corporation, in its present incorporated form, or as may subsequently be reorganized, consolidated, or reincorporated.
- (d) GAS or NATURAL GAS shall mean natural gas and/or manufactured gas

and/or a mixture of gases which is distributed in pipes and measured by meter on the CUSTOMER'S premise. It shall not mean propane gas or liquefied petroleum gas (commonly referred to as "bottled gas") or any other fuel that is typically delivered by truck or stored in tanks; however, nothing herein shall be interpreted to prohibit CLEARWATER from engaging in the sale of liquid petroleum (propane) gas. The gas to be furnished by CLEARWATER shall in no case be of less quality than 1000 British Thermal Units per cubic foot, and shall be conducted through the pipes at a pressure sufficient to insure satisfactory operation.

- (e) GROSS REVENUES shall mean revenues received by CLEARWATER from any CUSTOMER from the sale, transportation, distribution or delivery of GAS.
- (f) FACILITIES or EQUIPMENT shall mean pipe, pipe line, tube, main, service, trap, vent, vault, manhole, meter, gauge, regulator, valve, conduit, appliance, attachment, structure or structures, and appurtenances used or useful in the distribution of gas, located or to be located in, upon, along, across, or under the streets or within the public rights of way.
- (g) FRANCHISE or FRANCHISE AGREEMENT shall mean this agreement, as passed and adopted by OLDSMAR and accepted by CLEARWATER, as provided in Section 27 below.
- (h) DISTRIBUTION SYSTEM shall mean any and all natural gas pipe lines operated at pressures of 250 p.s.i. or less, service pipe lines and CUSTOMER pipe lines, together with all necessary and desirable appurtenances, that are situated within the corporate limits of OLDSMAR and

are reasonably necessary for the sale, transportation, distribution or delivery of NATURAL GAS for the public and private use of CUSTOMERS.

SECTION 4. TERM; GRANT.

For a period of Twenty (20) years from the date the FRANCHISE granted herein becomes effective, OLDSMAR, its successors and assigns, do hereby agree and give and grant to CLEARWATER, its successors and assigns, a franchise, and any necessary right and authority to exercise the power to furnish gas and to construct, operate and maintain within the corporate limits of OLDSMAR, in the rights-of-way, easements, lanes, alleys, sidewalks, squares, or public places which are suitable and otherwise legally available for such use, all facilities required by CLEARWATER to supply Gas to OLDSMAR, its inhabitants and the places of business located within OLDSMARs corporate limits and other customers and areas now or hereafter supplied, or to be supplied, Gas by CLEARWATER. If CLEARWATER wishes to renew this franchise for another twenty (20) year term, it shall provide written notice to OLDSMAR at least one hundred-eighty (180) days and no more than three hundred sixty five (365) days prior to the termination of the term of this franchise. If OLDSMAR agrees to CLEARWATER'S notice to renew this franchise, OLDSMAR shall provide written notice within ninety (90) days of receipt of CLEARWATER's notice. OLDSMAR' failure to provide such notice shall constitute an approval of CLEARWATER's request and this franchise shall then continue for another twenty (20) year term. If the parties mutually agree to the renewal of this franchise, the franchise shall continue for another twenty (20) year term, otherwise this Agreement shall expire at the end of the initial term of this franchise.

SECTION 5. RATES.

The rates, charges and fees to be charged by CLEARWATER for Gas service within the corporate limits of OLDSMAR during the term of this franchise shall be as provided in

CLEARWATER's standard, system-wide rate schedule now or hereafter approved by CLEARWATER's City Council, or as modified by the CLEARWATER Manager, or other designated CLEARWATER official, to the extent CLEARWATER Manager, or other designated CLEARWATER official, is expressly authorized to approve changes to such rates, charges, and fees, or such other agency of the State of Florida as may have proper jurisdiction over such rates and charges of CLEARWATER under the general laws of the State of Florida, or CLEARWATER's charter and ordinances. Such rate schedule shall be no greater than the rate schedule applied to rate payers within the corporate limits of CLEARWATER and other customers in cities that have a franchise or agreement with CLEARWATER for gas service.

SECTION 6. ANNEXATION.

