

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation to Determine)	DOCKET NO. 891034-EU
Whether the Ultimate Goals of Resolving))	
Overlap, Eliminating Duplication of)	
Service and Providing the Best)	ORDER NO. 23774
Electrical Service to Customers in the)	
Sebring Area are being met by Sebring)	
Utilities Commission and Florida Power)	ISSUED: 11/19/90
Corporation.)	
_____)	

Pursuant to Notice, a Prehearing Conference was held on October 22, 1990, in Tallahassee, before Commissioner Betty Easley, Prehearing Officer.

APPEARANCES:

JAMES F. STANFIELD, Esquire, Florida Power Corporation,
P.O. Box 14042, St. Petersburg, Florida 33733
On behalf of Florida Power Corporation

D. BRUCE MAY, Esquire, Holland & Knight, P.O. Drawer 810,
Tallahassee, Florida 32302
On behalf of Sebring Utilities Commission

ANDREW B. JACKSON, Esquire, P.O. Box 2025, Sebring,
Florida 33871-2025
On behalf of Sebring Utilities Commission

BERT J. HARRIS, III, Esquire, Swaine & Harris, P.O. Box
548, Lake Placid, Florida 33852
On behalf of Sebring Airport Authority

MARSHA E. RULE, Esquire, Florida Public Service
Commission, 101 East Gaines Street, Tallahassee, Florida
32399-0863
On behalf of the Commission Staff

CINDY MILLER, Esquire, Office of the General Counsel, 101
East Gaines Street, Tallahassee, Florida 32399-0861
Counsel to the Commissioners

DOCUMENT NUMBER-DATE

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PSC-RECORDS/REPORTING

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PREHEARING ORDER

Background

In 1985, citizen complaints prompted a Commission investigation of duplication of electric utility services in the Sebring area. After the investigation, which was held in Docket No. 850605-EU, Staff believed that there was a potential for uneconomic duplication wherever these two utilities service common areas, and asked the parties to agree to a moratorium which would apply to all service boundaries between the two utilities. The parties agreed. On September 16, 1986, in Order No. 16602, the Commission imposed the moratorium, which provided specific procedures for determining which utility should provide new service in the Sebring area.

Once the moratorium was in place, Sebring and FPC renewed negotiations toward a territorial agreement to prevent future overlapping services and duplication of facilities. Thereafter, the utilities reached an agreement and petitioned for Commission approval on December 16, 1986. By Order No. 17215, issued on February 23, 1987, the Commission proposed to approve the territorial agreement. Although the proposed agency action was protested by a third party, the protest was ultimately dismissed, and the Commission approved the territorial agreement in Order No. 18018, issued on August 20, 1987, in Docket No. 861596-EU.

Thereafter, in Order No. 17215, the Commission directed FPC and Sebring to report on their proposals for resolving problems of overlapping services, duplication of facilities and potential safety hazards. FPC and Sebring attempted to jointly address resolution of those problems but could not reach agreement. Each utility, therefore, submitted a separate report, neither of which adequately addressed the problems of overlapping services, duplication of facilities and safety hazards. Accordingly, by recommendation dated October 19, 1987, Staff recommended that both FPC and Sebring be ordered to remove all of their facilities from the other party's service areas. This recommendation came to be known as the "Colson Plan".

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The utilities did not want to implement the Colson Plan, and requested the opportunity to resolve the problem of overlapping services between themselves. In Order No. 18472, dated November 24, 1987, the Commission granted the parties ninety days in which to reach a joint resolution, but warned that Staff's recommended solution would be implemented if no joint resolution was forthcoming. Thereafter, Sebring and FPC negotiated and executed their Joint Plan to Resolve Overlapping Services, which was approved by the Commission in Order No. 19432, on June 6, 1988.

The purpose of the Joint Plan was to implement the approved territorial agreement and to resolve overlapping services in the greater Sebring area. As a result of the agreement, FPC retained 912 customers in Sebring's service area and Sebring retained 656 customers in FPC's service area. The plan identified certain overlapping facilities to be eliminated before December 31, 1988 in Lake Haven Estates, Orange Blossom Estates, Sebring Hills South, Sebring Hills, Sebring County Estates, Randal Road, Lake Shore Park, Lake Sebring Estates, Longwood Acres, Sebring Oaks, Van House Trailer Park and Sebring Hills North Mobile Home Park. In these areas, the parties agreed to remove their facilities in the other party's territory, while retaining their existing customers. The "foreign", or non-territorial utility, would serve its existing customers from the distribution line of the territorial utility "host". Meters would be retained by the foreign utility and accounts would remain the foreign utility's accounts.

Sebring and FPC identified approximately 82 foreign utility customers who would be served from the distribution line of a host utility. The parties also identified nine areas which they classified as "pure" areas, consisting of discrete pockets of facilities and customers located outside of a utility's territorial boundary, but confined to a single development served exclusively by one utility. The parties agreed that such pure areas would continue to be served exclusively by the utility already providing service. FPC identified 330 of its customers as located in its pure areas, while Sebring identified 547 customers in its pure areas. The Joint Plan did not address 497 customers which FPC continued to serve in Sebring's territory, nor did it address 26 customers Sebring retained in FPC's territory.

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On September 16, 1989, Sebring moved for enforcement of the Joint Plan, alleging that FPC failed to comply with the plan in that it refused to transfer to Sebring some of the 497 customers which FPC retained in Sebring's service territory. A hearing on the motion was held on March 29, 1989, after which the Commission denied Sebring's motion on the grounds that the Joint Plan did not require FPC to transfer the customers in question. However, in Order No. 21478, the Commission directed Staff to "open a new docket to determine whether the ultimate goals of resolving overlap, eliminating duplication of service and providing the best service to customers in the Sebring area are being met". Thereafter, this docket was opened.

When members of Commission Staff visited the Sebring area in November, 1989 to inspect electrical distribution facilities, they found that while the Joint Plan had been effective in eliminating duplication of lines in some subdivisions, both utilities continued to have dual lines along the same streets in other areas. In Order No. 22626, issued on March 1, 1990, the Commission proposed to order the parties to resolve the overlap and duplication of service in the Sebring area by implementing the Colson Plan on March 23, 1990, unless they received Commission approval of an alternate plan on or before March 8, 1990. The proposed agency action order was protested by FPC, after which this hearing was set.

A petition filed by Sebring Airport Authority (SAA) on January 2, 1990 is also set for hearing On November 21, 1990. In its petition, Sebring Airport Authority asked the Commission to modify, nullify, set aside, or interpret the territorial agreement between Sebring and FPC insofar as it allows for the transfer of SAA from the FPC service territory to the Sebring service territory. SAA alleged that it is not properly subject to transfer under the agreement. The parties stipulated to relevant facts and agreed to brief legal issues for resolution by the Commission.

Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand.

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Use of Depositions and Interrogatories

If any party seeks to introduce an interrogatory or a deposition, or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions, subject to the same conditions.

Order of Witnesses

The witness schedule is set forth below in order of appearance by the witness' name, subject matter, and the issues which will be covered by his or her testimony.

	<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
1.	J.C. Martz (FPC)	Inequitability of Colson Plan as applied to FPC	1-6
2.	J. Moothart (Sebring)	Scope and effect of the Colson Plan. Resolution of the issues by Settlement Agreement between Sebring and FPC. Sebring's entitlement under Sec. 6 of the Territorial Agreement to serve customers in and around Sebring Airport.	1-6
3.	L.R. Colson (Staff)	Application of Colson Plan	1-6

EXHIBIT LIST

<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>1</u> (JCM-1)	Martz (FPC)	Territorial Agreement
<u>2</u> (JCM-2)	Martz (FPC)	Joint Plan to Resolve Overlapping Services
<u>3</u> (JCM-3)	Martz (FPC)	FPC Customers In SUC Territory and SUC Customers in FPC Territory

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<u>Exhibit</u>	<u>Witness</u>	<u>Description</u>
<u>4</u> (JCM-4)	Martz (FPC)	FPC Customers in SUC Territory (Non Pure)
<u>5</u> (JCM-5)	Martz (FPC)	Sebring Utilities Foreign Accounts in FPC Territory - Outside Pure Areas
<u>6</u> (JCM-6)	Martz (FPC)	FPC Customers in SUC Territory (Pure)
<u>7</u> (LRC-1)	Colson (Staff)	Ex. 1: 25 photographs taken in Sebring area showing areas of service duplication Ex. 2: Map of Sebring area showing FPC lines to be removed, purchased by SUC, and to remain Ex. 3: Maps of Sebring area subdivisions showing disposition of various lines under Colson Plan Ex. 4: Order No. 22626

PARTIES' STATEMENTS OF BASIC POSITION

Florida Power Corporation:

The PAA proposed in this proceeding would be inequitable, and should be amended to guarantee that FPC receives the same amount of kWh that it gives up. However, FPC and Sebring have reached a tentative settlement agreement resolving all issues in this docket. This agreement is currently being drafted. Upon execution, this agreement will be filed by the parties, alleviating the need for a hearing and decision in this docket.

Sebring Utilities Commission:

In concept, the Colson Plan as set forth in Order No. 22626 may resolve certain of the overlapping services and duplication of facilities in the Sebring area. However, the

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Proposed Agency Action Order does not contain the requisite specific details and requirements necessary to make the conceptual plan actually work. FPC and Sebring have reached a tentative settlement agreement which expands upon the Colson Plan so as to resolve all issues relating to overlapping services and duplication of facilities in this docket.

With respect to the Sebring Airport Authority's Petition, Sebring's position is that it has a lawful right to serve customers in and around the Sebring Airport under Section 6 of the Territorial Agreement. Furthermore, Sebring properly exercised its option to serve such customers. The Airport Authority was duly notified of its impending transfer to Sebring at the time the Territorial Agreement was originally reviewed and approved by the Commission in Docket No. 861595-EU. Because the Airport Authority failed to challenge the Agreement in those proceedings, it has waived its right to do so now.

Sebring Airport Authority:

No statement of basic position has been provided.

Staff:

The Commission should approve the settlement agreement between the parties, which will, over time, accomplish the aims of the Colson Plan.

STATEMENT OF ISSUES AND POSITIONS

Issues Relating to Duplication of Facilities

1. STIPULATED ISSUE: Does the settlement agreement attached hereto as Attachment "A" adequately resolve the problems of overlap and duplication of service in the Sebring area, and if so, should the Commission approve the agreement? (If the agreement is approved, Issues 2-6 become moot.)

Yes. The agreement attached hereto as Attachment "A" adequately resolves the problems and the parties agree that it should be approved.

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2. STIPULATED ISSUE: Which facilities, if any, does FPC maintain in Sebring's service territory which parallel, duplicate or overlap Sebring's facilities?

The settlement agreement attached hereto as Attachment "A" specifies the facilities maintained by FPC in Sebring's service territory which parallel, duplicate, or overlap Sebring's facilities.

3. STIPULATED ISSUE: What corrective action, if any, is necessary to resolve overlapping services and duplication of facilities within Sebring's service territory?

The settlement agreement between FPC and Sebring specifies the appropriate corrective action to resolve overlapping services and duplication of facilities in and around the Sebring area.

4. STIPULATED ISSUE: Which facilities, if any, does Sebring maintain in FPC's service territory which parallel, duplicate or overlap FPC's facilities?

The settlement agreement attached hereto as Attachment "A" specifies the facilities maintained by Sebring in FPC's service territory which parallel, duplicate or overlap FPC's facilities.

5. STIPULATED ISSUE: What corrective action, if any, is necessary to resolve overlapping services and duplication of facilities within FPC's service territory?

The settlement agreement between FPC and Sebring specifies the appropriate corrective action to resolve overlapping services and duplication of facilities in and around the Sebring area.

6. STIPULATED ISSUE: Should the Commission apply the Colson Plan as ordered in Order No. 22626, issued on March 1, 1990?

The Commission should approve the parties' settlement agreement, which is based on the Colson Plan. The

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settlement agreement will accomplish the aims of the Colson Plan over a period of time.

Airport Issues: The following legal issues apply only to the petition filed by Sebring Airport Authority. The parties have entered into a prehearing stipulation of the facts relevant to the Commission's determination of these issues, such that the issues may be decided upon submission of briefs. The prehearing stipulation is attached hereto as Attachment "B".

7. ISSUE: Is Sebring entitled to execute its option under Section 6 of the Territorial Agreement and thereby acquire FPC's customers and facilities in the retail service area in and around the Sebring Airport? (This issue turns on whether the Airport Lands, as defined in the factual stipulation, are owned or controlled by the City of Sebring.)

Staff: No position pending receipt of briefs.

FPC: No position.

Sebring: Yes. Sebring's option to serve FPC's customers in and around the Sebring Airport under Section 6 of the Territorial Agreement was valid and properly exercised.

SAA: No.

8. ISSUE: Has the Sebring Airport Authority waived its right to now question the scope and intent of Section 6 of the Territorial Agreement?

Staff: No position pending receipt of briefs.

FPC: No position.

Sebring: Yes. The Airport Authority was duly notified of the impending transfer to Sebring at the time the Territorial Agreement was originally reviewed and ultimately approved by the Commission in Docket No. 861596-EU. Because the Airport Authority elected not to challenge the Agreement in those proceedings, it has waived its right to do so now at this late date. The

Airport Authority simply has no organic right to now pick and choose the utility from which it will receive service.

SAA1 No.

STIPULATED ISSUES

The parties stipulated to Issues 1 - 6. If approved by the Commission, the stipulations completely resolve the issues regarding overlap and duplication of services in the Sebring area. Sebring Airport Authority and Sebring Utilities Commission have entered into a Prehearing Stipulation attached hereto as Attachment "B", which specifies facts necessary for the Commission's decision on Issues 6, 7 and 8.

MOTIONS

There are no pending motions. The Motion to Expedite filed by SAA and the Motion to Dismiss filed by Sebring have been withdrawn by the parties.

OTHER MATTERS

FPC agreed to the condition set forth in the Prehearing Stipulation between Sebring and SAA, and withdrew its Answer to the SAA petition and further withdrew lines 10-16 on page 3 and lines 7-10 on page 7 of John Martz's prefiled testimony, dated August 2, 1990. As a result, FPC will take no position on Issues 7 and 8 herein.

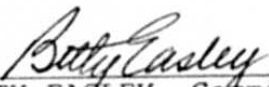
In their Prehearing Stipulation, Sebring and SAA requested oral argument before the Commission. These parties were ordered to file briefs on Issues 7 and 8 on or before November 9, 1990, with reply briefs, if any, due on November 16, 1990. Oral argument will be held on November 21, 1990, at the beginning of the duly noticed hearing in this docket. Each side will be given 15 minutes for argument, with time limits enforced.

Based on the foregoing, it is

ORDERED by Commissioner Betty Easley, Prehearing Officer, that these proceedings shall be governed by this order unless modified by the Commission.

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BY ORDER of Commissioner Betty Easley, Prehearing Officer,
this 19th day of NOVEMBER, 1990.



BETTY EASLEY, Commissioner
and Prehearing Officer

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ATTACHMENT A
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation to
Determine Whether The Ultimate
Goals of Resolving Overlap,
Eliminating Duplication of
Service and Providing The Best
Electrical Service to Customers
in the Sebring Area Are Being Met
By Sebring Utilities Commission
and Florida Power Corporation

Docket No. 891034-EU
Filed: October 29, 1990

JOINT PETITION TO APPROVE
SETTLEMENT AGREEMENT

Florida Power Corporation ("FPC") and Sebring Utilities Commission ("Sebring"), by and through their undersigned attorneys, hereby petition the Florida Public Service Commission ("Commission") to approve the attached Settlement Agreement ("Settlement Agreement") and cancel the hearing in this matter, now scheduled for November 21, 1990. In support thereof, FPC and Sebring (the "Joint Petitioners") state:

1. At the request of the Commission, staff opened this docket to investigate "whether the ultimate goals of resolving overlap, eliminating duplication of service, and providing the best service to customers in the Sebring area are being met." Order 21478 at 4 and 5. Staff subsequently inspected the Sebring area in November, 1989, and determined that, although previous efforts of FPC and Sebring had been effective in eliminating overlapping services and duplication of facilities in certain areas, overlap and duplication continued to exist in other specific locations.

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2. By Proposed Agency Action Order 22626, the Commission requested that FPC and Sebring reach agreement to resolve the overlap and duplication identified by staff, otherwise the Commission proposed to impose specific requirements on FPC and Sebring to correct the perceived problems.

3. FPC timely protested Proposed Order 22626 and the matter was set for hearing. Thereafter, FPC, Sebring and staff prefiled testimony in the docket. Staff's prefiled testimony -- which was sponsored by Mr. Lee Colson-- proposed a plan of corrective action (the "Colson Plan") to resolve overlap and duplication.

4. Since this docket was opened, FPC and Sebring have continued to meet in effort to resolve overlap and duplication in the Sebring area. Using the Colson Plan as a model, the Joint Petitioners have entered into the attached agreement which, if approved by the Commission, would resolve specifically each of the areas of overlap and duplication identified in staff witness Lee Colson's testimony.

5. In order to achieve the Commission's objectives of resolving overlap and duplication, the Settlement Agreement, among other benefits, provides that:

- (a) FPC will either remove certain of its Foreign Facilities or, if usable by Sebring at its discretion, sell such facilities to Sebring;

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- (b) Sebring will either remove its Foreign Facilities including facilities in pure areas or, if usable at FPC's discretion, sell such facilities to FPC;
- (c) FPC and Sebring will true-up on a quarterly basis energy (and if appropriate capacity) provided by the Host Utility to Foreign Accounts;
- (d) certain of FPC's Foreign Accounts will become Sebring accounts upon End User Change;
- (e) certain of Sebring's accounts will become FPC accounts when necessary to balance the KWH (and if appropriate KW) associated with the FPC accounts exchanged;
- (f) new growth located in Sebring's pure areas will become FPC accounts but for the first 12 years of the Agreement, Sebring will be given credit (based upon estimated 12-month usage) for such new accounts in the exchange of accounts;
- (g) FPC and Sebring will jointly arrive at a solution to avoid future duplication should potential for such duplication subsequently arise.

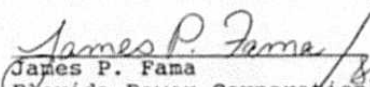
6. The Settlement Agreement is conditioned on this Commission's approval. Thus, timely Commission approval will expedite the elimination of overlap and duplication and ensure that customers in the Sebring area are provided the best possible electric service.

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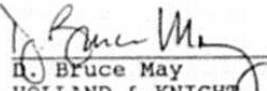
WHEREFORE, the Joint Petitioners respectfully request that the Commission:

- (1) approve the Settlement Agreement between FPC and Sebring;
- (2) cancel the hearing on the overlap and duplication issues scheduled for November 21, 1990; and
- (3) grant such other relief as the Commission deems appropriate.

Respectfully submitted this 29th day of October, 1990,
by:


James P. Fama
Florida Power Corporation
3201 - 34th St., South
St. Petersburg, FL 33733
(813) 866-5786

Attorneys for Florida
Power Corporation


D. Bruce May
HOLLAND & KNIGHT
315 S. Calhoun St., 6th FL
Tallahassee, FL 32301
(904) 224-7000

Attorneys for Sebring
Utilities Commission

SEBRING JTPET:162

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SETTLEMENT AGREEMENT
BETWEEN
FLORIDA POWER CORPORATION
AND
SEBRING UTILITIES COMMISSION

Florida Public Service Commission
Docket No. 891034-EU

FLORIDA POWER CORPORATION (FPC) and SEBRING UTILITIES COMMISSION (Sebring) hereby agree to resolve all outstanding issues in this docket, except those issues concerning Sebring Airport Authority, and agree to eliminate duplication of facilities, and to provide for the exchange of accounts, as follows:

1. Term. This agreement shall become effective upon the date it is allowed to go into effect by the Florida Public Service Commission (Commission), and shall remain in effect until December 31, 2007, or until Sebring no longer has enough Sebring Foreign Accounts to balance the kilowatthours (KWH) (and if appropriate the kilowatts (KW)) associated with FPC Foreign Accounts as provided in paragraph 9, whichever occurs first.

2. Termination Of Joint Plan. This Agreement terminates the May 12, 1988 Joint Plan To Resolve Overlapping Services approved in Florida Public Service Commission Docket No. 850605-EU; provided, however, that the parties agree to preserve the general concept of Pure Areas, as provided in paragraph 4(e) and Appendix A of this Agreement. FPC and Sebring agree that FPC shall purchase Sebring's facilities in Thunderbird Hill Mobile Home Park South identified in Appendix E as provided in paragraph 10, and the parties further agree that the Sebring and FPC accounts to which the Joint Plan applied shall become accounts subject to being

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exchanged and balanced pursuant to paragraphs 7, 8 and 9 of this Agreement.

