

AN ORDINANCE GRANTING A TWENTY YEAR FRANCHISE TO ST. JOE NATURAL GAS CO., INC., ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, ERECT, INSTALL, REPAIR, EXTEND, MAINTAIN AND OPERATE A GAS WORKS SYSTEM OR A SYSTEM OF PIPES FOR THIS DISTRIBUTION AND SALE OF GAS TO THE PUBLIC; TO USE THE STREETS, ALLEYS, PARKWAYS AND PUBLIC GROUNDS, GRASS PLOTS, BRIDGES, AND VIADUCTS OF THE TOWN OF MEXICO BEACH, FLORIDA, FOR THE PURPOSE OF LAYING, REPAIRING, EXTENDING AND MAINTAINING GAS MAINS AND LATERALS IN SAID TOWN IN CONNECTION WITH ITS SAID BUSINESS, SETTING FORTH THE CONDITIONS AND LIMITATIONS ACCOMPANYING THE GRANT OF FRANCHISE.

BE IT ORDAINED BY THE PEOPLE OF THE TOWN OF MEXICO BEACH, FLORIDA:

Section 1. The Town of Mexico Beach, Florida, by and through its legally constituted authorities, does hereby grant unto St. Joe Natural Gas Co., Inc., a corporation duly authorized to do business in Florida, and having its principal place of business in Port St. Joe, Florida, and to its successors and assigns, the right, power, privilege and franchise to use the streets, alleys, parkways, public grounds, grass plots, bridges and viaducts in said town as its corporate limits are now prescribed, and as they may be hereafter extended and enlarged, for the purpose of constructing, erecting, installing, repairing, extending and maintaining a gas work system for the manufacture, supply, sale and distribution of gas, whether manufactured, natural or mixed, and is hereby authorized and empowered to lay and maintain all gas mains, laterals and all other necessary, incidental and proper equipment to be used to manufacture, furnish, supply, sell, distribute and deliver to the citizens, residents and

sojourners of said town, gas for all commercial and residential uses for a period of twenty (20) years from the date of this ordinance.

Section 2. The rights, powers, privileges and franchise hereby granted to said St. Joe Natural Gas Co., Inc., its successors and assigns, are upon the condition that the said grantee corporation, its successors and assigns, shall be limited to town right of way and easements absent consent of private property owners, shall use all gas main or lateral and restore the said facilities to the condition they were in before such laying, repairing or extending of mains and laterals, and should grantee fail to repair and restore said facilities to their prior condition within a reasonable time after the date of completion of said installation, then the Town of Mexico Beach shall have the right to repair and restore said facilities and grantee agrees to reimburse said Town of Mexico Beach by paying the actual cost of labor and materials used in such repair and restoration plus fifty percent (50%) of said labor and materials costs as liquidated damages to said town. Whenever the grantee shall cause any opening or alteration to be made in any street, avenue, alley, way, brige, or public place in the town for the purpose of installing, maintaining, operating or repairing any tanks, pipe lines, pumps, fittings, meters, or other appliances, the work shall be completed within a reasonable time.

Section 3. The grantee shall save the Town of Mexico Beach harmless from all damages that may result from its use of the powers, rights and privileges granted hereunder.

Section 4. The said town reserves to itself and its legal successors the rights and privileges to purchase the gas mains and facilities of grantee, located within the corporate limits of the grantor at expiration of this franchise, at a valuation of the said property, which valuation shall be fixed by arbitration as may be provided by law.

Section 5. The grantee shall not have the right or the authority to make assignments of this right, privilege and authority and the rights hereunder without first obtaining in writing the approval of the Town Council of the Town of Mexico Beach, Florida, and said town agrees to show cause within a reasonable period of time after receiving a written request from grantee requesting such approval, why such approval to transfer or assign this franchise should not be granted, and all assigns shall be bound to the same extent as the original grantee.

Section 6. In consideration of the rights and privileges herein granted, the Company shall pay to the Town annually a sum equal to one percent of the gross receipts from the Company sales of natural gas within the corporate limits of the Town. After the fiscal year, the payment shall be made to said Town on or prior to February fifteenth for the preceding fiscal year ending December thirty-first each year this ordinance is effective.

Section 7. The tanks, pipe lines, pumps, fittings, meters appliances and appurtenances shall be so constructed as not to unreasonably interfere with the proper use of the streets, avenues, alleys, ways, bridges and public places in the Town and shall be maintained in reasonably good condition and repair.

Section 8. The grantee may, from time to time, declare, make and enforce reasonable rules and regulations as conditions for the sale, transmission and distribution by it of natural, manufactured and commingled gases. The franchise is also subject to all provisions and conditions of the Charter and Ordinances now or hereafter enacted by the Town of Mexico Beach, and shall not restrict in any manner the right of the Town Council or any other governing body of the Town in the exercise of any regulatory power which it now has or which may hereafter be authorized or permitted by the laws of the State of Florida.

Section 9 Whenever it shall be necessary for the convenience of the Town and the safety and well being of the public that the pipes, mains, conduits, and appurtenance machinery and equipment of the Grantee located on, in, or under the streets and highways of the Town be removed or reset or relocated, upon written notice from the Town to the Grantee, the Grantee shall remove the same from such streets or highways and reset or relocate the same as required by the Town or its authorized officer, at the expense of the Grantee, with the exception of where an interstate Federal Highway may be constructed, in which event the Grantee has the right to negotiate with the Federal Government on relocation charges. If such relocation is not commenced by the Grantee within thirty (30) days after such written notice by the Town, the Town may make such repairs and charge the cost thereof to the Grantee and the Grantee shall pay same within thirty (30) days of receiving notice in writing from the Town of the amount of such charge.

Section 10: It shall be the duty of the Grantee to establish and maintain suitable records in such detail that natural gas revenues within the Town are consistently declared separately from all other revenues. Upon demand of the authorized Town official or his authorized representative, it shall be the duty of the Grantee to submit to the authorized Town official, or his authorized representative, for inspection and examination during reasonable business hours, at the place of business of the Grantee, all books of account, papers, reports, and memoranda containing entries pertaining to natural gas revenues within the Town of Mexico Beach, Florida.

Section 11: Upon the annexation to the said Town of Mexico Beach of any territory not within any other incorporated city or town, any portion of the gas distribution system of the Grantee that may be located within such annexed areas and upon the streets, alleys or public grounds thereof shall thereafter be subject to all of the terms of this Ordinance as though such portion were an extension made under this Ordinance.

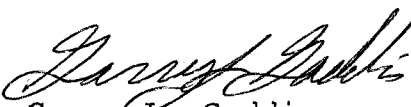
Section 12: The Grantee, its successors and assigns, shall within 90 days after the Town Council shall have declared the approval of this Ordinance at said election, file a written acceptance of this Ordinance with the Town Clerk.

Section 13: The Grantee shall within 120 days after installing any line, valves or apparatus furnish to the Town a set of reproducible as built engineering drawings setting forth the exact location and depth of such installation. Prior to installation of any lines the Grantee shall submit to the Town's consulting engineer one set of engineering drawings and verification shall be obtained from the engineer that the proposed gas line installation shall not block or impede any proposed water or sewer installations.

Section 14. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed, except that Grantee shall observe and be bound by all applicable zoning, building and safety codes, ordinances and regulation of the Town of Mexico Beach.

INTRODUCED at a regular meeting of the City Council on August
8, 2000 and Adopted at regular meeting on September 12, 2000.

CITY OF MEXICO BEACH, FLORIDA


Garry L. Gaddis

Mayor/Councilman

ATTEST:


CITY CLERK