In the event of the annexation of any territory to the present corporate limits of OLDSMAR, such annexed territory and all portions of the Gas system of CLEARWATER located therein shall become subject to all of the terms and conditions of this franchise as of the time such annexation becomes effective. It shall be the responsibility of OLDSMAR to notify CLEARWATER in writing within thirty (30) days after the effective date of every such annexation by certified mail, return receipt requested. CLEARWATER shall implement such annexation within thirty (30) days of the receipt of the notice from OLDSMAR.

SECTION 7. EXTENSION OF SERVICE.

In consideration of the rights granted under this FRANCHISE and the duration of this FRANCHISE, CLEARWATER agrees that its facilities to be installed within the corporate limits of OLDSMAR will be expanded to provide service to new customers on the terms and conditions hereinafter set forth. Gas service shall be extended to customers desiring said service based on a feasibility formula. Such formula shall be

the formula currently in effect system-wide as then administered by CLEARWATER and as applicable to the citizens of CLEARWATER and other franchise areas.

If the Franchise is noticed to be terminated at any time prior to the twentieth (20th) year, thereby resulting in the number of years remaining in the Franchise being less than the number of years required to reach feasibility, CLEARWATER may require a Customer requesting new service facilities to contribute a payment in the amount necessary to reach a shortened feasibility formula based on the number of years remaining in the Franchise as opposed to CLEARWATER's then-effective normal feasibility formula. If the Customer does not agree to contribute said payment, CLEARWATER retains the right to refuse expansion of its facilities.

SECTION 8. FORCE MAJEURE.

In the event by act of God, strike, riot, public enemy or other calamity, or restriction in the supply of Gas beyond the control of CLEARWATER or its interstate supplier or by reason of regulation exerted by the Florida Public Service Commission or the Federal Energy Regulatory Commission or other regulatory body having jurisdiction in the premises, the supply of the Gas should be interrupted, CLEARWATER shall, nevertheless, continue to supply the available Gas to such customers as it is possible, shall employ its full services to remedy such deficiency of Gas supply, and shall resume complete Gas service when that is possible.

SECTION 9. COMPETITION.

As a further consideration of this interlocal agreement and FRANCHISE granted hereunder, OLDSMAR agrees not to engage in the business of distributing and selling Gas during the life of this franchise or any extension thereof in competition with CLEARWATER, its successors and assigns, in the service territory within OLDSMAR delineated by the Florida Public Service Commission as CLEARWATER's service territory by PSC Order #00-0371-PAA-GU. CLEARWATER's service territory is shown

on Exhibit "A" attached hereto and incorporated herein. Pursuant to Sections 7 and 13 hereof, CLEARWATER and OLDSMAR have agreed to a certain extension of service policy. In the event OLDSMAR desires to provide Gas service where CLEARWATER has notified OLDSMAR in writing said areas do not qualify under the feasibility formula, OLDSMAR may provide CLEARWATER notice of its intent to provide such Gas service in said areas. CLEARWATER shall have sixty (60) days after receipt of said notice to review its decision not to provide Gas service to said areas and to further meet with OLDSMAR regarding said service. In the event CLEARWATER has not delivered written notice to OLDSMAR within this sixty (60) day period that CLEARWATER shall provide Gas service to said areas, OLDSMAR may provide Gas service in said defined areas thereafter.

SECTION 10. TERMINATION OF AGREEMENT.

Upon expiration of this agreement, CLEARWATER shall have the right, privilege and option of removing all piping and equipment installed or maintained by CLEARWATER in accordance with this FRANCHISE. In the event of the removal of such equipment, CLEARWATER shall repair all of OLDSMAR' and customers' property to the same condition as theretofore existed. CLEARWATER shall also have the right to sell any or all of its piping and equipment to OLDSMAR or a third party at the time of termination or subsequent thereto. In the event of acquisition by OLDSMAR of such piping and equipment by purchase, condemnation, or otherwise, this franchise shall at once terminate; provided however, excepted from any right to acquire such piping and equipment are piping and equipment owned by CLEARWATER and connected with its general system of distribution used for the purpose of serving other than customers located in OLDSMAR' municipal boundaries.