3. Territorial Agreement. This Agreement does not alter or amend in any way the December 11, 1986 Territorial Agreement between the parties.

4. Definitions. The following definitions apply to this Agreement:

(a) "Host Utility" means the utility in whose retail service area the account is located, as such retail service areas are defined in the Territorial Agreement.

(b) "Foreign Utility" means the utility serving an account in the retail service area of the other utility as such retail service areas are defined in the Territorial Agreement.

(c) "Foreign Facilities" means those facilities currently used by the Foreign Utility to serve its Foreign Accounts located in the Host Utility's retail service area, whether such facilities are located in Foreign Utility Pure Areas or elsewhere in the Host Utility's retail service territory.

(d) "Foreign Accounts" means a utility's accounts located in the other utility's retail service area.

(e) "Pure Areas" are those areas containing facilities and accounts of a Foreign Utility located in the Host Utility's territory which are totally located within a single development and said development is exclusively served by the Foreign Utility. There are no overlapping facilities within the Pure Areas. Pure

Areas subject to being exchanged are only those areas designated in Appendix D.

(f) "End User Change" means when service to an account at a given location is terminated and service at that location is provided to a new and different customer.

5. Foreign Accounts And Facilities. With respect to FPC, this Agreement applies to only those FPC Foreign Facilities identified in Appendix B and the FPC accounts served by such facilities. With respect to Sebring, this Agreement applies to only those Sebring Foreign Facilities identified in Appendix C and the Sebring accounts served by such facilities.

6. Removal Of Foreign Facilities. Foreign Facilities identified in Appendices B and C shall be removed by the Foreign Utility, or if usable by the Host Utility at its discretion, sold to the Host Utility, within six months of the final Commission order approving this Agreement; provided, however, that certain Foreign Facilities, including but not limited to through feeders, shall not be removed by the Foreign Utility if they are necessary to maintain service to accounts that ultimately will be retained by the Foreign Utility under this Agreement. The cost of the removal of Foreign Facilities not sold to the Host Utility, and the connection of Foreign Accounts to the Host Utility's distribution transformer shall be borne by the Foreign Utility. The Host Utility shall be responsible for all other facilities necessary to serve such an account.

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7. Accounts Subject To Being Exchanged. FPC Foreign Accounts served by facilities identified in Appendix B shall continue to be FPC accounts and shall continue to utilize an FPC meter but shall be served by Sebring by connecting these accounts to Sebring's distribution system until there is an End User Change. Sebring Foreign Accounts served by facilities identified in Appendix C shall continue to be Sebring accounts and shall continue to utilize a Sebring meter but shall be served by FPC by connecting these accounts to FPC's distribution system until such time as such accounts are transferred to FPC in order to effect a KWH (and if appropriate a KW) balance pursuant to paragraph 9.

8. True-Up Of Energy And Capacity Provided By Host Utility To Foreign Accounts.

Energy (and if appropriate capacity) provided by one Host Utility to Foreign Accounts in the Host Utility's service territory shall be approximately equal to the energy (and if appropriate capacity) provided by the other Host Utility to Foreign Accounts in its service territory at the time of the removal of Foreign Facilities made pursuant to paragraph 6, and shall remain approximately equal thereafter. The parties will balance or "true up," on a quarterly basis any difference in the amounts of energy (and if appropriate capacity) provided. To this end, each party in its role as Foreign Utility shall on a quarterly basis report its Foreign Account KWH (and if appropriate KW) usage to the Host Utility, and the Host Utility that has provided the greater amount

of KWH (and if appropriate KW) shall invoice the other Host Utility for the difference.

9. Exchange Of Accounts, Kilowatthours And Kilowatts. After End User Changes have occurred with respect to FPC's Foreign Accounts identified in Appendix B such FPC accounts shall become Sebring accounts, provided, however, that on the first day of the next quarter, Sebring shall provide FPC with whatever number of Sebring accounts is necessary to balance the KWH (and if appropriate KW) associated with the FPC accounts exchanged pursuant to this paragraph. In order to measure such balance, the prior 12-month KWH (and if appropriate KW) of FPC accounts exchanged shall be compared to the KWH (and if appropriate KW) of Sebring accounts to be exchanged for the same 12-month period.

10. Price Of Facilities. The price of facilities purchased by the Host Utility shall be replacement cost less depreciation, except in the case of Sebring's facilities in Thunderbird Hill Mobile Home Park South, which facilities are designated in Appendix E, and which shall be sold to FPC for \$51,500.

11. Pure Areas. In order to achieve a balance of KWH (and if appropriate KW) pursuant to paragraphs 8 and 9 the Sebring Foreign Facilities located in areas identified in Appendix D shall be removed by Sebring, or if usable by FPC at its discretion purchased by FPC, in accordance with paragraph 6. Sebring's Foreign Accounts which were served by such Sebring Foreign Facilities shall continue to be Sebring accounts and shall continue to use a Sebring meter but shall be served by FPC by connecting

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those accounts to FPC's distribution system until such accounts are transferred to FPC in order to effect a KWH (or if appropriate KW) balance pursuant to paragraph 9. New residential dwellings or commercial space added within the areas identified in Appendix D shall become FPC accounts, but Sebring shall be given credit (based on estimated 12-month usage) for such new dwellings or space that occur during the first 12 years of this Agreement, in the exchange of accounts made pursuant to paragraph 9. FPC accounts located in its Pure Areas are not subject to being exchanged under this Agreement.

12. Avoiding Future Duplication. In order to avoid future duplication of facilities, the parties agree that when Sebring is required to construct and serve new accounts in its service area, the parties will jointly arrive at a solution which avoids duplication of any FPC Foreign Facilities that may be in the vicinity. Such solutions may include, but are not limited to, joint use of facilities, FPC serving Sebring's new account, or purchase of FPC's Foreign Facilities by Sebring and Sebring in turn serving FPC's accounts. If pursuant to such a solution, FPC at its sole discretion elects to sell, and Sebring purchases, FPC Foreign Facilities and Sebring in turn serves FPC's Foreign Account, such FPC Foreign Account shall be transferred to Sebring upon an End User Change pursuant to paragraphs 7, 8 and 9.

13. Commission Approval. The parties' consent to this Agreement is contingent upon approval by the Commission without modification.

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14. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon FPC and Sebring and their respective successors and assigns.

15. Complete Agreement. The terms and provisions contained in this Agreement constitute the entire agreement between the parties and supersedes all previous communications, representations or agreements either verbal or written with respect to this docket.

16. Appendices. The following Appendices are incorporated by reference into this agreement:

- Appendix A - FPC and Sebring Joint Plan Pure Areas
- Appendix B - FPC Foreign Facilities Subject To Removal
- Appendix C - Sebring Foreign Facilities
- Appendix D - Sebring Pure Areas Which Contain Accounts Subject To Being Exchanged And Balanced
- Appendix E - Sebring's Facilities In Thunderbird Hill Mobile Home Park South

IN WITNESS WHEREOF, FPC and Sebring have caused this agreement to be executed by their duly authorized representatives.

By: [Signature]
FLORIDA POWER CORPORATION

By: [Signature]
SEBRING UTILITIES COMMISSION

Date: October 25, 1990

Date: October 25, 1990

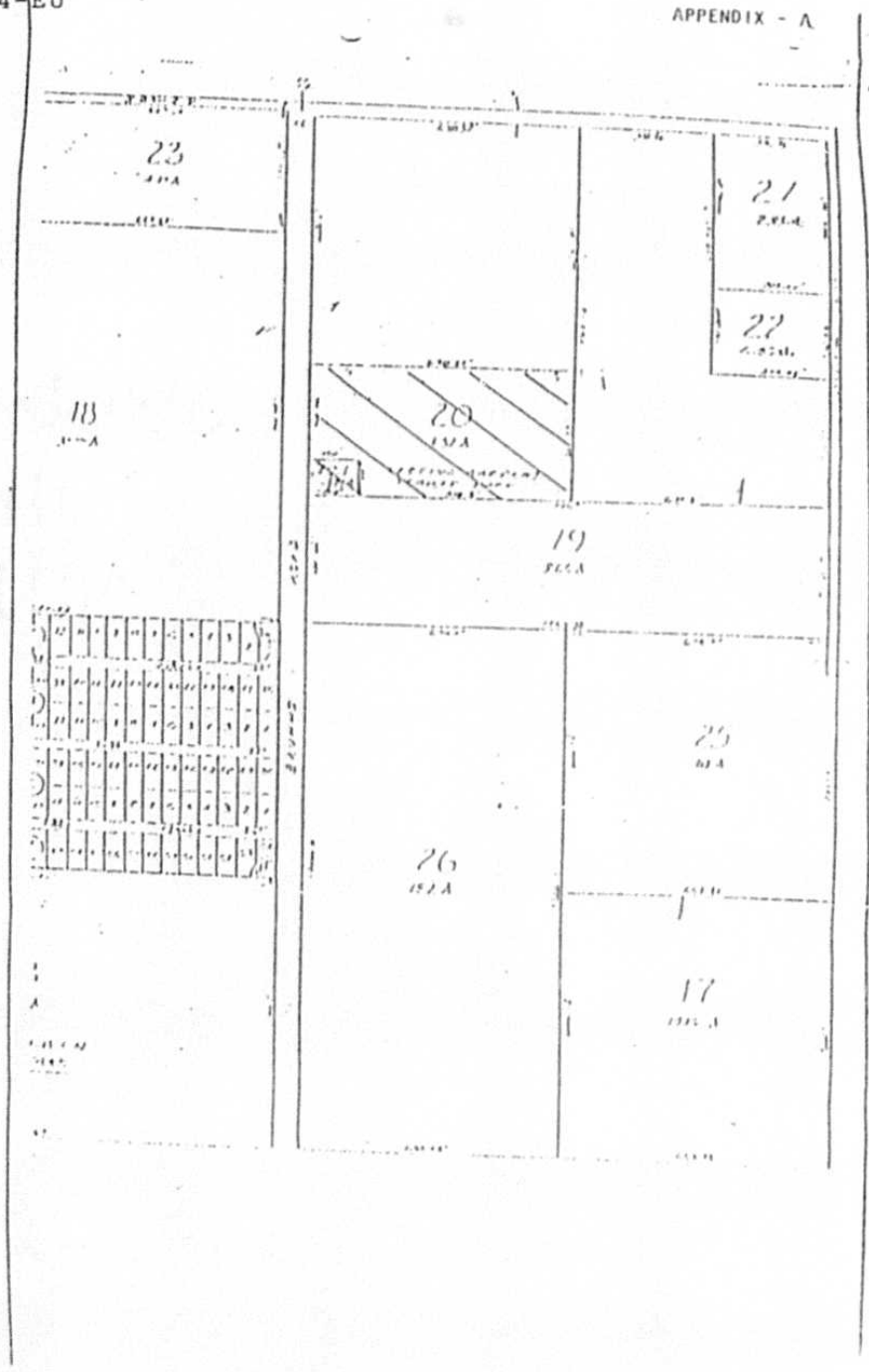
Attest: [Signature]

Attest: [Signature]



