

Preliminary Cost Reimbursement Agreement

This Preliminary Cost Reimbursement Agreement (the "Agreement") is entered into by and between:

Florida Gas Transmission Company ("FGT")

2301 Lucien Way, Suite 200
Maitland, FL 32751

and

The City of Chipley ("City")

1442 Jackson Avenue
Chipley, FL 32428

Collectively referred to as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, FGT is a natural gas transmission company responsible for maintaining pipelines, including the FGT pipeline located on Griffin Road in Chipley, Florida; and

WHEREAS, the City is undertaking stormwater mitigation work on Griffin Road and has identified that the FGT pipeline currently impedes this project; and

WHEREAS, the Parties desire to cooperate in the creation of an accurate cost estimate for the construction and a project schedule for relocating the FGT pipeline to allow for the completion of the stormwater mitigation work; and

WHEREAS, the City agrees to reimburse FGT for certain preliminary costs associated with the development of such cost estimates and project schedules as outlined in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows:

1. Purpose of Agreement

The purpose of this Agreement is to outline the terms under which the City will reimburse FGT for the costs incurred in the preparation of an accurate cost estimate and project schedule for the relocation of the FGT pipeline on Griffin Road.

2. Preliminary Costs and Reimbursement

2.1 Reimbursement Amount

The City agrees to reimburse FGT for costs incurred in the creation of an accurate cost estimate and project schedule for the relocation of the FGT pipeline. The total amount of reimbursement shall not exceed \$25,000.

2.2 Scope of Costs

Costs eligible for reimbursement under this Agreement include planning and administrative costs directly related to the creation of the cost estimate and project schedule.

2.3 Payment Terms

(a) FGT shall submit to the City a detailed invoice outlining all costs incurred under this Agreement on a monthly basis or as otherwise agreed by the Parties.

(b) Upon receipt of each invoice, the City agrees to pay the full amount within thirty (30) calendar days, provided that the invoiced costs are reasonable and fall within the terms of this Agreement.

3. Completion of Preliminary Work

FGT shall diligently pursue the preparation of the cost estimate and project schedule for the relocation of the FGT pipeline. FGT agrees to provide the City with periodic updates regarding the progress of the work and shall deliver the completed cost estimate and project schedule to the City within a reasonable timeframe.

4. No Obligation to Proceed with Relocation

This Agreement solely covers the preliminary costs associated with the creation of the cost estimate and project schedule. It does not obligate either Party to proceed with the relocation of the FGT pipeline or to enter into any subsequent agreements for the relocation or stormwater mitigation project. Any future actions related to the relocation of the pipeline will require a separate agreement.

5. Indemnification

Each Party agrees to indemnify and hold harmless the other Party, its officers, agents, and employees, from any claims, losses, damages, or liabilities arising out of or in connection with the performance of this Agreement, except as may result from the negligence or misconduct of the indemnified Party.

6. Term and Termination

6.1 Term

This Agreement shall become effective as of the date of execution by both Parties and shall remain in effect until the completion of the work described herein, or until terminated by either Party as provided below.

6.2 Termination for Convenience

Either Party may terminate this Agreement at any time for any reason by providing thirty (30) calendar days' written notice to the other Party. In the event of termination, the City shall pay FGT for all costs incurred up to the date of termination.

7. Miscellaneous

7.1 Amendments

Any amendment or modification to this Agreement must be made in writing and signed by both Parties.

7.2 Governing Law

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

7.3 Entire Agreement

This Agreement constitutes the entire understanding between the Parties and supersedes any prior agreements or understandings, whether written or oral, concerning the subject matter of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Preliminary Cost Reimbursement Agreement as of the date below.

Florida Gas Transmission Company

By: _____
Name: _____
Title: _____
Date: _____

The City of Chipley

By: _____
Name: _____
Title: _____
Date: _____