Further, violation by either Party of any of the covenants, terms, and conditions hereof, or default by either Party in observing or carrying into effect any of said

covenants, terms and conditions, shall authorize and empower the non-defaulting party to declare a termination of this Franchise Agreement; provided, however, that before such action by the non-defaulting Party shall become operative and effective, the defaulting party shall have been served by the non-defaulting Party with a written notice setting forth all matters pertinent to such violation or default, and the defaulting Party shall have had a period of sixty (60) days after service of such notice or, in the event such cure reasonably requires a period of more than sixty (60) days, to present a plan, satisfactory to the non-defaulting Party, acting reasonably, to effect such cure; and provided further that any violation or default resulting from a strike, lockout, an act of God, or any other cause beyond the control of the defaulting Party shall not constitute grounds for termination.

SECTION 11. FRANCHISE FEE.

In consideration for the granting of this FRANCHISE and the use of the rights-of-way, easements and other public places allowed hereunder, and effective the first day of the month after the effective date of this FRANCHISE, OLDSMAR shall be entitled to receive from CLEARWATER a franchise fee which will equal five percent (5%) of the gross receipts from the sale of Gas within the corporate limits of OLDSMAR for the term of this FRANCHISE. Payment of the franchise fee by CLEARWATER to OLDSMAR shall be made for each Quarter, no later than the forty-fifth (45th) day after the end of each quarter. The franchise fee payment shall be deemed paid on time if postmarked within forty-five (45) days of the end of the preceding quarter.

Gross receipts, for purposes of computing such franchise fee, includes all revenues, less uncollectable accounts, received by CLEARWATER, or any affiliated entity, from or in connection with the distribution of Gas in the City of OLDSMAR and the transmission of Gas from and through the City of OLDSMAR by parties other than

Clearwater pursuant to the terms of this Franchise; provided, however, gross receipts shall not include monies for Gas service or a component thereof paid by customers to a third party, unaffiliated with CLEARWATER and where CLEARWATER receives no payment from the third party or the customer; provided, further, gross receipts shall not include monies for Gas service to water and sewer treatment plants or sewer lift stations. "Transmission of Gas" as used in this section shall mean the transmission of natural gas and/or commingled gas through lines operating at a pressure of one hundred (100) pounds per square inch or above.

SECTION 12. FAVORED NATIONS.

In the event CLEARWATER shall hereafter accept a franchise from any other governmental entity with any provision more favorable to the governmental entity than contained in this franchise where all other conditions of the two franchises are substantially similar, then CLEARWATER shall notify OLDSMAR and CLEARWATER shall be obligated upon written request of OLDSMAR to agree to an amendment to this Ordinance to incorporate said provision. To the extent that any federal or state statute, rule, regulation, or any other law is enacted, adopted, repealed, amended, modified, changed or interpreted in any way during the term of this Agreement so as to enhance OLDSMAR's ability to regulate CLEARWATER and the DISTRIBUTION SYSTEM, or allow OLDSMAR to increase the franchise fee, OLDSMAR and CLEARWATER shall negotiate in good faith modifications to this franchise to reflect such enactment, adoption, repeal, amendment, modification, change or interpretation.

SECTION 13. SERVICE STANDARDS; EXTENSION POLICY.

Subject to the parameters of feasibility as set forth herein below, CLEARWATER, its successors and assigns shall furnish twenty four (24) hours of continuous service each and every day to any customer within OLDSMAR desiring the same and failure

upon the part of CLEARWATER to: furnish Gas as herein provided for any cause within the control of CLEARWATER for a period of seventy-two (72) hours or more; and/or other breach of term hereof, either not being corrected within thirty (30) days after written notice by OLDSMAR thereof, may act as a forfeiture of this FRANCHISE in the discretion of OLDSMAR. CLEARWATER shall have the opportunity to be heard by OLDSMAR's Council at a duly convened meeting of the Council prior to consideration of any such forfeiture.

As provided in Section 7 hereof, CLEARWATER herein, its successors and assigns, shall not be required to lay facilities or equipment beyond such point as it determines to be economically unfeasible, and unless the revenue from such additional facilities or equipment shall warrant such installation on a basis of reasonable compensation or return on CLEARWATER's investment. CLEARWATER covenants and agrees that it will not arbitrarily or unreasonably refuse to make extensions when requested to do so by OLDSMAR.