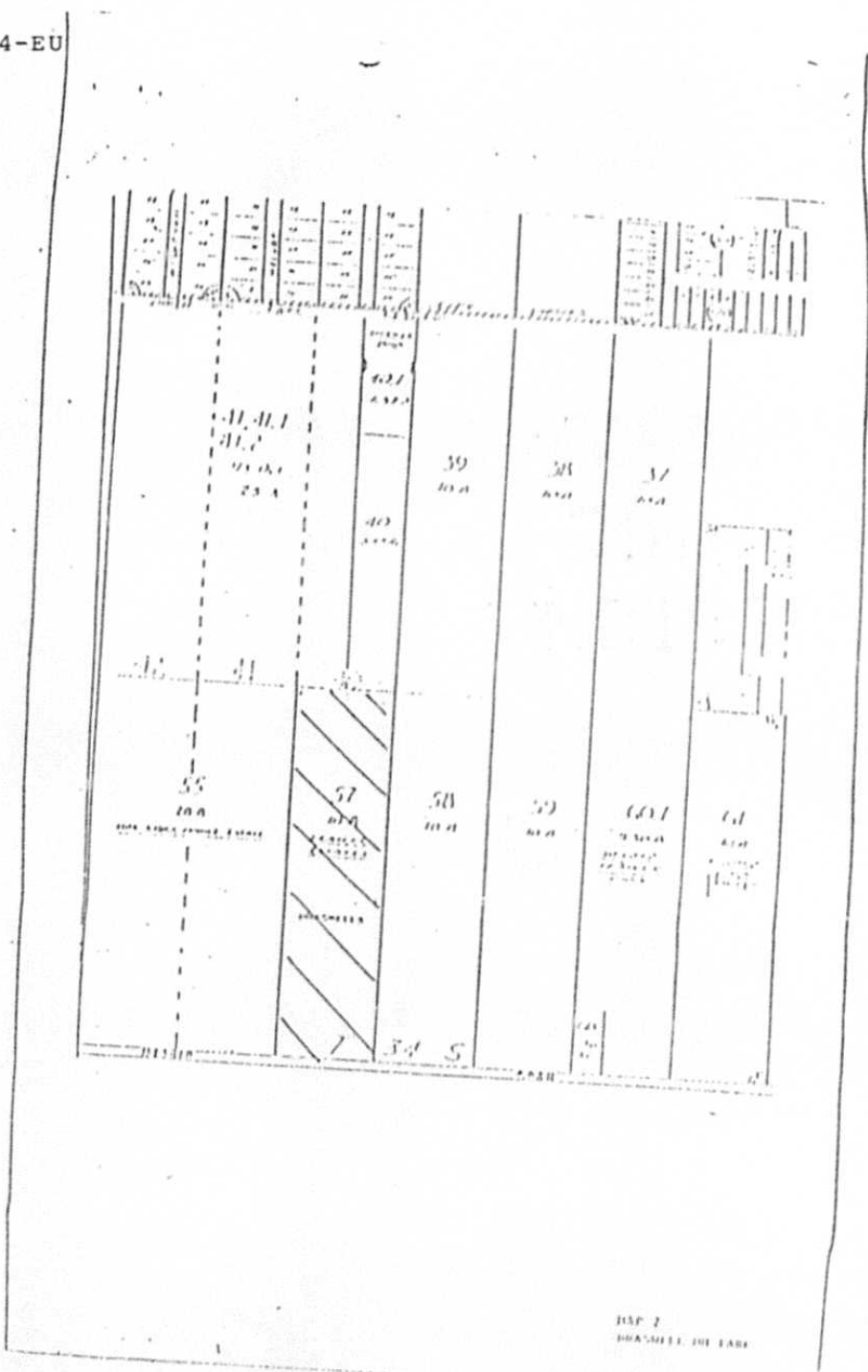
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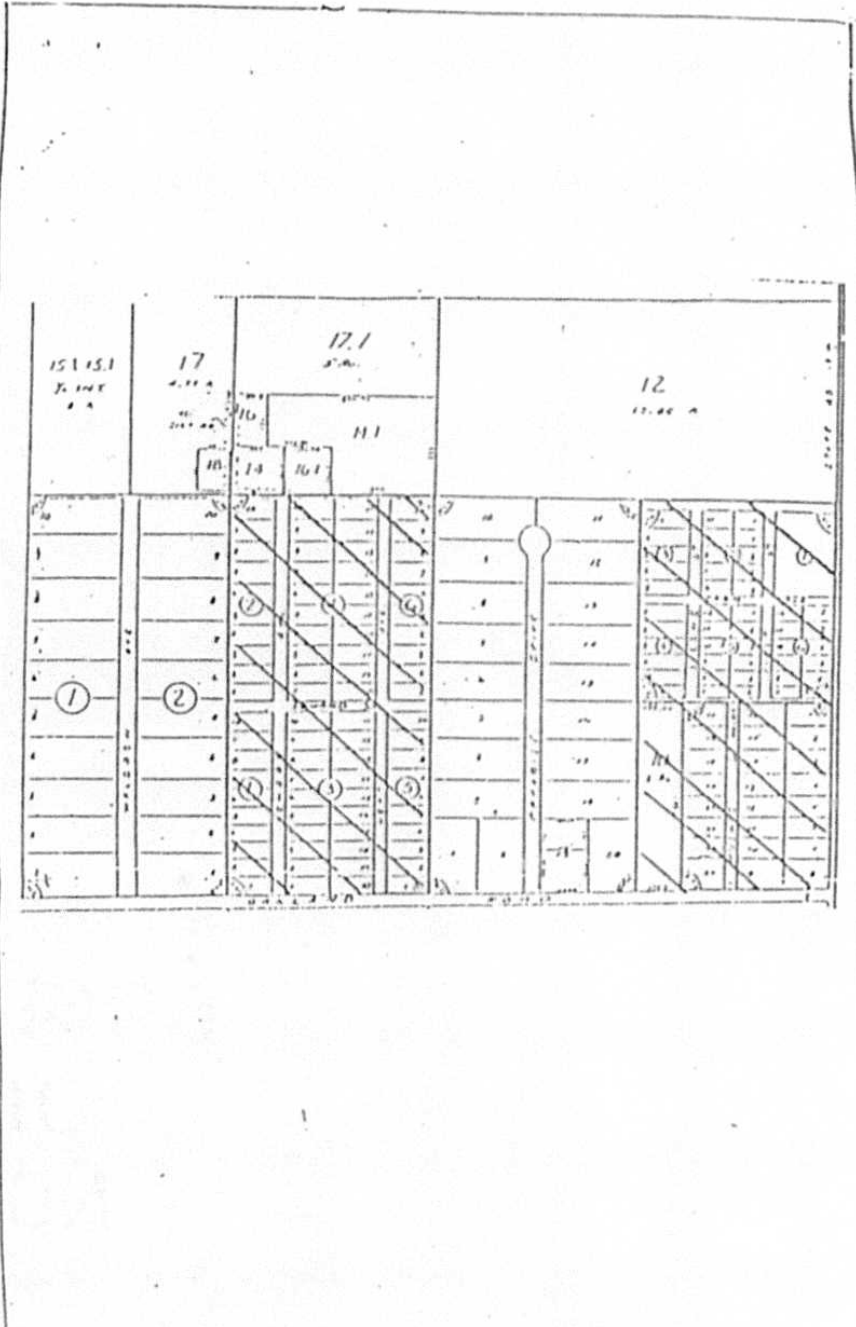
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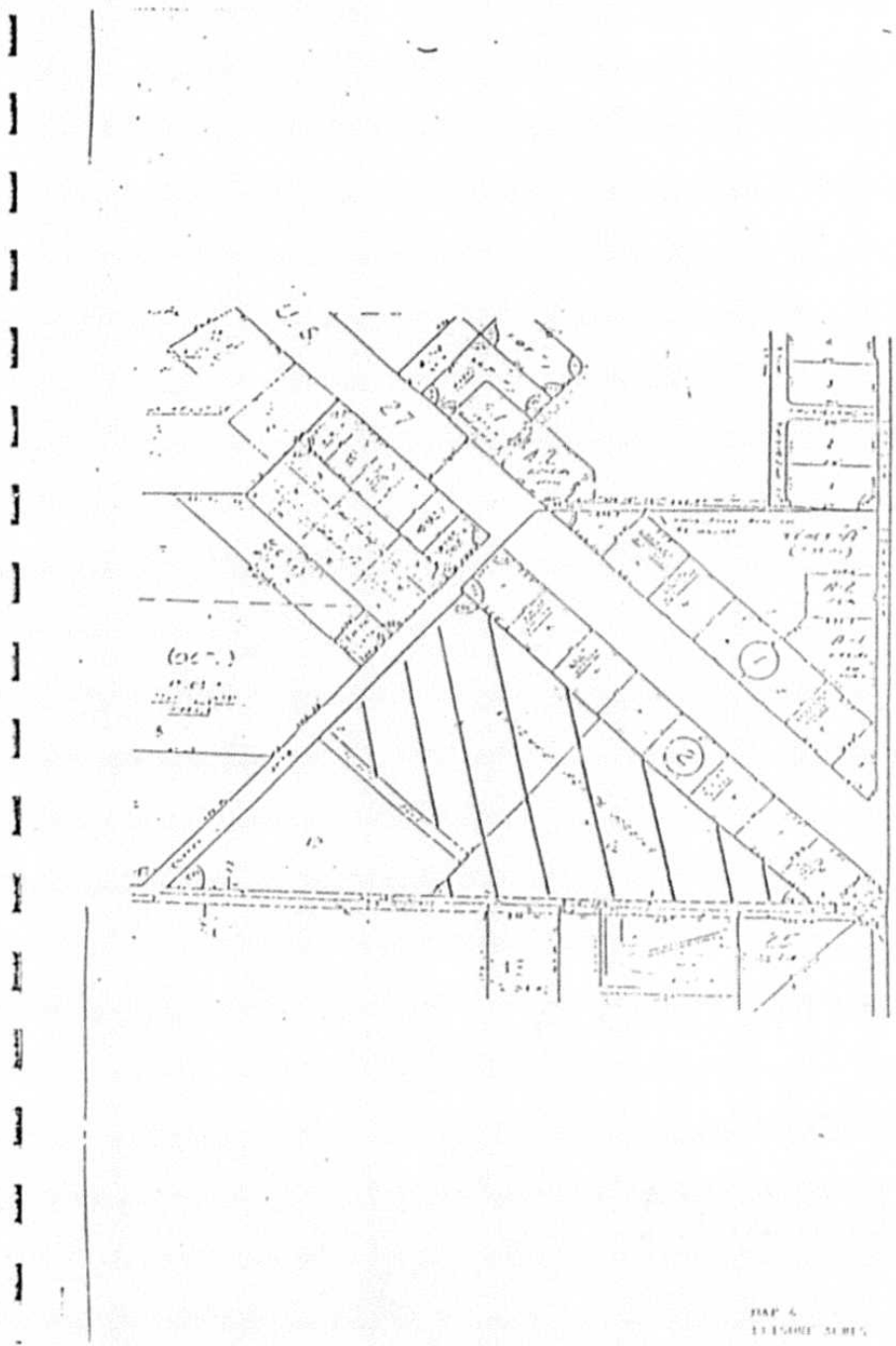
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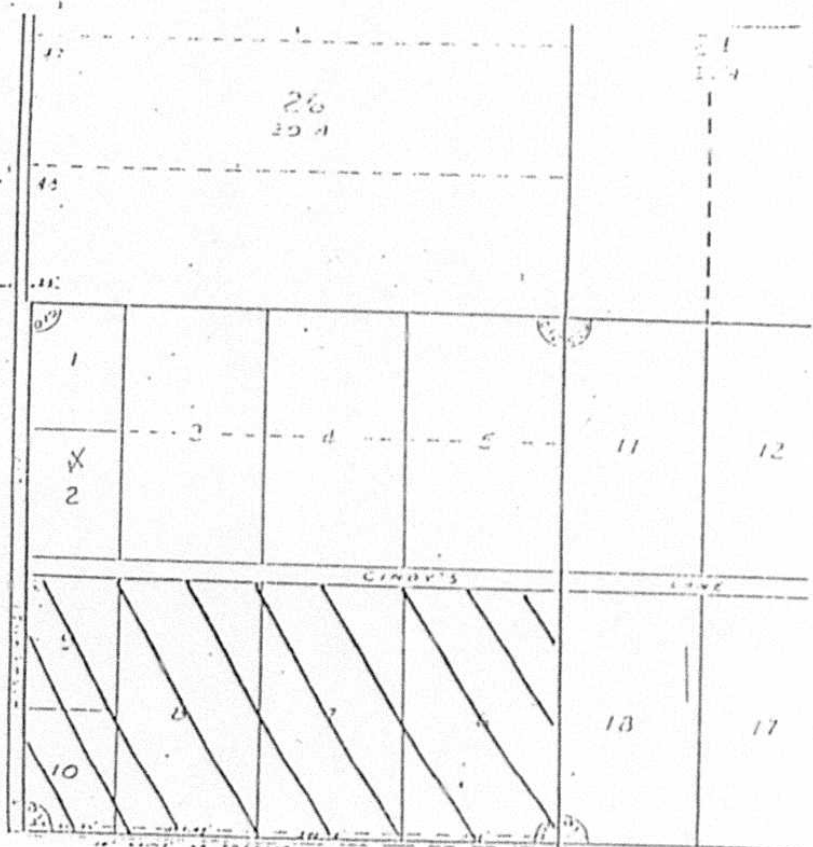
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MAP 4
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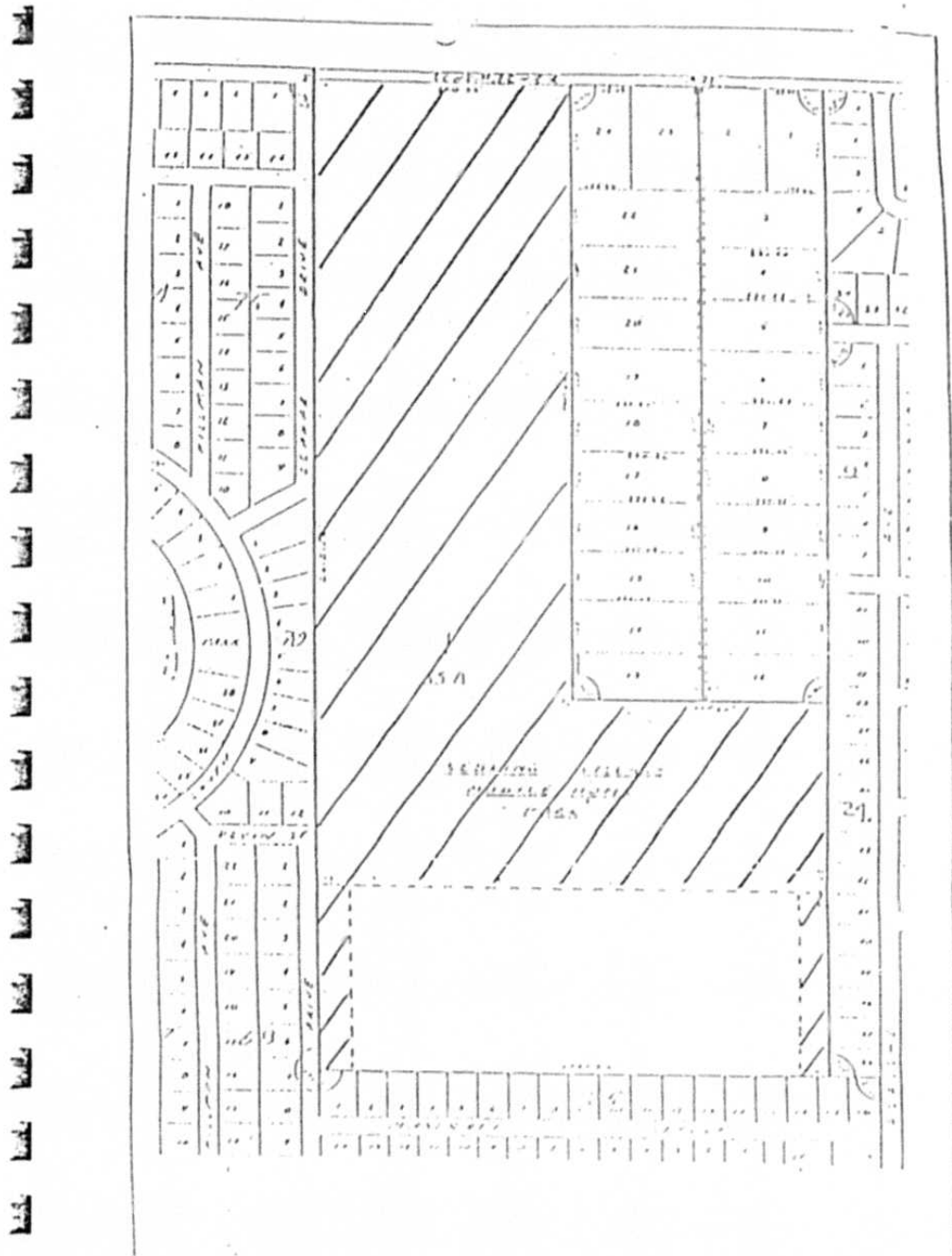
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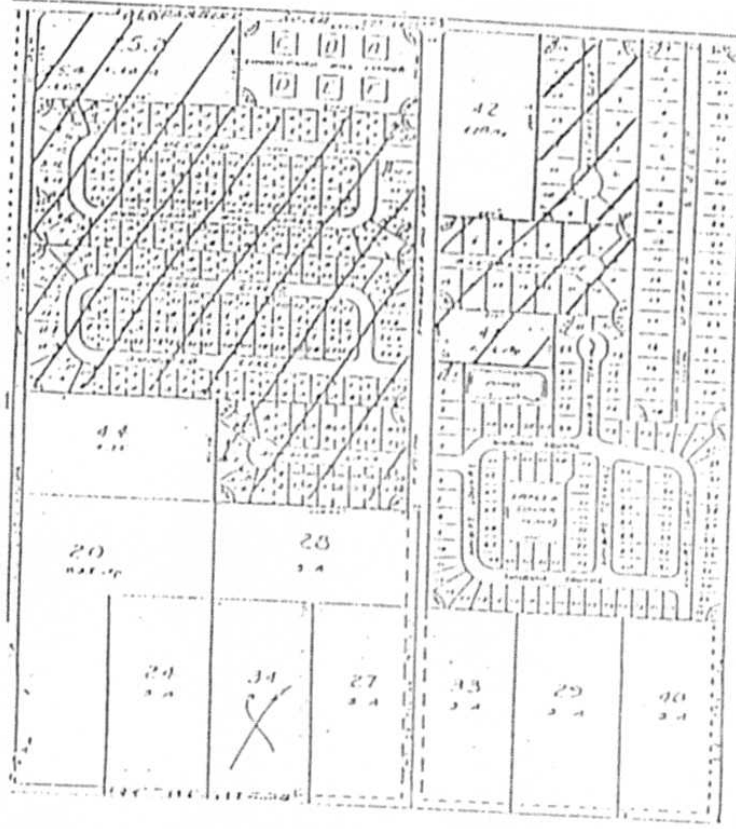
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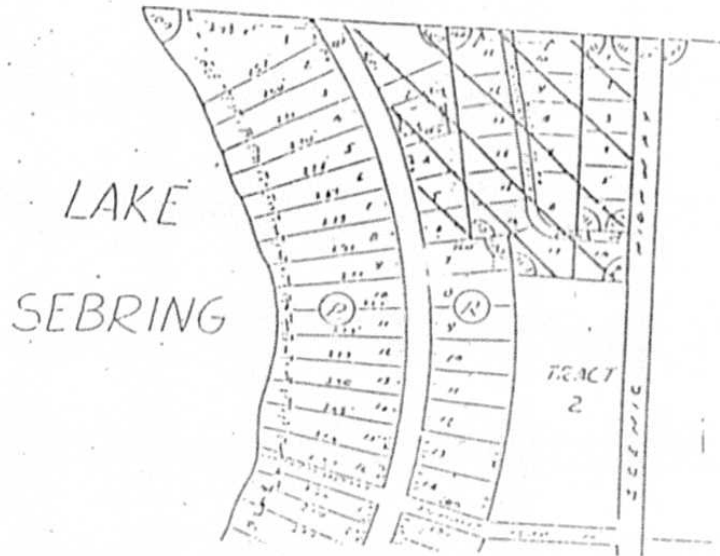
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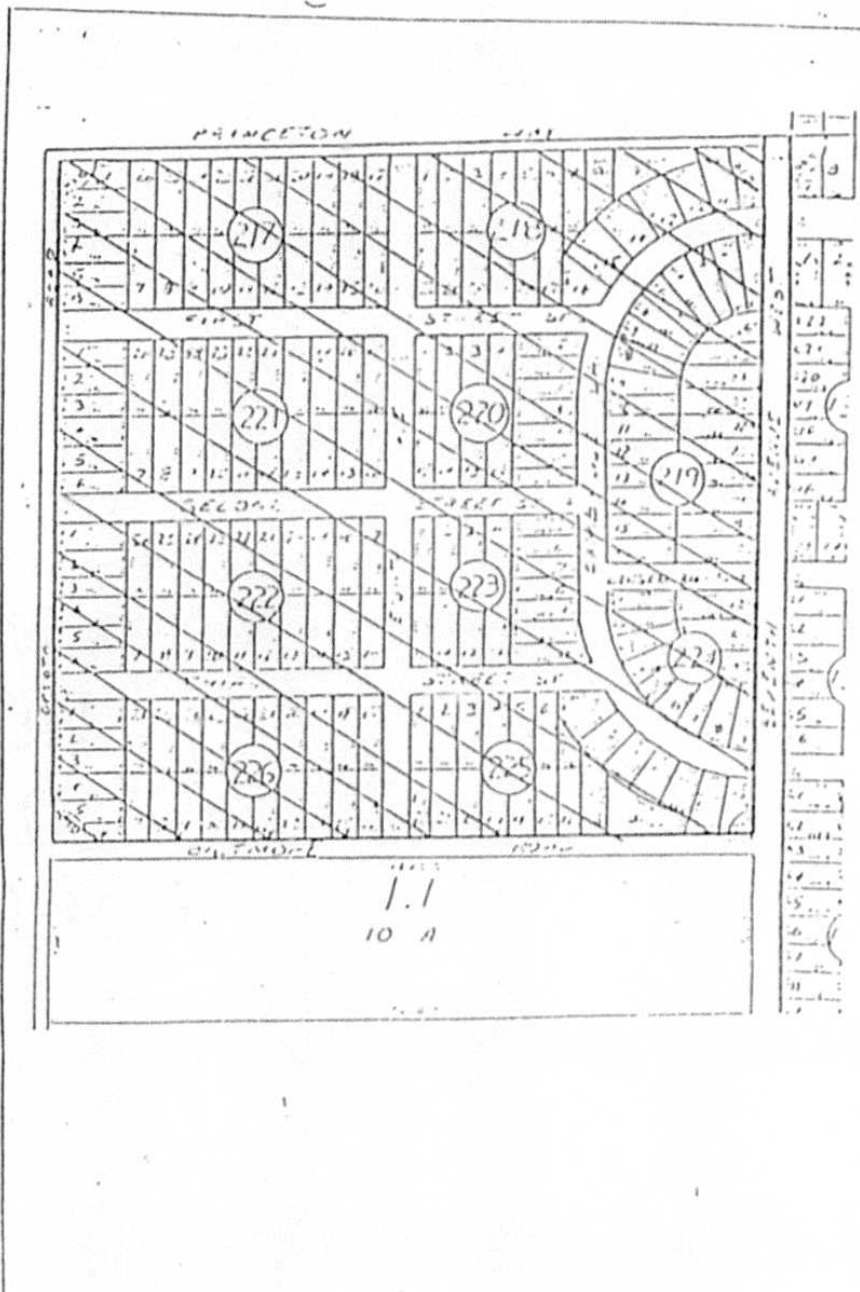
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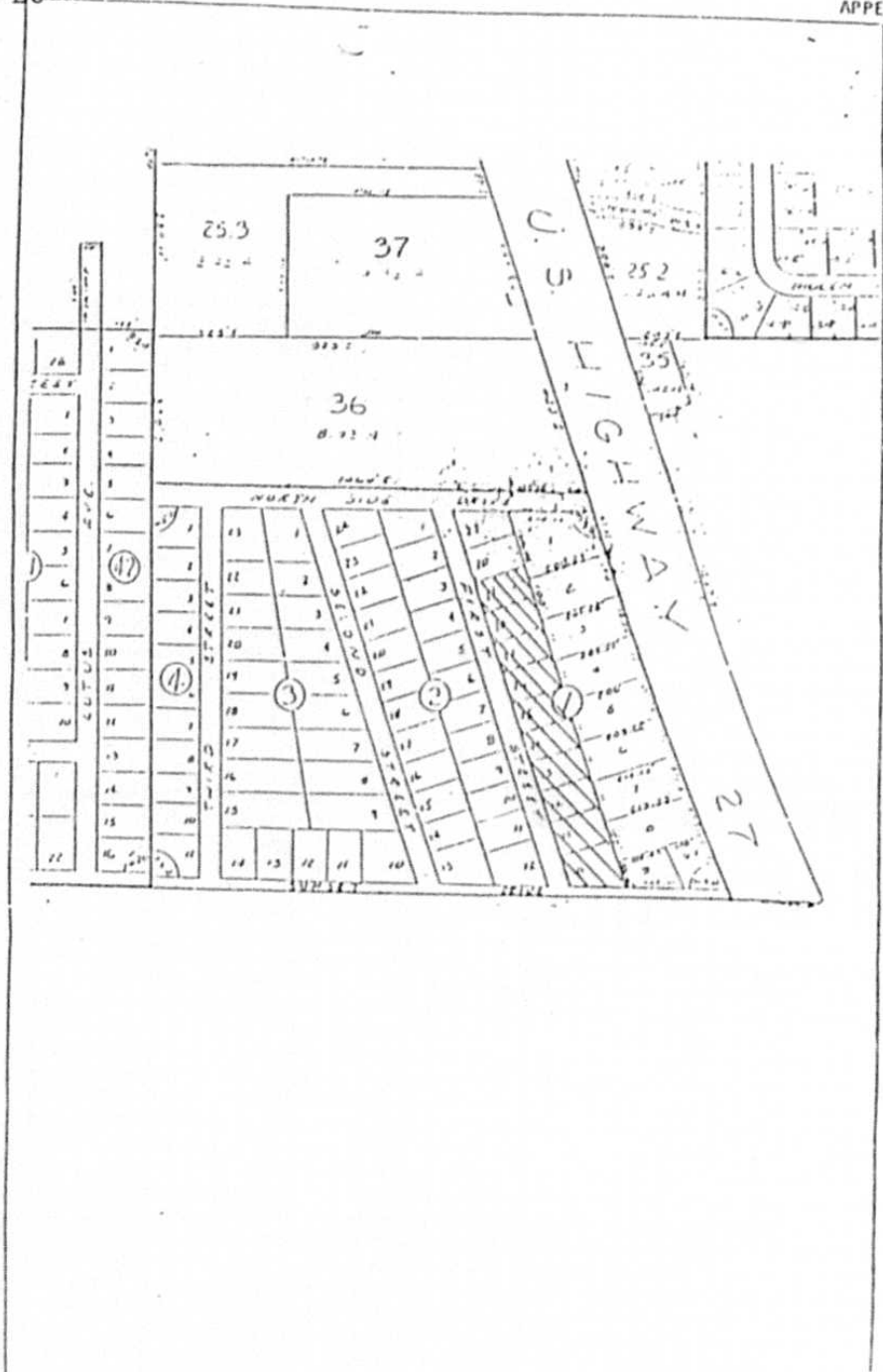
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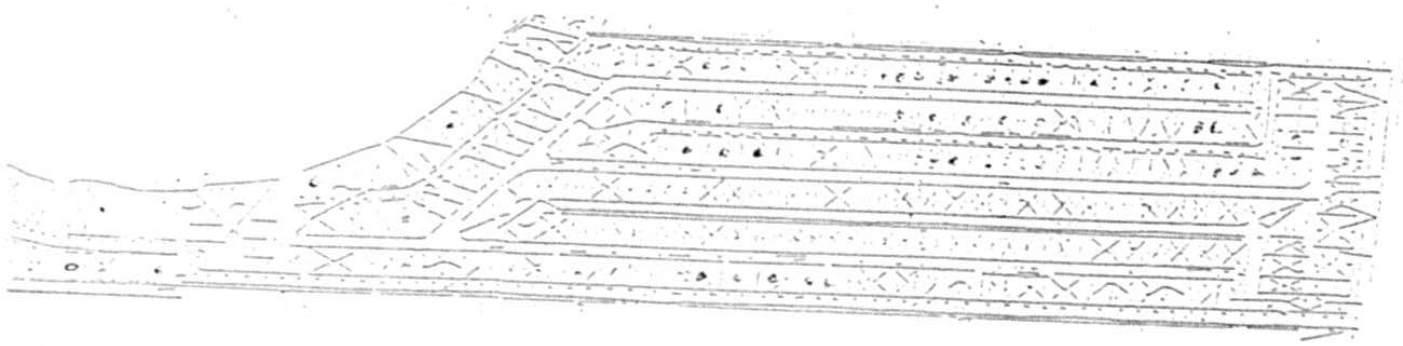