SECTION 14. COSTS; OWNERSHIP; REPAIRS; RELOCATION.

CLEARWATER shall install the necessary facilities or equipment at its own cost and expense and same shall be and remain the property of CLEARWATER; and CLEARWATER's facilities or equipment and other physical properties used in connection with the furnishing of GAS under this franchise shall be free from any ad valorem tax of OLDSMAR as long as the same remains the property of CLEARWATER, except as otherwise provided by applicable Florida Statute or applicable Court decision adopted after date of execution hereof. The mains shall be laid underground and CLEARWATER shall re-pave or re-lay, as promptly as possible, all streets, lanes, alleys, sidewalks, squares, or public places dug or disturbed by it in the installation of said mains or for any other purpose attending such work, and it shall repair and restore such streets, lanes, alleys sidewalks and public places to their former and safe condition

and with the same quality of material or its equivalent as was existing before said work commenced, unless there is a previously agreed upon repair schedule. CLEARWATER shall be permitted to perform work on its facilities or extensions of facilities from 7:00 a.m. until 5:00 p.m. daily, Monday through Friday, and perform emergency work after such hours when necessary to restore service or for safety reasons. In all cases the repair work shall be made passable to traffic during conduct of such work as soon as physically possible. Prior to closing of a street in part or in whole, CLEARWATER shall notify and consult with OLDSMAR; provided, however in the case of an emergency, CLEARWATER shall only be required to notify OLDSMAR. Should CLEARWATER neglect or refuse to restore or repair without delay after completion of installation and after ten (10) business days written notice, any streets, alleys, lanes, squares, sidewalks or public places which may have been excavated, dug or disturbed by it, its employees or agents, then OLDSMAR shall have such repairs and restoration done and the expense incident thereto shall be paid by CLEARWATER.

In accordance with the ordinance of OLDSMAR, OLDSMAR shall have the right to control at all times distribution of any space in, over, across or under all streets, alleys, public grounds or other public places, occupied by public utility fixtures, and when, in the opinion of the City Council, the public interest so requires, to cause such fixtures to be relocated by CLEARWATER or its agent, without claim for reimbursement. Further, OLDSMAR shall at all times have the power to pass all regulatory ordinances affecting utilities which, in the opinion of the Council, are required in the interest of public health, safety, welfare or accommodation. Prior to requiring CLEARWATER to relocate, OLDSMAR shall give CLEARWATER written notice of such requirement and the opportunity to be heard by OLDSMAR's Council as to the costs of such relocation to CLEARWATER and possible alternative locations and routes, for OLDSMAR's improvements. Ultimately, the decision as to such need for relocation shall be

OLDSMAR's. If OLDSMAR shall require CLEARWATER to adapt or conform any portion of its DISTRIBUTION SYSTEM or in any way to alter, relocate or change its property to enable any other person or third party to use said streets alleys, public grounds or other public places of OLDSMAR, OLDSMAR shall require said person or third party desiring or occasioning such alteration, relocation or change to reimburse CLEARWATER for any loss, cost or expense caused by or arising out of such change, alteration or relocation of any portion of CLEARWATER'S facilities. CLEARWATER agrees that it will not intentionally interfere with, change, or injure any water pipes, drains, or sewers of OLDSMAR unless it has received express permission from OLDSMAR or its duly authorized representative.

Should it become necessary in the installation of Gas lines or facilities to relocate water or sewer lines of OLDSMAR now or hereafter installed, then such work shall be done at the expense of CLEARWATER and not OLDSMAR. It is understood that in all instances the facilities of OLDSMAR shall have a reasonable right-of-way and preference over that of CLEARWATER herein.

SECTION 15. INDEMNIFICATION.

CLEARWATER does hereby and shall at all times indemnify, defend and hold OLDSMAR harmless from or on account of any claims, losses, injuries or damages, received or sustained by any person or persons caused by or arising out of CLEARWATER'S negligent operation of the DISTRIBUTION SYSTEM within OLDSMAR during the term of this FRANCHISE, or otherwise negligently caused by CLEARWATER in connection with the operation of CLEARWATER's FRANCHISE pursuant to this Ordinance; or by or in consequence of any negligence, excluding the sole negligence of OLDSMAR, in connection with the same; or by or on account of the use of any improper materials or by or on account of any negligent act or omission of CLEARWATER, its agents, servants, or contractors. CLEARWATER agrees to defend,

indemnify and save harmless OLDSMAR against liability arising from or based upon violation of any Federal, State, County or Municipal law, ordinance or regulation by CLEARWATER, its agents, servants, employees, or contractors. This indemnification provision obligates CLEARWATER to defend OLDSMAR from any and all liability claims and all suits and actions that may be brought against OLDSMAR resulting from the sole negligence of CLEARWATER, its agents, servants or contractors. CLEARWATER may defend OLDSMAR with CLEARWATER's in-house staff counsel at trial and all appellate levels or CLEARWATER may provide for OLDSMAR's defense with outside counsel by paying for all attorney's fees, costs and trial expenses. The decision to defend with in-house counsel or with outside counsel shall be within CLEARWATER's sole discretion.

Notwithstanding anything contained herein to the contrary, this indemnification provision shall not be construed as a waiver of any immunity from or limitation of liability to which CLEARWATER or OLDSMAR is entitled to pursuant to §768.28, Florida Statutes, as may be amended. Furthermore, this provision is not intended to nor shall be interpreted as limiting or in any way affecting any defense CLEARWATER or OLDSMAR may have under §768.28 and is not intended to and shall not be interpreted to alter the extent of CLEARWATER's or OLDSMAR's waiver of sovereign immunity under §768.28. CLEARWATER and OLDSMAR shall be fully responsible for their own acts of negligence or their respective agent's acts of negligence when acting within the scope of their employment, and agree to be liable for any damages resulting from said negligence. Nothing herein shall be construed as consent by either party to be sued by third parties in any manner arising out of this franchise. The provisions of this section shall survive the expiration or earlier termination of this Franchise Agreement.

SECTION 16. INSURANCE.

OLDSMAR shall be furnished proof of insurance coverage by CLEARWATER to include:

General Liability: \$200,000.00 per Person/\$300,000.00 per Occurrence self-insured retention with statutory limits per Section 768.28, Florida Statutes.

Excess Insurance: \$7,000,000.00 per Occurrence, \$14,000,000.00 Aggregate Excess Insurance with self-insurance retention of \$500,000.00.

Automobile Liability: \$200,000.00 per Person/\$300,000.00 per Occurrence self-insured retention with statutory limits per Section 768.28, Florida Statutes.

Excess Insurance: \$7,000,000.00 per Occurrence, \$14,000,000.00 Aggregate Excess Insurance with self-insured retention of \$500,000.00

Worker's Compensation and Employer's Liability: Statutory coverage as per the State of Florida per Occurrence with self-insured retention of \$600,000.00, as may be amended based on availability in the insurance marketplace. Excess Insurance applicable per Occurrence.

The insurance coverage required herein may be provided by CLEARWATER by self-insurance, by self-funding, by purchase, or by any combination thereof at the sole option of CLEARWATER. Insurance coverage and limits shall be evidenced by delivery to OLDSMAR of letters of self-insurance or self-funding executed by CLEARWATER's Risk Manager, or by certificates of insurance executed by either the agent for the insurers or the insurers or by copies of policy declaration pages. Such letters, certificates, and policy declaration pages shall list coverages (including the amount of insurance per claim and per occurrence, any gap in coverage, and the name of the excess insurer) and policy limits with expiration dates. Upon the specific written request of OLDSMAR, a photocopy of each applicable insurance policy, including all endorsements, will be provided to OLDSMAR.

SECTION 17. COMPLIANCE WITH ORDINANCES.

CLEARWATER, its successors and assigns, shall at all times comply with all ordinances, rules and regulations enacted or passed by OLDSMAR not in conflict with the terms of this FRANCHISE and CLEARWATER shall have the right to make, establish and maintain and enforce such reasonable regulations for the operation of its DISTRIBUTION SYSTEM as may be reasonably necessary and proper, not inconsistent

with the terms of this FRANCHISE and the ordinances of OLDSMAR , and to protect itself from fraud or imposition and may, in its discretion, refuse to furnish Gas and to cut off the supply from any customer or customers who are in default in payment of any bill rendered for such service, as the law may allow.