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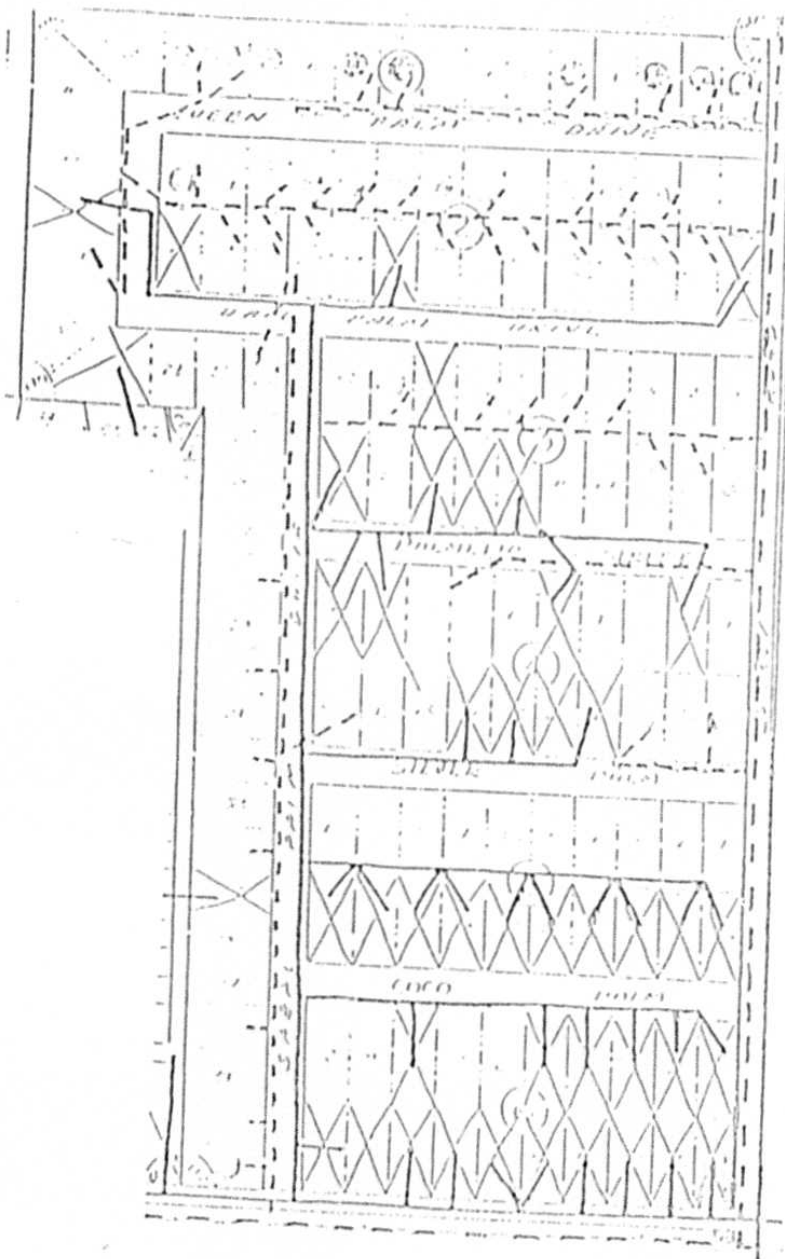
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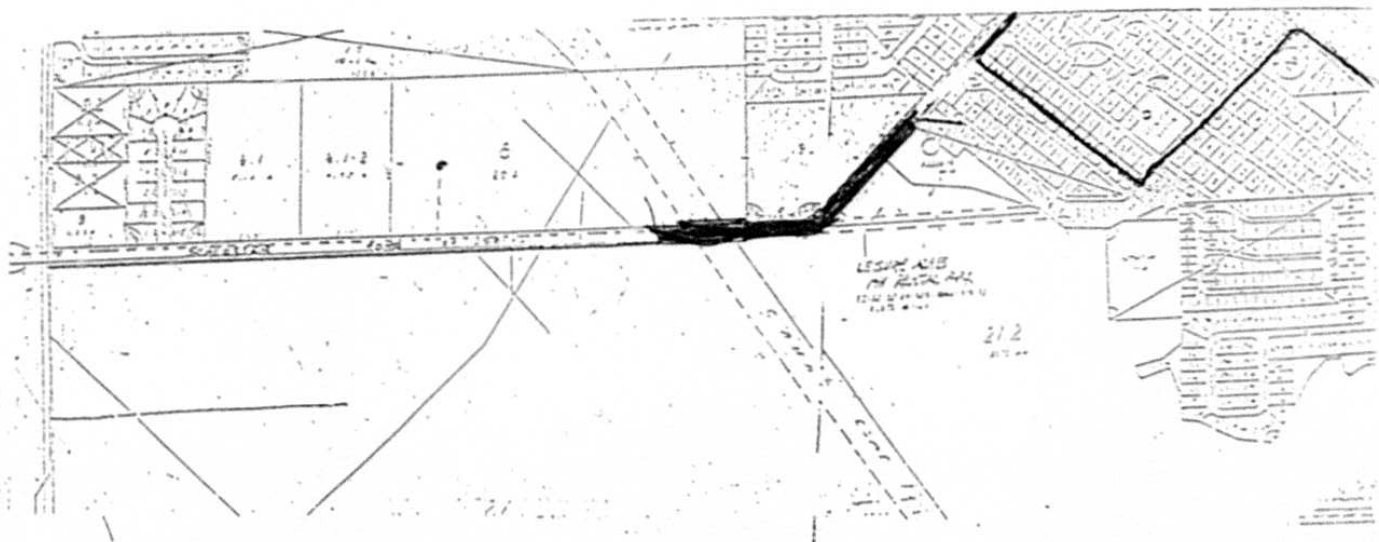
Park and Normandy Shores

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Sebring Vellies



Schlosser Road from Sparta to Cooper Road

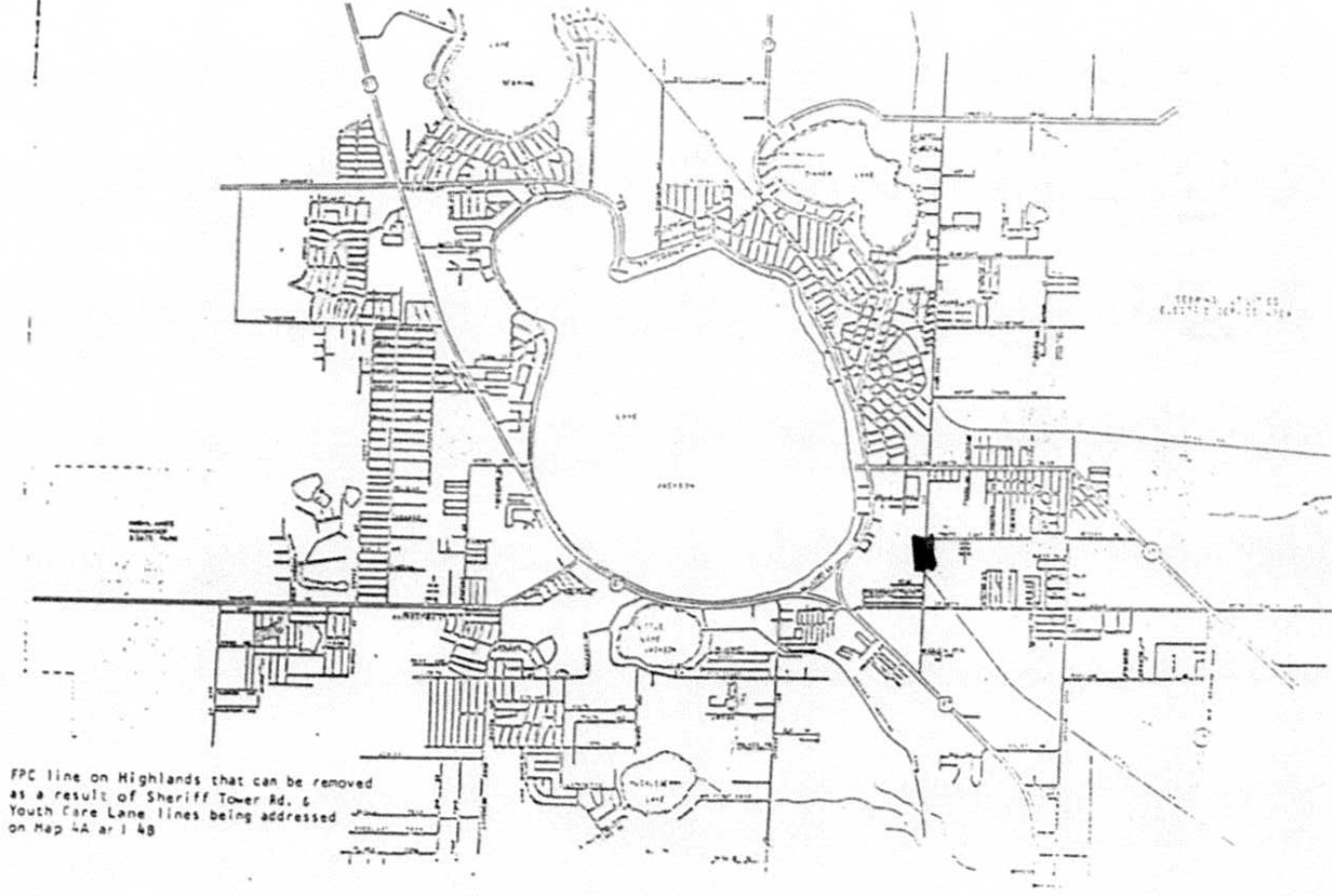
--- 77C lines to be removed
~~---~~ 77C lines to be purchased
 ——— 77C lines to remain
 ——— 500 lines

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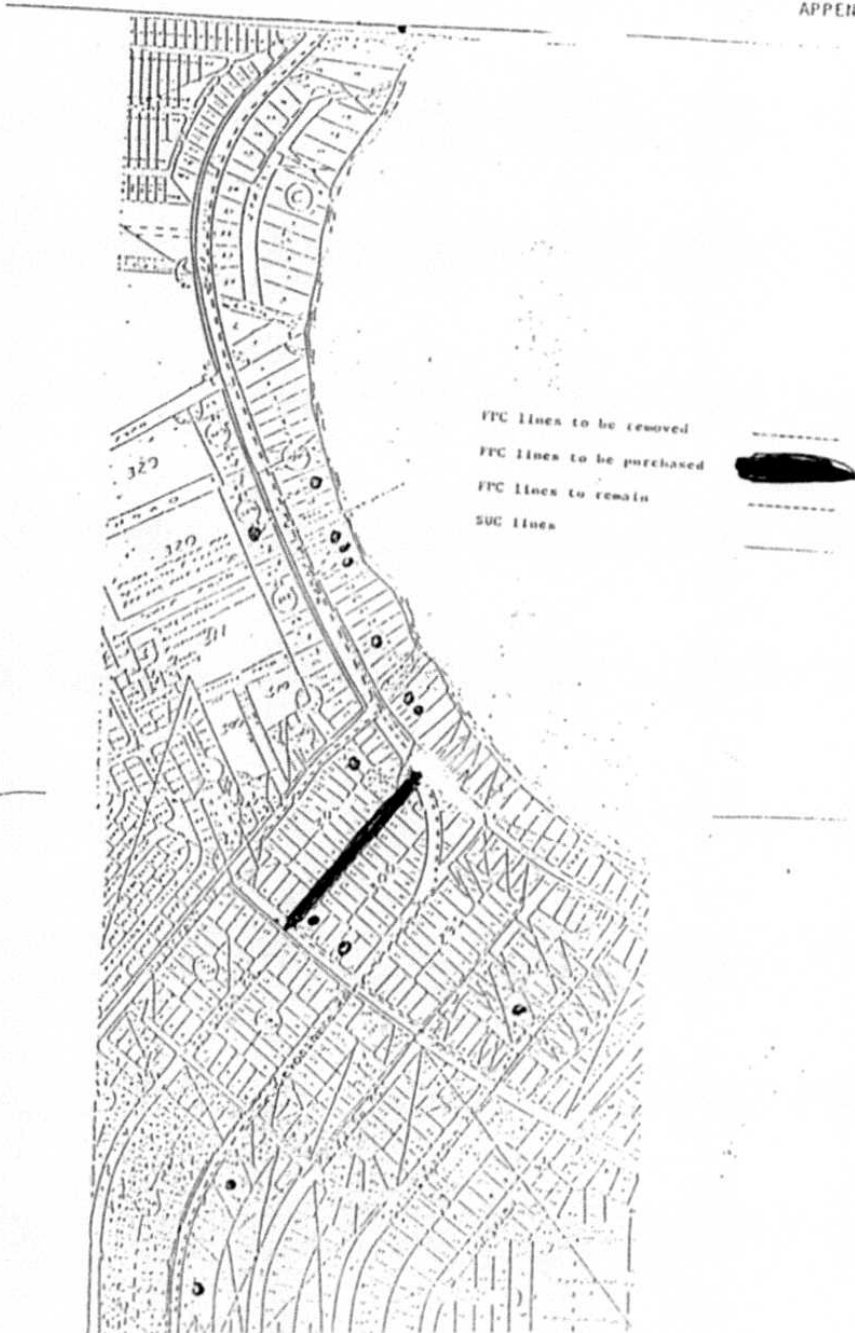
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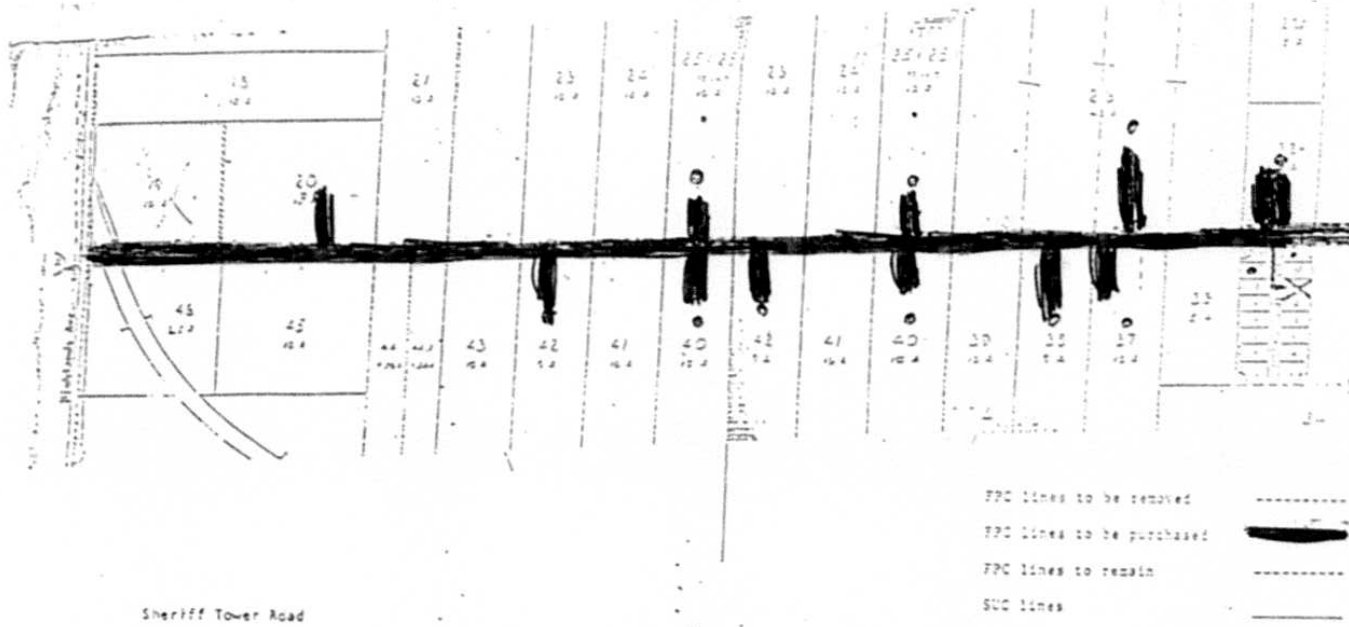
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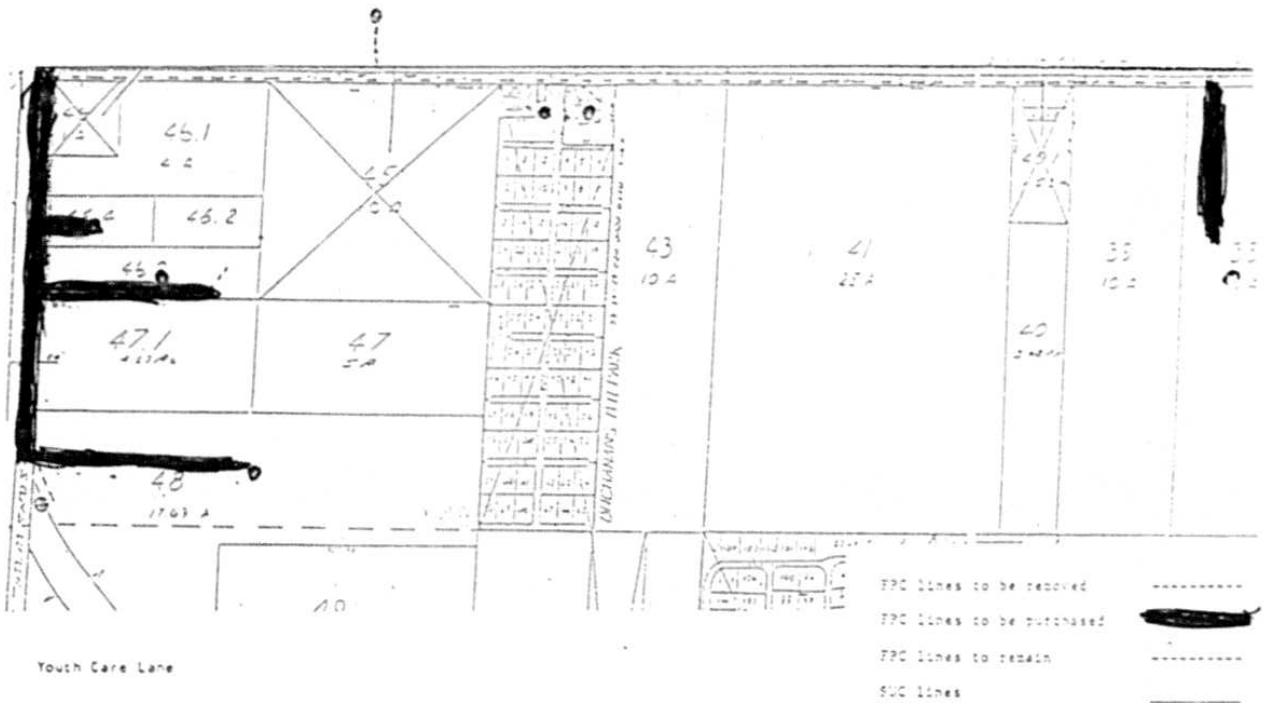
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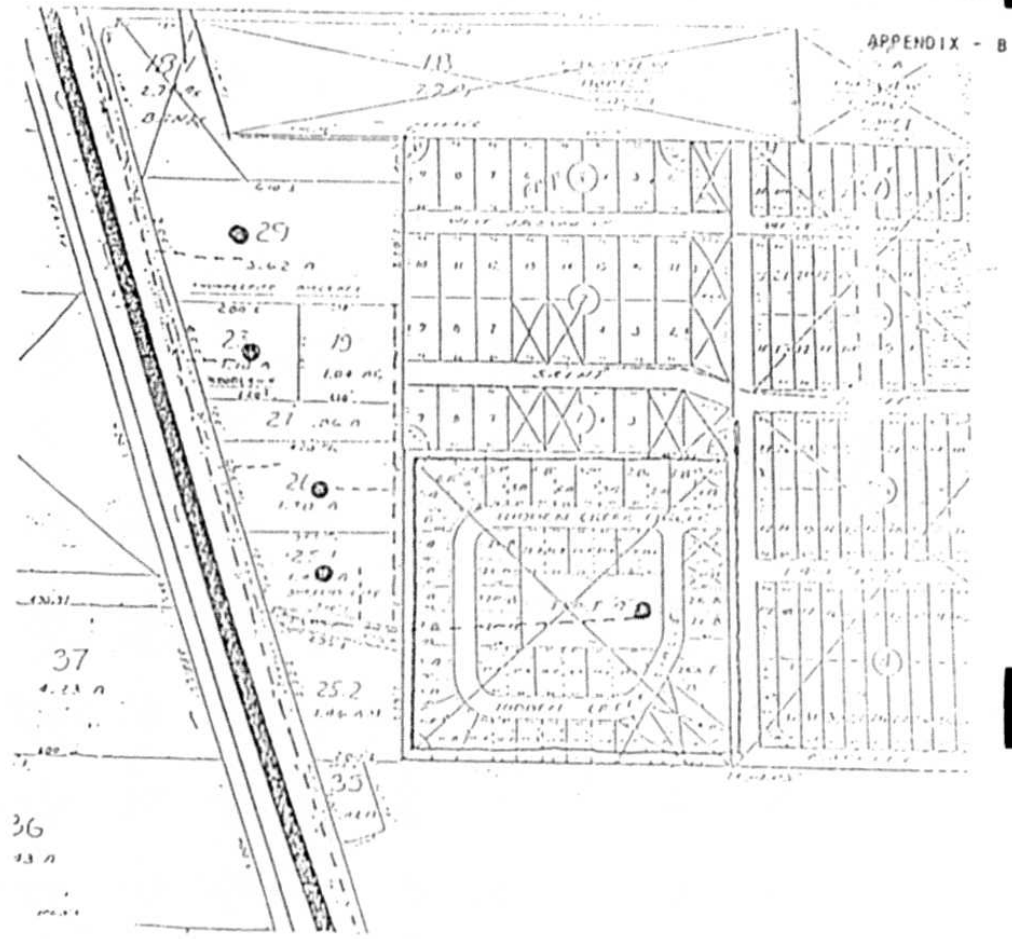
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1