SECTION 18. AVAILABILITY OF RECORDS; MAPS AND REPORTS.

As soon as practicable after the effective date of this FRANCHISE, CLEARWATER shall provide OLDSMAR with a map showing all CLEARWATER's Gas lines and facilities within OLDSMAR. Upon OLDSMAR's request, CLEARWATER shall provide an update of such map and GIS Shapefile to reflect changes in Clearwater's Gas lines and facilities. Further, CLEARWATER in accordance with applicable law, shall provide for review and inspection of such maps and also accounts and records of CLEARWATER and/or all such information regarding OLDSMAR that OLDSMAR or its representatives may from time to time reasonably request or require. CLEARWATER's financial records shall be kept and maintained in accordance with generally accepted accounting principles. All of these records shall, on written request of OLDSMAR, be open for examination by OLDSMAR and OLDSMAR's representatives during ordinary business hours, and such records shall be retained by CLEARWATER for a period of three (3) years, or as otherwise required by law. Upon any map information of CLEARWATER becoming available in electronic format, CLEARWATER shall at OLDSMAR's request make any map information available in that format.

SECTION 19. ASSIGNMENT OF GRANT.

This grant or FRANCHISE, or any renewals thereof, shall not be leased, assigned, or otherwise alienated, except with the consent of the OLDSMAR City Council expressed by ordinance, which consent shall not be unreasonably withheld, and evidence by a written assignment and consent to same. In consideration of consenting to such assignment the matters which may be considered by the Council are the

financial wherewithal and technical experience and capabilities of the proposed Assignee. Notwithstanding the foregoing, CLEARWATER may, at its option alienate and transfer this FRANCHISE in connection with its merger and consolidation with any other entity or pledge or mortgage such FRANCHISE in connection with the physical property owned and used by CLEARWATER in the operation of its DISTRIBUTION SYSTEM for the purpose of securing payment of monies borrowed by CLEARWATER, provided that any successor-in-interest to the DISTRIBUTION SYSTEM agrees to be bound by the terms of the Franchise Agreement.

SECTION 20. CONFLICT; FILING.

Upon the effective date of the FRANCHISE, the franchise provided in OLDSMAR's Ordinance 84-16, as amended by OLDSMAR's Ordinance 2004-02, shall be of no further force and effect. Upon full execution hereof, CLEARWATER shall file with the Clerk a fully executed copy of this ordinance for recording in the public records in and for Pinellas County, Florida.

SECTION 21. ALTERNATIVE REMEDIES.

No provision of this ordinance or the FRANCHISE granted hereunder shall be deemed to bar the right of either Party to seek or obtain judicial relief from a violation of any provision of this ordinance, the FRANCHISE or any rule, regulation, requirement or directive promulgated under the FRANCHISE, whether administratively, judicially, or both. Neither the existence of other remedies identified in this ordinance nor the exercise thereof shall be deemed to bar or otherwise limit the right of either Party to recover fines, penalties or monetary damages for such violation by means of specific performance, injunctive relief or mandate or any other administrative remedy or judicial remedy at law or in equity.

SECTION 22. ENTIRE AGREEMENT.

- (a) CLEARWATER acknowledges that upon its acceptance of the FRANCHISE it does so relying upon its own investigation and understanding of the power and authority of a municipality generally to enter into a FRANCHISE AGREEMENT.
- (b) Each party, by making this agreement, acknowledges that it has not been induced to accept same by any promise, verbal or written, by or on behalf of the other party or by any third person regarding the FRANCHISE not expressed herein. CLEARWATER further pledges that no promise or inducement, oral or written, has been made to any city employee or official regarding receipt of the FRANCHISE.
- (c) Each party further acknowledges that it has carefully read the terms and conditions of this ordinance and the FRANCHISE AGREEMENT and accepts without reservation the obligations imposed by the terms and conditions herein and in the FRANCHISE AGREEMENT.
- (d) CLEARWATER shall provide timely written notice to OLDSMAR for any waivers, exceptions, or declaratory rulings, filed with the FPSC or any other state or federal regulatory agency, directly affecting the FRANCHISE AGREEMENT with OLDSMAR.