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- FPC Lines to be removed -----
- FPC Lines to be purchased -----
- FPC Lines to remain -----
- SUC Lines -----

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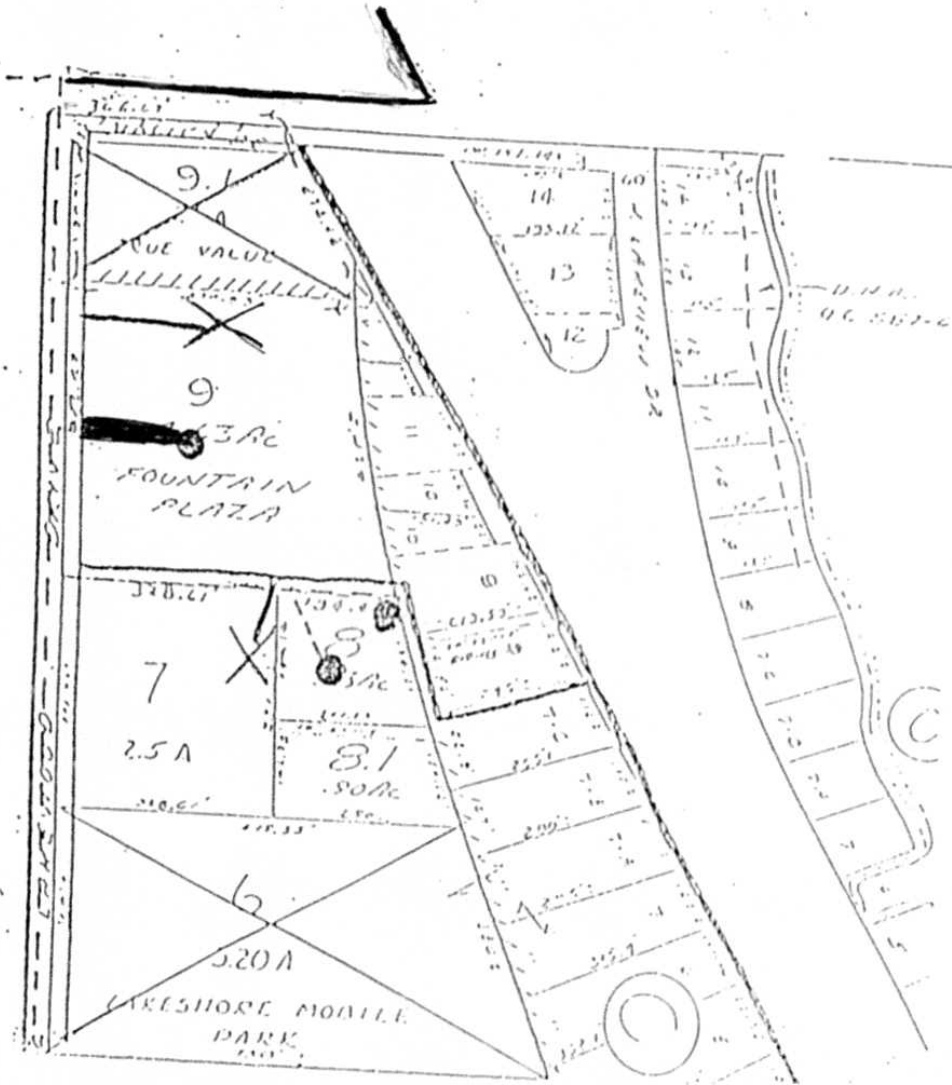
FR

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
HAWK AVE														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
ROAD RUNNER AVE														
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16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
BURN AVE														
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16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
PELICAN AVE														
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WARBLER AVE														
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ORIOLE AVE														
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FANAGER AVE														
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VICIA AVE														
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16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

- FR - Tiles to be removed
- FR - Tiles to be purchased
- FR - Tiles to remain
- FR - Tiles

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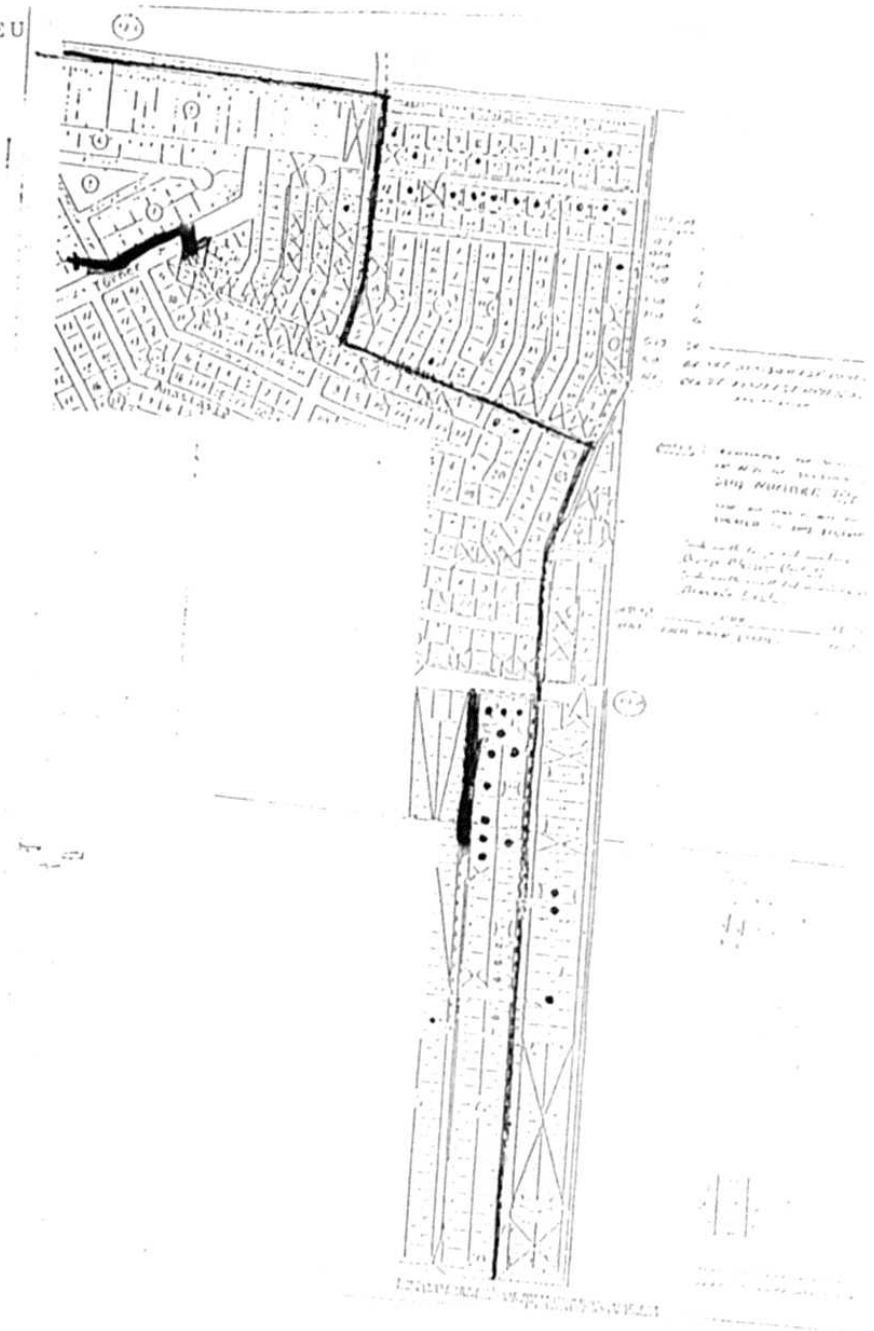


Fountain Plaza
Colony Square

- - - - - EFC lines to be removed
- EFC lines to be purchased
- EFC lines to remain
- SBE lines

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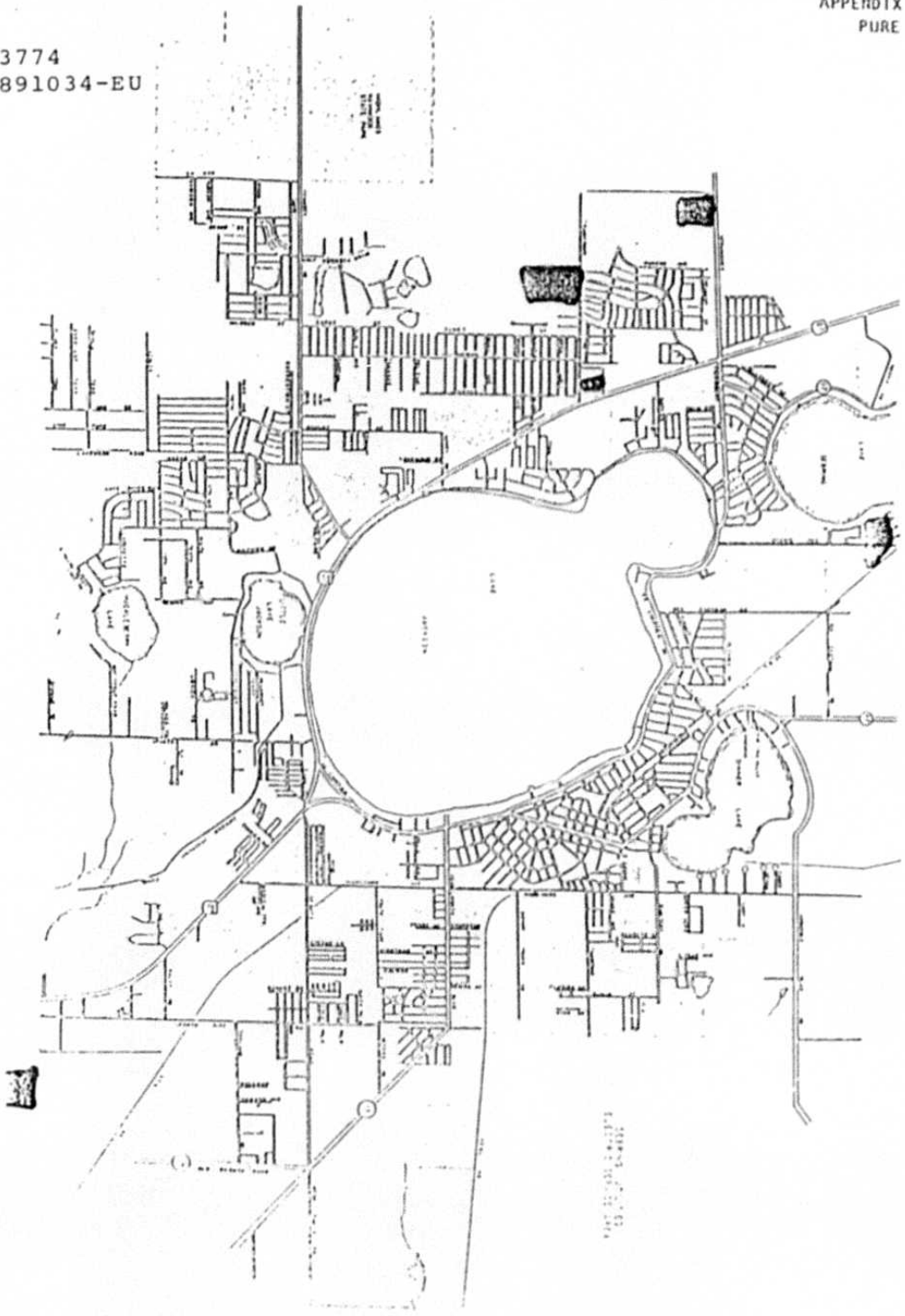
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Edmond Road
Turner Boulevard
Jackson Avenue

100' Easement to be reserved
100' Easement to be reserved

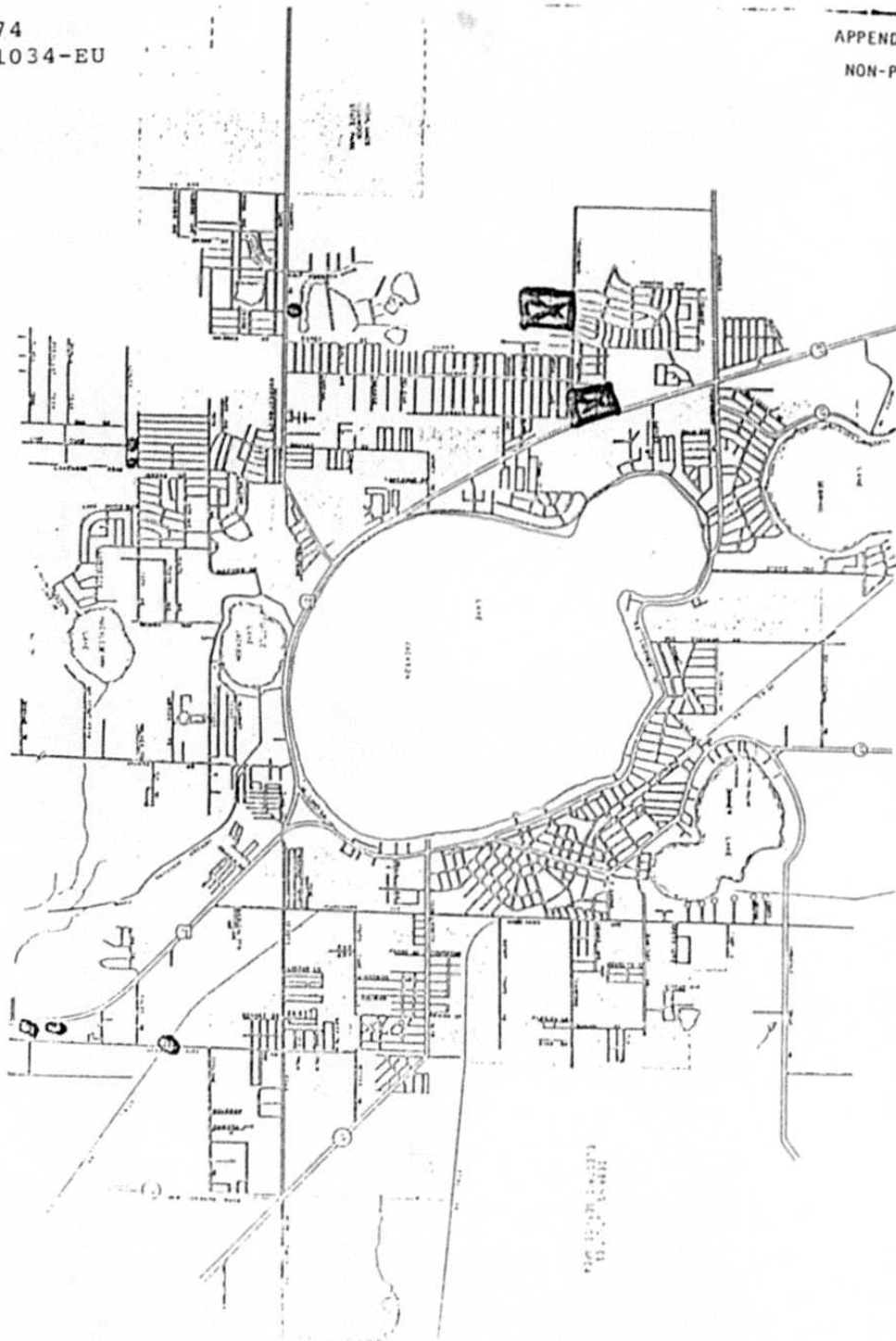
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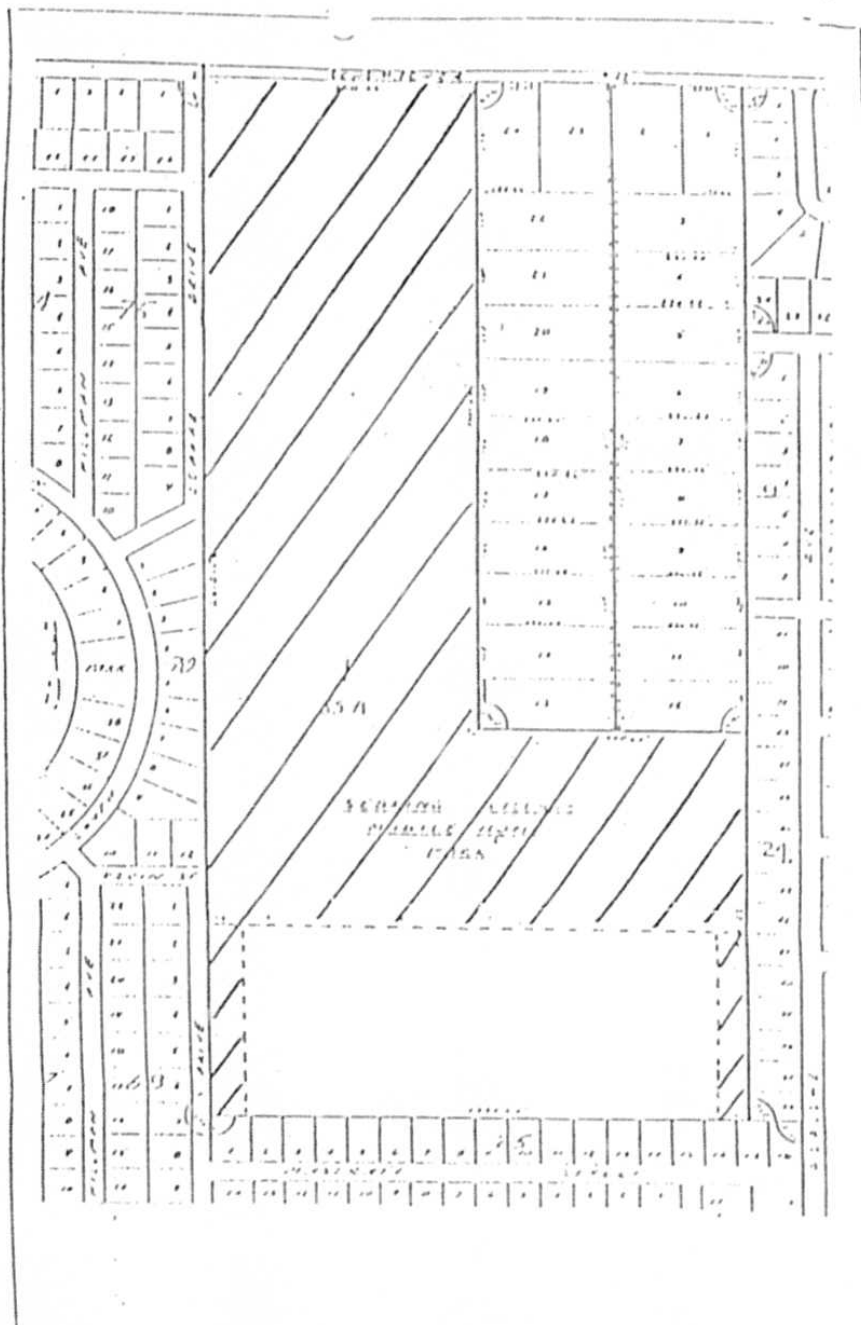
APPENDIX - C
NON-PURE



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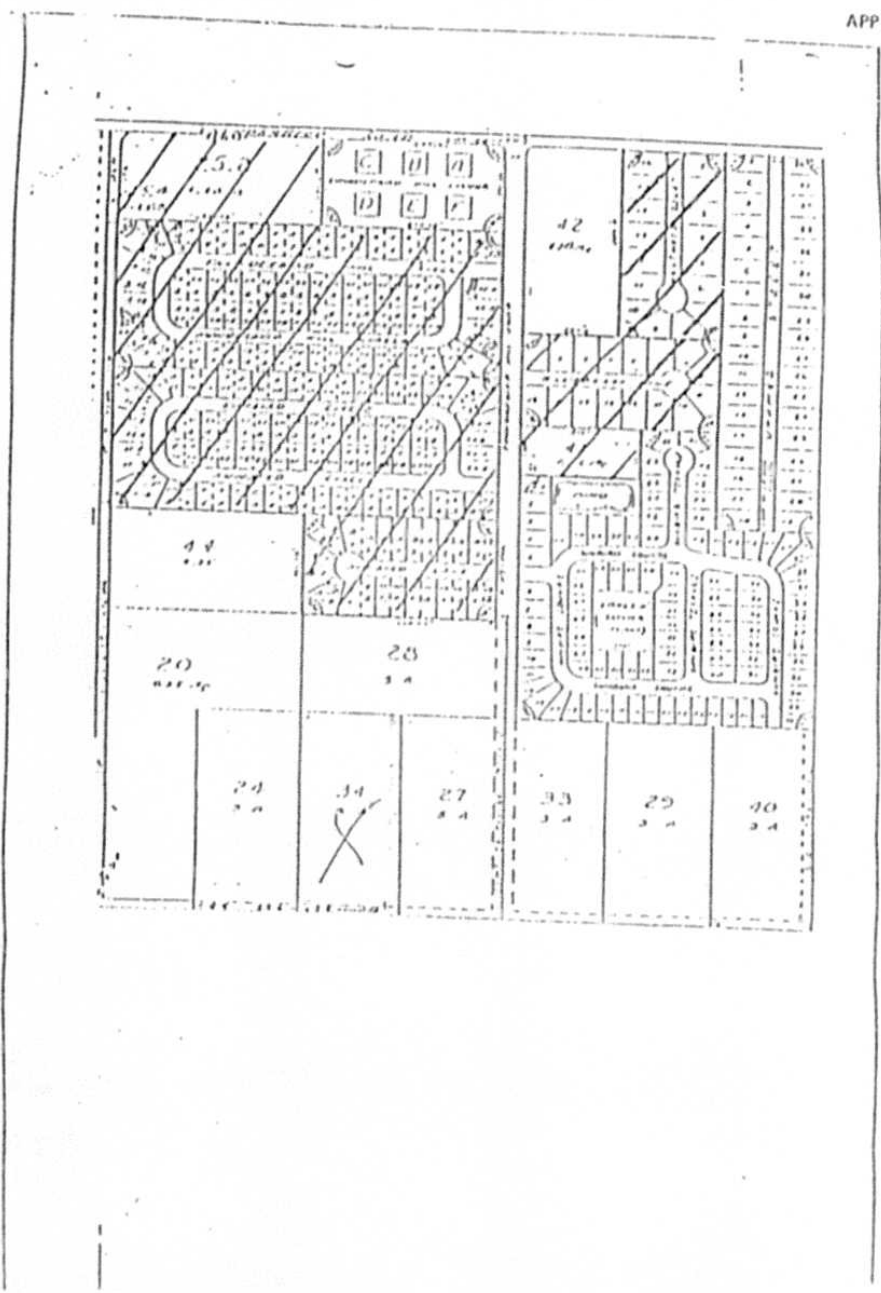
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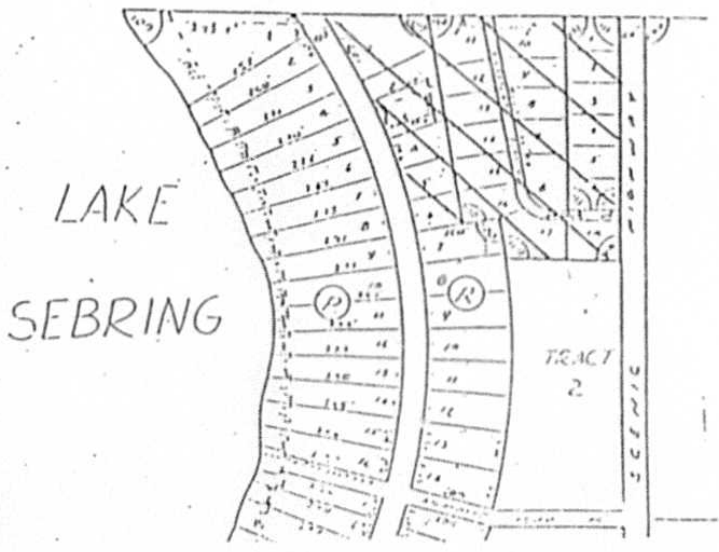
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APPENDIX - D



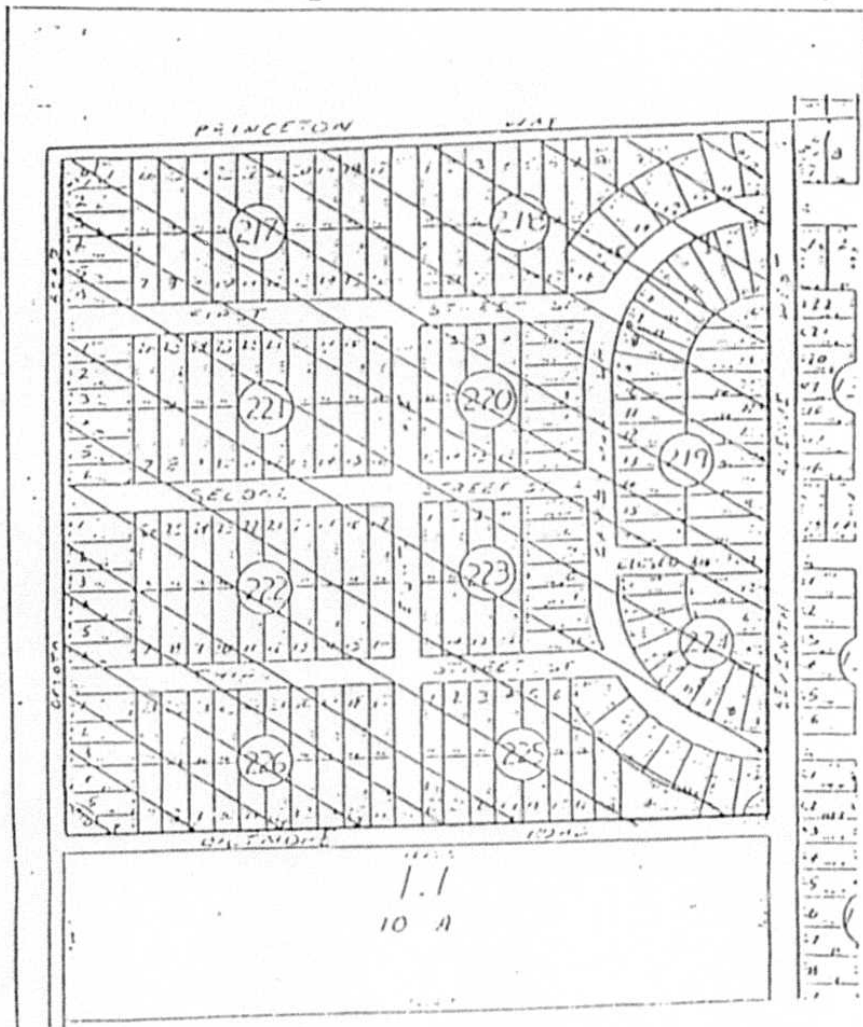
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APPENDIX - D



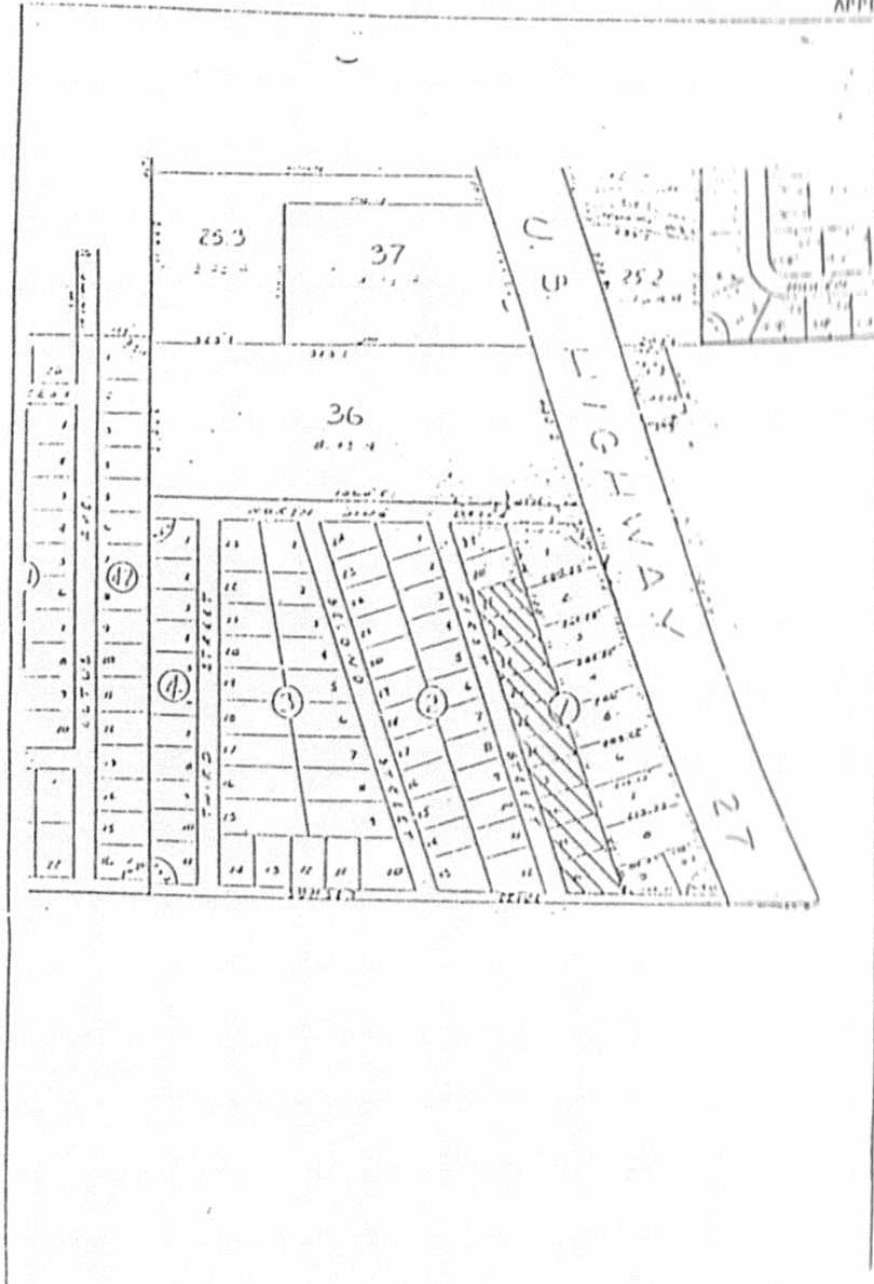
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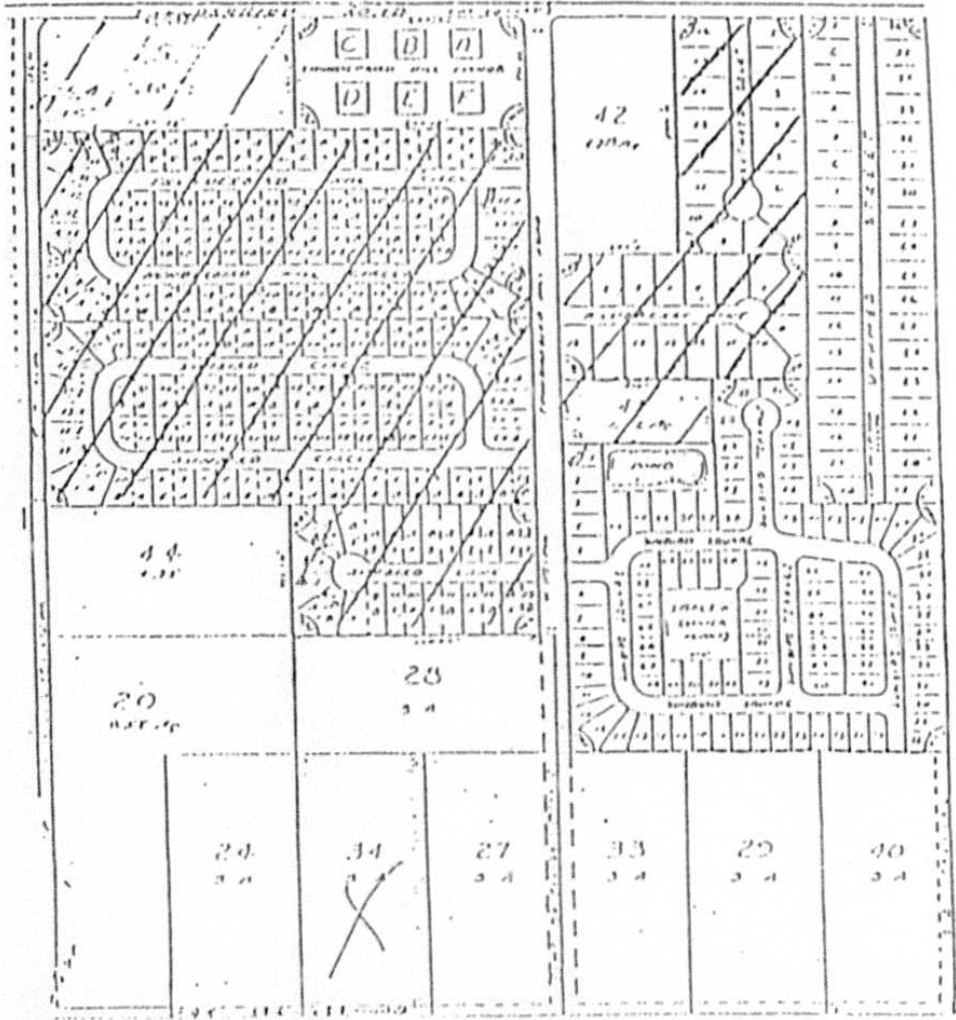
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APPENDIX - E



Hundred Bird Hill South Bible Home Park

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STATE OF FLORIDA
PUBLIC SERVICE COMMISSION

DOCKET NUMBER 891034-EU

SEBRING AIRPORT AUTHORITY,

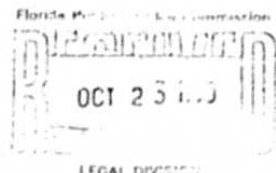
Petitioner,

vs.

SEBRING UTILITIES COMMISSION,
and FLORIDA POWER CORPORATION,

Respondents.

.....



PREHEARING STIPULATION

COMES NOW THE SEBRING AIRPORT AUTHORITY ("SEBRING AIRPORT"), and the SEBRING UTILITIES COMMISSION ("SEBRING UTILITY"), through counsel, and stipulate and agree as follows:

I. PRELIMINARY STATEMENT

1. The primary purpose of this Stipulation is to agree upon the pertinent facts pertaining to this dispute so that formal administrative hearings under Section 120.57(1), Florida Statutes, are obviated and the submission of testimony by SEBRING UTILITY, SEBRING AIRPORT, Florida Power Corporation ("Florida Power") and any other person is unnecessary. This Stipulation is conditioned on Florida Power withdrawing its Answer to the SEBRING AIRPORT's Petition, withdrawing lines 10-15 on page 3 and lines 7-10 on Page 7 of John Martz's Prefiled Testimony in this docket dated August 2, 1990, and not participating in this dispute.

2. Because of this Stipulation there are no disputed issues of fact with respect to SEBRING AIRPORT's Petition. Thus, Sebring Utility and SEBRING AIRPORT agree to waive their rights to file testimony and, in lieu of formal administrative hearings, request the right to submit briefs on the legal issues and make oral argument before the Florida Public Service Commission (the "Commission").

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3. The MOTION TO EXPEDITE filed by the SEBRING AIRPORT, and the MOTION TO DISMISS filed by the SEBRING UTILITY are withdrawn.

II. DEFINITIONS

4. "SEBRING UTILITY" means the SEBRING UTILITIES COMMISSION.

5. "SEBRING AIRPORT" means the SEBRING AIRPORT AUTHORITY, a body politic and corporate created by Chapter 67-2070, Laws of Florida.

6. "AIRPORT LANDS" means the real property within the jurisdiction of the SEBRING AIRPORT, and as described in the TERRITORIAL AGREEMENT.

7. "TERRITORIAL AGREEMENT" or "AGREEMENT" means the TERRITORIAL AGREEMENT between the SEBRING UTILITY and FLORIDA POWER CORPORATION, dated 11 December 1986 and approved by Florida Public Service Commission in Order #17215 dated February, 1987. The Order was reaffirmed by Commission Order dated August 20, 1987.

III. SEBRING UTILITIES' ANSWER AND AFFIRMATIVE DEFENSE

8. With respect to SEBRING AIRPORT's Petition, SEBRING UTILITY says:

- (a) SEBRING UTILITY admits Paragraphs one through six, eight (without the emphasis), ten, and eleven.
- (b) SEBRING UTILITY denies Paragraphs seven and twelve through seventeen.

9. For affirmative defense to SEBRING AIRPORT'S petition, the SEBRING UTILITY says:

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- (a) The issues set out to the SEBRING AIRPORT'S complaint were decided by the Commission in Docket No. 861596-EU. The SEBRING AIRPORT was notified of the impending transfer to SEBRING UTILITY and was given point of entry into the administrative proceedings at the time the TERRITORIAL AGREEMENT was reviewed by the Commission in Docket No. 861596-EU. Additionally, SEBRING AIRPORT had actual knowledge of the proceedings in the TERRITORIAL AGREEMENT from its tenants and several communications with SEBRING UTILITY. The SEBRING AIRPORT failed to raise any issues regarding the TERRITORIAL AGREEMENT in the referenced proceedings and has, therefore, waived its right to challenge the AGREEMENT.
- (b) The SEBRING AIRPORT is a municipal airport which, under the scope and intent of Section 6 of the TERRITORIAL AGREEMENT was controlled by the City of Sebring on January 1, 1990. Therefore, SEBRING UTILITY is entitled to exercise its option under Section 6 of the AGREEMENT and acquire Florida Power's facilities in and around the Airport so as to effect a transfer to SEBRING UTILITY of Florida Power's customers and facilities in the area.

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IV. AGREED FACTS

The SEBRING AIRPORT and the SEBRING UTILITY submit the following agreed facts in lieu of their respective written testimony:

10. Action to Interpret. This is an action to interpret, the scope and intent of the TERRITORIAL AGREEMENT. (A copy of which is attached as Exhibit I).

11. Public Service Commission Jurisdiction. The FLORIDA PUBLIC SERVICE COMMISSION has jurisdiction to interpret, the scope and intent of the TERRITORIAL AGREEMENT.

12. Petitioner, Sebring Airport. The Petitioner, SEBRING AIRPORT AUTHORITY ("SEBRING AIRPORT"), was created by special act of the Florida Legislature, Chapter 67-2070, Laws of Florida (1967), as amended. The Sebring Airport office address is Sebring Airport Executive Director, Sebring Regional Airport, Sebring, Florida 33870; however pleadings and papers in this action should be forwarded to the undersigned counsel of record.

13. Respondent, Sebring Utility. Respondent, SEBRING UTILITIES COMMISSION ("SEBRING UTILITY") was created by a special act of the Florida Legislature, and is a Florida municipal electric utility. The address of the SEBRING UTILITY is General Manager, SEBRING UTILITIES COMMISSION, Post Office Box 971, Sebring, Florida 33871.

14. Respondent, Florida Power. Respondent, FLORIDA POWER CORPORATION ("FLORIDA POWER"), is a Florida investor-owned electric utility. The address of FLORIDA POWER is President, FLORIDA POWER CORPORATION, Post Office Box 14042, St. Petersburg, Florida 33733.

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15. Territorial Agreement. FLORIDA POWER and SEBRING UTILITY entered into the TERRITORIAL AGREEMENT on December 11, 1986. After duly noticed administrative proceedings, the AGREEMENT ultimately was approved by the Commission in February, 1987, and was reaffirmed on August 20, 1987.

16. Territorial Agreement's Function. The TERRITORIAL AGREEMENT established the respective retail service areas for the SEBRING UTILITY and FLORIDA POWER in and around the Greater Sebring area. The AGREEMENT places the retail service area in and around the SEBRING AIRPORT within the service territory of SEBRING UTILITY, and then grants the SEBRING UTILITY the option, under certain terms, to purchase FLORIDA POWER'S facilities within the area described in Exhibit A to the TERRITORIAL AGREEMENT so as to effect a transfer to SEBRING UTILITY of Florida Power's customers and facilities in the area.

17. Option Granted by the Agreement. Section six (6) of the TERRITORIAL AGREEMENT acknowledges that the SEBRING AIRPORT presently obtains electric service from FLORIDA POWER. Paragraph six (6) states:

"FLORIDA POWER shall continue to serve all customers, existing or new, in the separate SEBRING UTILITIES retail service area in and around the Sebring Airport until January 1, 1990, as identified on the maps contained in Exhibit A. If on January 1, 1990, the Sebring Airport is not owned or controlled by the City of Sebring, Florida, then FLORIDA POWER shall continue to provide all electric service in the separate SEBRING UTILITIES retail service area in and around the Sebring Airport for the balance of the term of this Agreement. If, however, on January 1, 1990, the SEBRING AIRPORT is owned or controlled by the City of Sebring, Florida, then SEBRING UTILITIES may within 30 days after January 1, 1990 elect in writing to acquire FLORIDA POWER'S customers and facilities in that area. If

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SEBRING UTILITIES so elects, then FLORIDA POWER and SEBRING UTILITIES shall effect a transfer of FLORIDA POWER'S customers and facilities in that area to SEBRING UTILITIES in the calendar year 1992. SEBRING UTILITIES shall pay FLORIDA POWER the depreciated book value of the facilities as recorded on FLORIDA POWER'S property records. If SEBRING UTILITIES does not so elect, then FLORIDA POWER shall continue to provide all electric service in that area for the balance of the term of this Agreement."