SECTION 23. CHANGES IN PROVISIONS HEREOF.

Changes in the terms and conditions hereof may be made by written agreement between OLDSMAR and CLEARWATER, executed by both parties.

SECTION 24. GOVERNING LAW.

This FRANCHISE shall be governed by the laws of the State of Florida and applicable federal law.

SECTION 25. NOTICE.

Notice under this Agreement shall be in writing and sent by Registered or Certified Mail, Return Receipt Requested, or by courier, express or overnight delivery, and by confirmed e-mail.

The date such notice shall be deemed to have been given shall be the business day of receipt if received during business hours, the first business day after the business day of receipt if received after business hours on the preceding business day, the first business day after the date sent by courier, express or overnight ("next day delivery") service, or the third business day after the date of the postmark on the envelope if mailed, whichever occurs first.

Notices to CLEARWATER shall be sent to:

Chuck Warrington (or the then current)
Managing Director
Clearwater Gas System
P.O. Box 4748
Clearwater, Florida 33758

Notices to OLDSMAR shall be sent to:

Bruce Haddock (or the then current)
City Manager
City of Oldsmar
100 State Street West
Oldsmar, Florida 34677

Any party hereto may change its address or designate different or other persons or entities to receive copies by notifying the other party in a manner described in this Section.

SECTION 26. SEVERABILITY.

If any section, part of section, paragraph, sentence, or clause of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of any other portion hereof. If either party to this Franchise Agreement feels that elimination of the specific portion of the Franchise Agreement adjudged to be invalid results in significant adverse consequences to it, then that party may terminate this Franchise Agreement by providing thirty (30) days written notice to the other party.

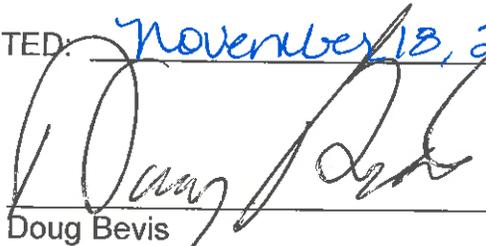
SECTION 27. EFFECTIVE DATE.

This FRANCHISE shall become effective upon the first day of the month after approval by CLEARWATER by resolution, duly passed and adopted by its City Council, accepting the franchise granted herein.

SECTION 28. This Ordinance shall take effect immediately upon passage and adoption.

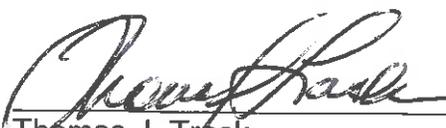
PASSED ON FIRST READING: November 4, 2014

PASSED ON SECOND READING AND ADOPTED: November 13, 2014


Doug Bevis
Mayor

Approved as to form:

Attest:


Thomas J. Trask
City Attorney

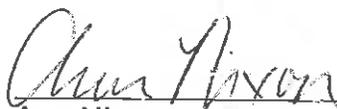

Ann Nixon
City Clerk

Exhibit "A"
 CLEARWATER GAS SYSTEM / PEOPLES GAS
 TERRITORIAL BOUNDARIES

POINT OF BEGINNING OF
 THE NORTHEAST CORNER
 OF SECTION 2,
 TOWNSHIP 27 SOUTH,
 RANGE 17 EAST

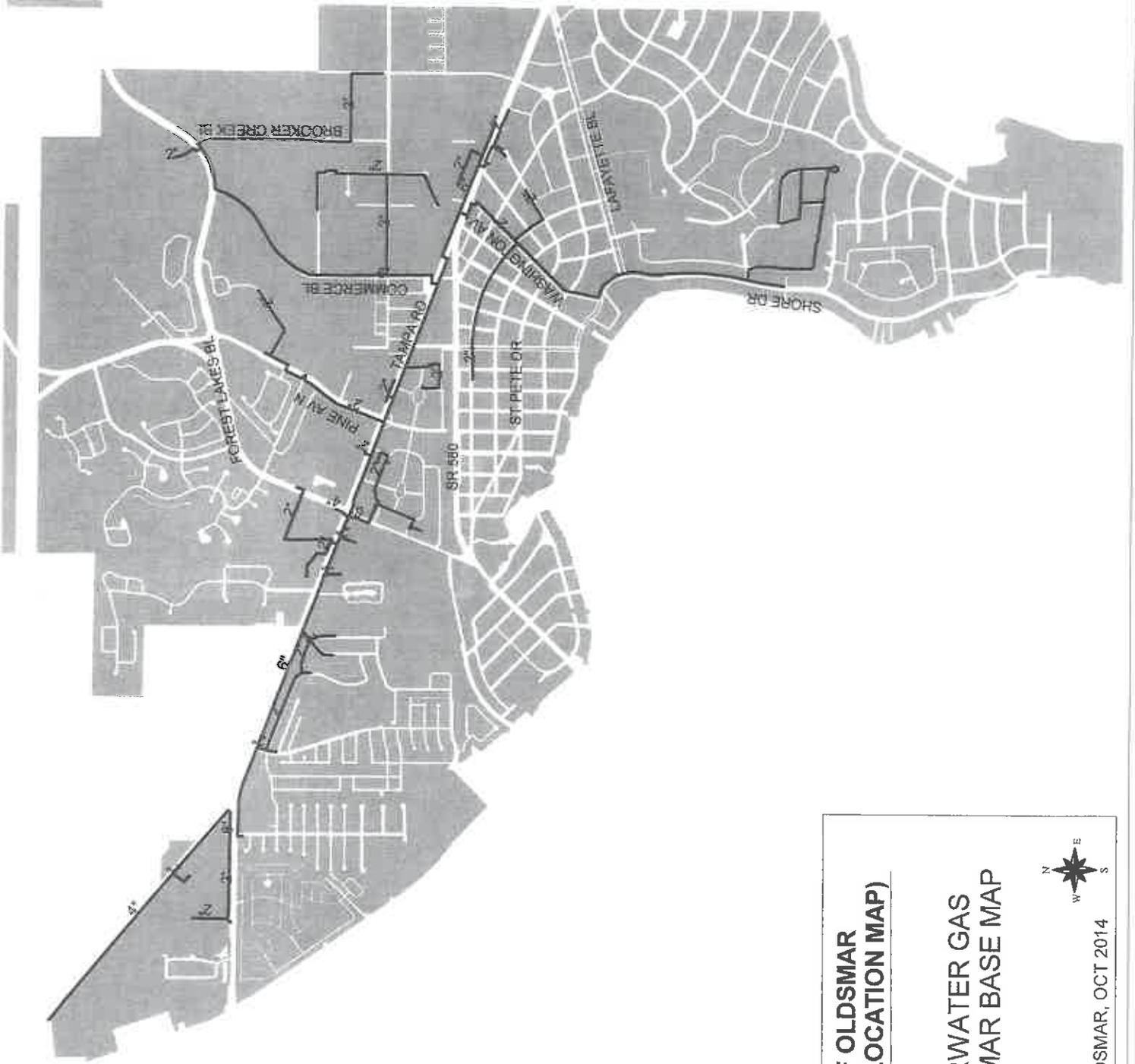
CLEARWATER
 GAS SYSTEM
 PINELLAS COUNTY
 SERVICE AREA

PEOPLES GAS SYSTEM
 PINELLAS COUNTY
 SERVICE AREA

TERRITORIAL
 BOUNDARY IS THE
 CENTERLINE OF THE
 INTRACOASTAL
 WATERWAY TO AN
 END POINT OF THE
 SOUTHDISTMOST
 BOUNDARY OF THE
 TOWN OF
 REDINGTON BEACH
 FROM THE CENTER
 OF THE
 INTRACOASTAL
 WATERWAY TO THE
 POINT OF
 INTERSECT WITH
 THE SHORELINE OF
 THE GULF OF
 MEXICO

- A — SEE TERRITORIAL AGREEMENT FOR EXPLANATION OF BOUNDARY IN THESE AREAS
- B —
- C —

January 6, 1989



**CITY OF OLDSMAR
(GAS LINE LOCATION MAP)**



CITY OF OLDSMAR, OCT 2014