18. Explanation of Option. FLORIDA POWER and the SEBRING UTILITY exchanged letters agreeing that the TERRITORIAL AGREEMENT meant that the SEBRING UTILITY could exercise its option if the AIRPORT LANDS remained in their then current legal status and ownership (i.e. owned by the SEBRING AIRPORT). See Exhibits 4 and 5.

19. Power Service. FLORIDA POWER has indicated it would like to continue to serve the SEBRING AIRPORT.

20. Airport Not Party to Letters. The SEBRING AIRPORT was not a party to the correspondence between FLORIDA POWER and the SEBRING UTILITY, and not made aware of its contents by either FLORIDA POWER or the SEBRING UTILITY.

21. Option Exercised. The SEBRING UTILITY timely exercised its option to acquire FLORIDA POWER'S customers and facilities within the SEBRING AIRPORT.

22. Sebring Airport Created. The Florida Legislature in 1967 created the SEBRING AIRPORT AUTHORITY by Chapter 67-2070, Laws of Florida (1967).

23. Airport Lands Conveyed. By warranty deed dated 3 October 1967 and recorded in Official Records Book 334, at Page 378, of the Public Records of Highlands County, Florida, the City of Sebring conveyed the

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lands constituting the AIRPORT LANDS to the then newly created SEBRING AIRPORT AUTHORITY.

24. Owner of the Airport Lands on 1 January 1990. The service areas constituting the SEBRING AIRPORT is therefore owned by the SEBRING AIRPORT, and not the City of Sebring (currently, on, and before 1 January 1990), subject to the matters set out in paragraph 27 below.

25. Sebring Airport Ownership. The parties agree that the City of Sebring does not own legal title to the SEBRING AIRPORT.

26. Control Disputed. The parties dispute whether the SEBRING AIRPORT territory is controlled by the City of Sebring.

27. Agreed Issues of Control. The SEBRING UTILITY and the SEBRING AIRPORT agree to the following issues regarding control:

(a) The SEBRING AIRPORT has all of the powers set out in its enabling act as amended (Exhibit 2).

(b) SEBRING AIRPORT board members are appointed by the City of Sebring from a list of nominees submitted by the SEBRING AIRPORT Board (Chapter 67-2070, Section 4), amended by Chapter 89-494, Section 1, Laws of Florida (1989).

(c) The SEBRING AIRPORT is prohibited from conveying the lands within the SEBRING AIRPORT, without the consent of the City of Sebring (see Chapter 67-2070, Section 3), and deed (Exhibit 3).

(d) The City of Sebring has no control over the SEBRING AIRPORT'S budget. However, the City has the option

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(under Section 16) of the act, as amended, to cause the audit to be submitted to the State Auditor.

(e) The SEBRING AIRPORT shall, with the consent of the City, (evidenced by resolution of the City) exercise any powers relating to aviation conferred upon municipalities by general law, including Chapter 332 (the Airport Act of 1945).

(f) The SEBRING AIRPORT can lease lands, borrow money, and transact business independent of the City of Sebring subject to the items of control specifically set out herein.

(g) The City of Sebring is not liable for the SEBRING AIRPORT'S debts, nor entitled to the SEBRING AIRPORT'S profits.

28. The SEBRING AIRPORT adopted that certain RESOLUTION stating that it is not owned or controlled by the City of Sebring (Exhibit 7).

V. AGREED EXHIBITS

The SEBRING AIRPORT and the SEBRING UTILITY agree to the admission into evidence of the following exhibits, without further proof (subject to the noted exceptions):

29. Exhibit 1. TERRITORIAL AGREEMENT dated 11 December 1986 between SEBRING UTILITY and FLORIDA POWER.

30. Exhibit 2. SEBRING AIRPORT AUTHORITY ENABLING ACT, Chapter 67-2070, Laws of Florida, as amended by Chapter 82-382, Laws of Florida, and Chapter 89-484, Laws of Florida.

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31. Exhibit 3. WARRANTY DEED dated 3 October 1967 from the City of Sebring to the Sebring Airport Authority recorded in Official Records Book 334 at Page 378 of the Public Records of Highlands County, Florida.

32. Exhibit 4. LETTER dated 8 December 1986 from Andrew B. Jackson to Steven A. McClaren.

33. Exhibit 5. LETTER dated 16 December 1986 from Steven A. McClaren to Andrew B. Jackson.

34. Exhibit 6. FORMAL NOTIFICATION and other documents filed in Docket No. 861596-EU regarding notice to the SEBRING AIRPORT regarding the original proceeding under the TERRITORIAL AGREEMENT.

35. Exhibit 7. RESOLUTION OF SEBRING AIRPORT AUTHORITY stating it is not owned or controlled by the City of Sebring.

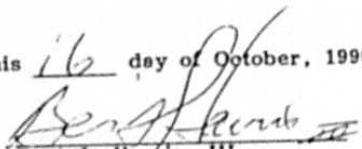
VI. ISSUES

36. The SEBRING AIRPORT and SEBRING UTILITY agree that the only issues to be addressed are issues of law which the parties will address in briefs in lieu of testimony. The legal issues are as follows:

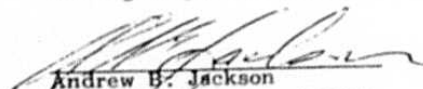
- (a) Whether the SEBRING AIRPORT has waived its right to now question the scope and intent of the TERRITORIAL AGREEMENT?
- (b) Whether the SEBRING UTILITY is entitled to execute its option under the TERRITORIAL AGREEMENT. This issue turns on whether the AIRPORT LANDS are owned or controlled by the City of Sebring.

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RESPECTFULLY SUBMITTED this 16 day of October, 1990.



Bert J. Harris, III
SWAINE AND HARRIS
212 Interlake Boulevard
Post Office Box 548
Lake Placid, Florida 33852
(813) 465-2811
Attorney Bar No. 278629
Attorney for Petitioner
Sebring Airport Authority



Andrew B. Jackson
150 North Commerce Avenue
Sebring, Florida 33870
(813) 382-3686
Attorney Bar No.
Attorney for Sebring Utilities
Commission

/b3

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Territorial Agreement

This Territorial Agreement (Agreement) is made and entered into this 11th day of December, 1986, by and between Sebring Utilities Commission (SEBRING UTILITIES), a Florida municipal electric utility, and Florida Power Corporation (FLORIDA POWER), a Florida investor-owned electric utility, referred to herein collectively as the parties.

WHEREAS, SEBRING UTILITIES furnishes electric service to the public within and near the City of Sebring, Florida in Highlands County; and

WHEREAS, FLORIDA POWER furnishes electric service to the public around and near the City of Sebring, Florida in Highlands County; and

WHEREAS, the respective areas of service of the parties are contiguous and overlapping in many areas with the result that in the future substantial duplication of service facilities may occur unless such duplication is precluded by a territorial agreement; and

WHEREAS, the Florida Public Service Commission has determined that territorial agreements between utilities with contiguous and overlapping areas of service which preclude the duplication of facilities, are in the public interest; and

WHEREAS, the Florida Public Service Commission is empowered by Section 366.04, Florida Statutes, to approve territorial agreements and to resolve territorial disputes; and

WHEREAS, the parties desire to avoid the duplication of facilities and to otherwise realize the benefits of defined retail service areas;

EXHIBIT 1

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NOW THEREFORE, in fulfillment of the premises, and in consideration of the mutual obligations contained herein, the parties agree as follows:

Section 1 - Term. This Agreement shall become effective upon approval as a territorial agreement by the Florida Public Service Commission and shall continue in effect until December 31, 2007.

Section 2 - Scope. This Agreement shall be applicable to retail electric service by the parties in the areas in and near the City of Sebring, Florida in Highlands County, as depicted on the maps contained in Exhibit A hereto.

Section 3 - Service Areas. The areas identified as "FPC" areas on the maps contained in Exhibit A are hereby allocated to FLORIDA POWER as its retail service areas. The areas identified as "SUC" areas on the maps contained in Exhibit A are hereby allocated to SEBRING UTILITIES as its retail service areas. The boundaries between those retail service areas are described in Exhibit B hereto.

Section 4 - Service Obligations. Each party shall have the exclusive right and obligation to provide retail electric service to the public in its designated retail service areas, except as provided in Sections 5 and 6 herein.

Section 5 - Extra-territorial Service. Each party hereby retains the right and obligation to continue to provide retail electric service at existing points of delivery, which are in the retail service areas of the other party, at the time this Agreement becomes effective. Existing points

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of delivery shall mean service drops and underground lines which are physically connected to the customer's property, whether energized or not. Each such party may maintain, repair and replace its facilities used to service such existing points of delivery.

For purposes of this section, the party in whose retail service area the customer is located is referred to as the "host utility party." The party serving a customer in the retail service area of the other party is referred to as the "foreign utility party." If service is being provided at an existing point of delivery by a foreign utility party and the service changes to the extent that substantial new utility facilities are required (for example, the extension of three phase facilities to serve an existing single phase point of delivery), the foreign utility party shall notify the host utility party of the changed service, and the host utility party shall have the following options:

(a) the host utility may decline in writing to provide the changed service because it would require an unreasonable extension of its facilities and thereby waive its right and obligation to provide that service;

(b) the host utility party may request in writing, and the foreign utility party may in its discretion agree, that the changed service be provided by the foreign utility party subject to a transfer of the service to the host utility party when the host utility party determines that it is appropriate to extend its facilities; or

(c) the host utility party may notify in writing the foreign utility party that the host utility party will provide the changed service and thereby acquire the right and obligation to provide that service.

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If service is to be provided at a new point of delivery which is beyond the facilities of a foreign utility party, the host utility party shall have the following options:

(a) the host utility party may request in writing, and the foreign utility party may in its discretion agree, that the new service be provided by the foreign utility party because the new service would require an unreasonable extension of the host utility party's facilities, and the host utility party thereby waives its right and obligation to provide that service;

(b) the host utility party may request in writing, and the foreign utility party may in its discretion agree, that the new service be provided by the foreign utility party subject to a transfer of the service to the host utility party when the host utility party determines that it is appropriate to extend its facilities; or

(c) the host utility party may provide the new service and thereby acquire the right and obligation to provide that service.

Section 6 - Service in Airport Area. FLORIDA POWER shall continue to serve all customers, existing or new, in the separate SEBRING UTILITIES retail service area in and around the Sebring Airport until January 1, 1990, as identified on the maps contained in Exhibit A. If on January 1, 1990, the Sebring Airport is not owned or controlled by the City of Sebring, Florida, then FLORIDA POWER shall continue to provide all electric service in the separate SEBRING UTILITIES retail service area in and around the Sebring Airport for the balance of the term of this Agreement. If, however, on January 1, 1990, the Sebring Airport is owned or controlled by the City of Sebring, Florida, then SEBRING UTILITIES may, within thirty (30) days after

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facilities in that area. If SEBRING UTILITIES so elects, then FLORIDA POWER and SEBRING UTILITIES shall effect a transfer of FLORIDA POWER'S customers and facilities in that area to SEBRING UTILITIES in the calendar year 1992. SEBRING UTILITIES shall pay FLORIDA POWER the depreciated book value of the facilities as recorded on FLORIDA POWER'S property records. If SEBRING UTILITIES does not so elect, then FLORIDA POWER shall continue to provide all electric service in that area for the balance of the term of this Agreement.

Section 7 - Elimination of Overlapping Services. FLORIDA POWER and SEBRING UTILITIES agree to use reasonable efforts to eliminate, during the term of this Agreement, electric services by either party in the retail service areas of the other party. This effort shall include the identification of potential customer and facilities transfers which would eliminate duplication of facilities or avoid hazardous conditions. Neither FLORIDA POWER nor SEBRING UTILITIES shall be obligated to effect any such transfers, and any transfers would be subject to review and approval by the Florida Public Service Commission.

Section 8 - Utility Facilities. Nothing in this Agreement shall be construed to prevent or restrict either party from locating, constructing, maintaining, repairing or replacing its transmission, substation, or distribution facilities in the retail service areas of the other party.

Section 9 - Wholesale Electric Services. Nothing in this Agreement shall be construed to apply to the provision by either party of bulk power

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supply for resale, transmission, interchange or other similar electric services between electric utilities.

Section 10 - Regulatory Approval. This Agreement shall become effective only upon approval by, and shall be subject to the authority of, the Florida Public Service Commission. Neither party shall be bound hereunder in any way until that approval is obtained. The Agreement of the parties hereto is conditioned upon approval of this Agreement without modification.

Section 11 - Notices. Any notices given under this Agreement to SEBRING UTILITIES shall be provided to General Manager, Sebring Utilities Commission, P.O. Box 971, Sebring, Florida 33820. Any notices given under this Agreement to FLORIDA POWER shall be provided to President, Florida Power Corporation, P.O. Box 14042, St. Petersburg, Florida 33733.

Section 12 - Amendment. This Agreement may be amended only by mutual written agreement of the parties.

Section 13 - Headings. The section headings in this Agreement are for reference purposes only and shall not be considered in construing or interpreting this Agreement.

Section 14 - Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the establishment of defined retail electric service areas where the areas served by the parties are contiguous or overlapping. All prior agreements, understandings or

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have been merged herein and superseded by this Agreement.

In Witness Whereof, the parties hereto have executed this Territorial Agreement as set forth below.

Attest:

Carol A. Hester

Sebring Utilities Commission

By *J. W. Jones*
Name Jack W. Jones
Title Chairman

Steven A. McChesney

Florida Power Corporation

By *Maurice H. Phillips*
Name Maurice H. Phillips
Title Senior Vice President

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~~Sec. 1.22. Effective date.~~

~~This Act [article] shall become effective upon becoming a law. (Laws of Fla. 1945, Ch. 23535, § 22)~~

~~Editor's note—The act from which this article was derived became a law without the governor's approval and was filed in the office of the secretary of state May 11, 1945. Note that § 1.20 hereof provides that said act would become a law upon approval at referendum, which occurred Dec. 11, 1945.~~

ARTICLE 2. AIRPORT AUTHORITY*

Sec. 2.01. Short title.

This Act [article] shall be known and may be cited as the "Sebring Airport Authority Act". (Laws of Fla., Ch. 67-2070, § 1)

Sec. 2.02. Authority created; governmental nature.

There is hereby created an authority to be known as the Sebring Airport Authority which shall be a body politic and corporate. The Sebring Airport Authority is hereby constituted a public instrumentality and the exercise of [by] said Authority of the powers conferred by this Act [article] shall be deemed and held to be the performance of essential governmental functions. (Laws of Fla., Ch. 67-2070, § 2)

Sec. 2.03. Territorial jurisdiction described.

The Sebring Airport Authority shall exercise its powers and jurisdiction over the property now known as "Sebring Air Terminal" and/or "Sebring Industrial Air Park", as follows:

The West Half ($W\frac{1}{2}$) of Section 4; All of Section 5, less and except that portion of the North Half ($N\frac{1}{2}$) lying West of the canal and the Railroad right-of-way spur; the Southeast Quarter ($SE\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$) of Section 6; All of Section 7, less and except that portion of the West Half ($W\frac{1}{2}$) lying northerly of State Road No.

*Editor's note—Laws of Fla., Ch. 67-2070, from which this article was derived, did not require approval at referendum.

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623 and West of the canal; All of Section 8; the West Half ($W\frac{1}{2}$) of Section 9; and that part of Section 18 lying North and West of the airport access road, less and except the following land deeded to the Humane Society generally described as being a 10-acre tract lying adjacent to the westerly boundary of the Hendricks Field access road and adjacent to and South of the north boundary of Section 18, Township 35 South, Range 30 East, more particularly described as follows: Commencing as a point of beginning at the intersection of the westerly boundary of Hendricks Field access road (said road being 100 feet in width, being 50 feet on either side of said center line) with the North boundary of Section 18, Township 35 South, Range 30 East, Highlands County, Florida, thence South $89^{\circ}01'45''$ West along the North boundary of Section 18 a distance of 505.70 feet to a point, thence South $01^{\circ}54'30''$ East a distance of 908.84 feet to a point, thence North $88^{\circ}05'30''$ East a distance of 500.00 feet to a point on the westerly boundary of Hendricks Field access road, thence North $01^{\circ}54'30''$ West along the westerly boundary of the Hendricks Field access road a distance of 718.68 feet to a point of curve, thence along a curve to the right having a radius of 2,914.79 feet an arc distance of 181.32 feet to the point of beginning.

All of the above described land lying in Township 35 South, Range 30 East, Highlands County, Florida.

All of that property now owned by the City of Sebring and known as Sebring Air Terminal shall be gratuitously transferred and conveyed to the Sebring Airport Authority, subject to any reservations or restrictions of record or existing leases, and subject to the restriction that none of said property may be sold at any time without the consent of the City of Sebring. (Laws of Fla., Ch. 67-2070, § 3)

Sec. 2.04. Composition of governing board; compensation; quorum, vote required.

The Sebring Airport Authority shall be governed by a board of seven (7) members, known as Sebring Airport Authority Board. The initial members of the said board shall

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be appointed by the City Council of the City of Sebring for staggered terms as follows: Two (2) members to be appointed for a term to expire on the first Tuesday after the first Monday in January, 1968; two (2) members to be appointed for a term to expire on the first Tuesday after the first Monday in January, 1969; two (2) members to be appointed for a term to expire on the first Tuesday after the first Monday in January, 1970; and the other member to be appointed for a term to expire on the first Tuesday after the first Monday in January, 1971. At the expiration of each term a successor shall be appointed to fill such vacancies for a term of four (4) years. Vacancies in office shall be filled by appointment of said City Council for the remainder of the unexpired term. All such appointments after the initial ones provided for in this Act shall be selected by the said City Council from a list of at least five (5) names submitted to the said City Council by the said board. A majority of those nominated for seats on the board shall be qualified electors of the City of Sebring, while the remainder of those nominated may be qualified electors from the greater Sebring area, exclusive of the City of Sebring. Should the said City Council be unable by a majority vote to select a successor from the original list submitted to them by said board, the said board shall submit to said City Council, a list of five (5) additional individuals who are qualified as herein required to serve on [the] Authority, making a total of ten (10) names for its consideration. The original list shall be submitted to said City Council within ten (10) days from the expiration of the term of any member of said Authority, and within twenty (20) days from the resignation, death or removal for cause of any member of said Authority. During any vacancy or vacancies for any reason or reasons, the remaining members of said board shall constitute said board with full power and authority to act as though there was no vacancy in the membership of said board. Members shall receive such compensation for their services and reimbursement for verified travel and other expenses as shall be provided for by resolution of said board. Four (4) members shall constitute a quorum for meetings and affirmative vote of a majority of members shall be necessary for any action taken by the Authority. (Laws of Fla., Ch. 67-2070, § 4; Ch. 82-382, § 1)

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Sec. 2.05. Officers.

The Sebring Airport Authority shall select one (1) of its members as chairman of the Authority and another of its members to act as secretary of the Authority, both of whom to serve as such at the pleasure of the Authority, and the Authority may select such other members for such offices as it deems necessary. (Laws of Fla., Ch. 67-2070, § 5)

Sec. 2.06. Powers, authority.

The Sebring Airport Authority is hereby authorized and empowered:

- Please see the code?*
- (a) To adopt by-laws for the regulation of its affairs and the conduct of its business;
 - (b) To adopt an official seal and alter the same at pleasure;
 - (c) To maintain an office at such place or places as it may designate;
 - (d) To sue and be sued in its own name, plead and be impleaded;
 - (e) To acquire, lease as lessee or lessor, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate any airport and other facilities which may be located on the property of the Authority;
 - (f) To issue bonds of the Authority as hereinafter provided to pay the cost of such acquisition, construction, reconstruction, improvement, extension, enlargement or equipment;
 - (g) To issue refunding bonds of the Authority as hereafter provided;
 - (h) To fix and revise from time to time and to collect rates, fees and other charges for the use of or for the services and facilities furnished by any airport facilities;
 - (i) To acquire in the name of the Authority by gift, purchase or the exercise of the right of eminent domain

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in accordance with the laws of the State of Florida which may be applicable to the exercise of such powers by counties or municipalities, any lands or rights in land, and to acquire such personal property, as it may deem necessary in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement or operation of any airport facilities, and to hold and dispose of all real and personal property under its control;

- (j) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Act [article], including a trust agreement or trust agreements securing any bonds issued hereunder, and to employ such consulting and other engineers, superintendents, managers, construction and financial experts, accountants and attorneys, and such employees and agents as may, in the judgment of the Authority be deemed necessary and to fix their compensation; provided, however, that all such expenses shall be payable solely from funds made available under the provisions of this Act [article]. (Laws of Fla., Ch. 67-2070, § 6)
- (k) To accept grants of money or materials or property of any kind for any airport or other facilities from any Federal or State agency, political subdivision or other public body or from any private agency or individual, upon such terms and conditions as may be imposed; and
- (l) To do all acts and things necessary or convenient to carry out the powers granted by this Act [article]. (Laws of Fla., Ch. 67-2070, § 6)

Sec. 2.07. Grants and gifts from city.

The City of Sebring, a municipal corporation under the laws of the State of Florida, acting through its duly elected City Council, is hereby authorized to make grants of money to the Sebring Airport Authority and to lease, lend, grant or

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convey to the Sebring Airport Authority, with or without consideration, real and personal property, or such sums of money for operating expenses as may be deemed necessary by the said City for the use by the Authority for any of its corporate purposes; provided, however; that if the approval at an election by the freeholders, who are qualified electors of the City of Sebring, shall be required by the Constitution of the State, such election shall be called, noticed and conducted and the results thereof determined and declared, in the manner required by The Election Code of 1951, as amended. (Laws of Fla., Ch. 67-2070, § 7)

State law reference—Florida Election Code, F.S. Chs. 97—106.

Sec. 2.08. Competitive bidding required.

No contract for the construction, repair, alteration or otherwise of any facility or part of the same, or the purchase of equipment or supplies involving an expenditure of more than one thousand dollars *(\$1,000.00)* shall be let by the Authority unless the Authority advertises for sealed bids at least once a week for two (2) consecutive weeks and such contract is let to the lowest responsible bidder; provided the Authority hereunder created shall have the authority to reject all bids. (Laws of Fla., Ch. 67-2070, § 8)

Sec. 2.09. Authority to contract, establish rates and fees; adequacy of rates and charges.

The Sebring Airport Authority, as hereby created, is authorized and empowered to enter into contracts with any individuals, corporation, political subdivision or agency of the State of Florida, and the United States of America, and to enter into operating contracts and/or leases for facilities owned by said Airport Authority and any and all other contracts for furthering the business, operation and maintenance of said facilities as hereinbefore provided, including the right to lease any or all of such facilities and appurtenances to individual, corporations, or government entities. The Authority is further authorized to fix and revise from time to time rate[s], fees and other charges for the use of and for the

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services furnished or to be furnished by any facilities owned or operated by the Authority. Such rates, fees and charges shall be fixed and revised so that the revenues of the Authority, together with any other available funds, will be sufficient at all times (a) to pay the cost including salaries for maintaining, operating and repairing the airport facilities owned or operated by the Authority, including reserves for such purposes, and (b) to pay the principal of and the interest on all bonds or revenue certificates issued by the Authority under the provisions of this Act [article], as the same shall become due and payable and to provide reserves therefor. Notwithstanding any of the foregoing provisions of this section, the Authority may enter into contracts relating to the use of or for the services furnished or to be furnished by any such facilities which shall not be subject to revision except in accordance with their terms. (Laws of Fla., Ch. 67-2070, § 9)

Sec. 2.10. Bonds authorized.

The Authority is hereby authorized to issue, at one time or from time to time, bonds or revenue certificates of the Authority for the purpose of paying the cost of acquiring, constructing, reconstructing, improving, extending, enlarging or equipping any of its facilities. The bonds of each issue shall be dated, shall mature at such time or times not exceeding forty (40) years from their date or dates and shall bear interest at such rate or rates not exceeding six per centum (6%) per annum, as may be determined by the Authority, and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form and the manner of execution of the bonds, including any interest to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease

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to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. Notwithstanding any of the other provisions of this Act [article], or any recitals in any bonds issued under the provisions of this Act [article], all such bonds shall be deemed to be negotiable instruments under the laws of this State. The bonds may be issued in coupon or registered form or both, as the Authority may determine, and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The Authority may sell such bonds in such manner, either at public or private sale, and for such price, as it may determine to be for the best interests of the Authority, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six per centum (6%) per annum, computed with relation to the absolute maturity of [or] maturities of the bonds in accordance with standard tables of bond values, excluding, however, from such computation the amount of any premium to be paid on redemption of any bonds at more than six per centum (6%) per annum, computed with relation to the absolute maturity or maturities of the bonds in accordance with standard tables of bond values, excluding, however, from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity. [sic].

The proceeds of the bonds of each issue shall be used solely for the purpose for which bonds shall have been authorized and shall be disbursed in such manner and under such restrictions if any, as the Authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement hereinafter mentioned securing the same. Unless otherwise provided in the authorizing resolution or in the trust agreement securing such bonds, if the proceeds of such bonds, by error of estimates or otherwise, shall be less than such costs, additional bonds may in like manner be issued to provide the amount of such deficit and shall be deemed to

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be of the same issued [issue] and shall be entitled to payment from the same fund without preference or priority of the bonds first issued for the same purpose.

The resolution providing for the issuance of bonds, and any trust agreement securing such bonds, may also contain such limitations upon the issuance of additional bonds as the Authority may deem proper, and such additional bonds shall be issued under such restrictions and limitations as may be prescribed by such resolution or trust agreement.

Prior to the preparation of definite bonds, the Authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which shall become mutilated or be destroyed or lost.

Bonds may be issued under the provisions of this Act without obtaining the consent of any commission, board, bureau or agency of the State or of any political subdivision, and without any other proceedings or the happening of other conditions or things than those proceedings, conditions or things which are specifically required by this Act [article].

Bonds issued by the Authority under the provisions of this Act [article] shall not be deemed to constitute a debt of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any such political subdivision, but such bonds shall be obligations of the Authority payable solely from the funds herein provided therefor, and a statement to that effect shall be recited on the face of the bonds. (Laws of Fla., Ch. 67-2070, § 10)

Sec. 2.11. Bond resolution or trust agreement.

In the discretion of the Authority, each or any issue of bonds may be secured by a trust agreement by and between the Authority and a corporate trustee, which may be made trust company or bank having the powers of a trust company within or without the State. The resolution authorizing the

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issuance of the bonds or such trust agreement may pledge the revenues to be received from any airport facilities of the Authority but shall not convey or mortgage any such facilities, and may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Authority in relation to the acquisition, construction, reconstruction, improvement, maintenance, repair, operation and insurance of any such facilities, the fixing and revising of rates, fees and charges, and the custody, safeguarding and application of all moneys, and for the employment of consulting engineers in connection with such acquisition, construction, reconstruction or operation. It shall be lawful for any bank or trust company incorporated under the laws of the State which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds, or to pledge such securities as may be required by the Authority. Such resolution or trust agreement may set forth the rights and remedies of the bondholders and of the trustee, if any, and may restrict the individual right of action by bondholders. Such resolution or trust agreement may contain such other provisions in addition to the foregoing as the Authority may deem reasonable and proper for the security of the bondholders. The Authority may provide for the payment of the proceeds of the sale of the bonds and the revenues of any airport facilities to such officer, board or depository as it may designate for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out the provisions of such resolution or trust agreement may be treated as a part of the cost of operation.

All pledges of revenues under the provisions of this Act [article] shall be valid and binding from the time when such pledges are made. All such revenues so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledges without any physical delivery thereof or further action, and the lien of such pledges shall be valid and binding as against all parties having claims of any

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kind in tort, contract or otherwise, against the Authority, irrespective of whether such parties have notice thereof. (Laws of Fla., Ch. 67-2070, § 11)

Sec. 2.12. Moneys to be held in trust.

All moneys received pursuant to the authority of this Act shall be deemed to be trust funds, to be held and applied solely as provided in this Act [article]. The resolution authorizing the issuance of bonds or the trust agreement securing such bonds shall provide that any officer to whom, or bank, trust company or fiscal agent to which such moneys shall be paid shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulation or [as the] trust agreement may provide. (Laws of Fla., Ch. 67-2070, § 12)

Sec. 2.13. Enforcement of rights against authority.

Any holder of bonds issued under the provisions of this Act [article] or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to extend the rights herein given may be restricted by the resolution authorizing the issuance of such bonds or such trust agreement [sic] may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the State or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this Act [article] or by such resolution or trust agreement to be performed by the Authority or by any officer thereof, including the fixing, charges [charging] and collecting of rates, fees and charges for the use of or for the services and facilities furnished by any airport facilities. (Laws of Fla., Ch. 67-2070, § 13)

Sec. 2.14. Refunding bonds.

The Authority is hereby authorized to issue from time to time refunding bonds for the purpose of refunding any bonds of the Authority then outstanding, including the payment

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of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds. The Authority is further authorized to issue from time to time bonds of the Authority for the combined purpose of (a) refunding any bonds of the Authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and (b) paying all or any part of the cost of acquiring or constructing any additional facilities or of any improvements. The issuance of such bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties and obligations of the Authority with respect to the same, shall be governed by the foregoing provisions of this Act [article] in so far as the same may be applicable. (Laws of Fla., Ch. 67-2070, § 14)

Sec. 2.15. Not to bind or commit city.

The Sebring Airport Authority, as hereby created, shall have no power or authority to bind or commit the City of Sebring, a municipal corporation, in any manner directly or indirectly and the said City of Sebring shall not be liable or responsible in any manner for any of the debts, liabilities, obligations, acts or omissions of the Sebring Airport Authority, or any of its officers or employees. All persons dealing with the said Authority are hereby charged with full notice of this limitation of its powers. (Laws of Fla., Ch. 67-2070, § 15)

Sec. 2.16. Books; budget; annual audit.

The Sebring Airport Authority shall maintain acceptable books of account reflecting all income and expenditures and said books shall be open to reasonable public inspection. In addition, the Sebring Airport Authority Board shall prepare on or before the first of each year a budget and no money shall be spent or obligations incurred by the Board or Authority except in accordance with the terms of said budget. An audit of the affairs of the Airport Authority shall be

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conducted annually by a certified public accountant and shall, at the option of the Authority or the City of Sebring, be submitted to the State Auditor for his review by March of each year. Within two (2) weeks of completion of said audit it shall be published once in a newspaper published and circulated in the City of Sebring. (Laws of Fla., Ch. 67-2070, § 16)

Sec. 2.17. Exercise of statutory powers.

The Sebring Airport Authority shall, with the consent of the City Council of Sebring, evidenced by resolution of said Council, exercise any powers relating to aviation conferred upon municipalities by general law, including the provisions of Chapter 332, Florida Statutes, known as the Airport Act of 1945 or the Federal Aviation Agency. (Laws of Fla., Ch. 67-2070, § 17)

Sec. 2.18. Initial organization; when meetings to be held.

The Sebring Airport Authority shall be organized and commence its functions hereunder within six (6) months following the passage of this Act [article] and once organized shall hold thereafter regular meetings at least once every month and at such other times as the authority shall determine to be reasonably necessary from time to time. (Laws of Fla., Ch. 67-2070, § 18)

Sec. 2.19. Provisions declared additional and supplemental.

This Act [article] shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of or as repealing any powers now existing under any other law, whether general, special or local; provided, however, that the issuance of bonds or refunding bonds under the provisions of this Act [article] need not comply with the requirements of any other law applicable to the issuance of bonds. (Laws of Fla., Ch. 67-2070, § 19)

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Subpt. B, § 2.20

SEBRING CODE

Sec. 2.20. Inconsistent laws declared inapplicable.

All other general, special or local laws or parts thereof inconsistent herewith are hereby declared to be inapplicable to the provisions of this Act [article]. (Laws of Fla., Ch. 67-2070, § 20)

Sec. 2.21. Severability.

The provisions of this Act [article] are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions. (Laws of Fla., Ch. 67-2070, § 21)

Sec. 2.22. Facilities constitute public property.

As airport facilities and other facilities located thereon are essential to the economic welfare of the inhabitants of the City of Sebring, and will promote the economic, commercial, industrial and residential development of said City, and as the exercise of the powers conferred by this Act [article] to effect such purposes constitutes the performance of essential public functions, and as such, all facilities acquired or constructed under the provision of this Act [article] will constitute public property used for public purposes. (Laws of Fla., Ch. 67-2070, § 22)

Sec. 2.23. Effective date.

This Act [article] shall take effect immediately upon its becoming a law. (Laws of Fla., Ch. 67-2070, § 23)

Editor's note—The act from which this article was derived was approved by the governor Aug. 1, 1967, and filed in the office of the Secretary of State Aug. 2, 1967.

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CHAPTER

89-484 HB 1086, First Engrossed/ntc

165-54A-3-9

House Bill No. 1086

A bill to be entitled

1		1:btc
2	An act relating to the Sebring Airport	1.2
3	Authority; amending chapter 67-2070, Laws of	1.3
4	Florida, as amended; changing the terms and	
5	method of appointing the board members;	
6	providing for interim terms; changing the	1.4
7	Authority's power to issue revenue	1.5
8	certificates; clarifying the Authority's	
9	industrial powers; increasing the threshold for	1.6
10	requiring bids for purpose of property and	
11	services; increasing the interest rates which	
12	may be paid on bond issues; requiring the	1.7
13	publication of notice of availability of audit	1.8
14	for public inspection; providing an effective	1.9
15	date.	

16		
17	Be It Enacted by the Legislature of the State of Florida:	1:enc
18		

19	Section 1. Section 4 of chapter 67-2070, Laws of	1.11
20	Florida, as amended by chapter 82-382, Laws of Florida, is	1.12
21	amended to read:	

22	Section 4. The Sebring Airport Authority shall be	1.13
23	governed by a board of seven (7) members, known as Sebring	1.14
24	Airport Authority Board. The initial members of the said	1.15
25	board shall be appointed by the City Council of the City of	
26	Sebring for staggered terms as follows: Two (2) members to be	1.17
27	appointed for a term to expire on the first Tuesday after the	
28	first Monday in January, 1968; two (2) members to be appointed	1.18
29	for a term to expire on the first Tuesday after the first	1.19
30	Monday in January, 1969; two (2) members to be appointed for a	
31	term to expire on the first Tuesday after the first Monday in	1.20

CODING: Words stricken are deletions; words underlined are additions.

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1	January, 1970; and the other member to be appointed for a term	
2	to expire on the first Tuesday after the first Monday in	1.21
3	January, 1971. At the expiration of each term a successor	1.22
4	shall be appointed to fill such vacancies for a term of four	1.23
5	(4) years. Vacancies in office shall be filled by appointment	1.24
6	of said City Council for the remainder of the unexpired term.	1.25
7	All such appointments after the initial ones provided for in	1.26
8	this Act shall be selected by the City Council from a list	1.27
9	containing at least twice as many nominees as vacancies. At	1.28
10	least four (4) members of the board shall be qualified	
11	electors of the City of Sebring. Should the said City Council	1.29
12	be unable by a majority vote to select a successor from the	
13	original list submitted to them by said board, the said board	1.30
14	shall submit to said City Council an additional list	1.31
15	containing at least twice as many nominees as vacancies. Upon	1.32
16	the reconsideration, the City Council may select from the	
17	initial or replacement list. The original list shall be	1.33
18	submitted to said City Council within ten (10) days from the	
19	expiration of the term of any member of said Authority, and	1.34
20	within twenty (20) days from the resignation, death or removal	1.35
21	for cause of any member of said Authority. During any vacancy	1.36
22	or vacancies for any reason or reasons, the remaining members	
23	of said board shall constitute said board with full power and	1.37
24	authority to act as though there was no vacancy in the	1.38
25	membership of said board. Members shall receive such	1.39
26	compensation for their services and reimbursement for verified	
27	travel and other expenses as shall be provided for by	1.40
28	resolution of said board. Four (4) members shall constitute a	1.41
29	quorum for meetings and affirmative vote of a majority of	
30	members shall be necessary for any action taken by the	1.42
31	Authority. There is hereby created an interim term commencing	1.43

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1	at the expiration of the term of each board member serving on	
2	July 1, 1989, and ending on the thirtieth day of April of the	1.44
3	respective calendar year. Said interim term shall be filled	1.45
4	by appointment by the City Council as herein provided.	
5	Successive four (4) year terms shall begin on the first day of	1.46
6	May of the respective year.	
7	Section 2. Section 6 of chapter 67-2070, Laws of	1.47
8	Florida, is amended to read:	
9	Section 6. The Sebring Airport Authority is hereby	1.48
10	authorized and empowered:	
11	(a) To adopt bylaws for the regulation of its affairs	1.49
12	and the conduct of its business;	
13	(b) To adopt an official seal and alter the same at	1.50
14	pleasure;	
15	(c) To maintain an office at such place or places as	1.51
16	it may designate;	
17	(d) To sue and be sued in its own name, plead and be	1.52
18	impleaded;	
19	(e) To acquire, lease as lessee or lessor, construct,	1.53
20	reconstruct, improve, extend, enlarge, equip, repair, maintain	1.54
21	and operate any airport and other industrial facilities	
22	(including tire and automobile testing and racing) which may	1.55
23	be located on the property of the Authority. Nothing in this	1.56
24	act shall exempt the Sebring Airport Authority from the	
25	provisions of Chapter 333;	
26	(f) To issue bonds of the Authority, as hereinafter	1.56
27	provided, to pay the cost of such acquisition, construction,	1.57
28	reconstruction, improvement, extension, enlargement or	
29	equipment;	
30	(g) To issue refunding bonds of the Authority as	1.58
31	hereafter provided;	

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1	(h) To fix and revise from time to time and to collect	1.59
2	rates, fees and other charges for the use of or for the	1.60
3	services and facilities furnished by any airport facilities;	
4	(i) To acquire in the name of the Authority by gift,	1.61
5	purchase or the exercise of the right of eminent domain, in	1.62
6	accordance with the laws of the State of Florida which may be	
7	applicable to the exercise of such powers by counties or	1.63
8	municipalities, any lands or rights in land, and to acquire	1.64
9	such personal property as it may deem necessary in connection	
10	with the acquisition, construction, reconstruction,	1.65
11	improvement, extension, enlargement or operation of any	
12	airport facilities, and to hold and dispose of all real and	1.66
13	personal property under its control;	
14	(j) To make and enter into all contracts and	1.67
15	agreements necessary or incidental to the performance of its	1.68
16	duties and the execution of its power under this Act,	
17	including a trust agreement or trust agreements securing any	1.69
18	bonds issued hereunder, and to employ such consulting and	1.70
19	other engineers, superintendents, managers, construction and	
20	financial experts, accountants and attorneys, and such	1.71
21	employees and agents as may, in the judgment of the Authority,	
22	be deemed necessary, and to fix their compensation; provided,	1.72
23	however, that all such expenses shall be payable solely from	1.73
24	funds made available under the provisions of this Act;	
25	(k) To accept grants or money or materials or property	1.74
26	of any kind for any airport or other facilities from any	1.75
27	Federal or State agency, political subdivision or other public	
28	body or from any private agency or individual, upon such terms	1.76
29	and conditions as may be imposed;	
30	(l) To issue revenue certificates of the Authority as	1.77
31	hereinafter provided; and	

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1	(m) To do all acts and things necessary or convenient	1.78
2	to carry out the powers granted by this Act.	1.79
3	Section 3. Section 8 of chapter 67-2070, Laws of	1.80
4	Florida, is amended to read:	
5	Section 8. No contract for the construction, repair,	1.81
6	alteration or otherwise of any facility or part of the same,	1.82
7	or the purchase of equipment or supplies involving an	
8	expenditure of more than five thousand dollars (\$5,000.00),	1.83
9	shall be let by the Authority unless the Authority advertises	1.84
10	for sealed bids at least once a week for two (2) consecutive	
11	weeks and such contract is let to the lowest responsible	2.1
12	bidder, provided the Authority hereunder created shall have	
13	the authority to reject all bids.	2.2
14	Section 4. Section 10 of chapter 67-2070, Laws of	2.3
15	Florida, is amended to read:	
16	Section 10. The Authority is hereby authorized to	2.4
17	issue, at one time or from time to time, bonds or revenue	2.5
18	certificates of the Authority for the purpose of paying the	
19	cost of acquiring, constructing, reconstructing, improving,	2.6
20	extending, enlarging or equipping any of its facilities. The	2.8
21	bonds of each issue shall be dated, shall mature at such time	
22	or times not exceeding forty (40) years from their date or	2.9
23	dates and shall bear interest at such rate or rates as may be	
24	determined by the Authority, not exceeding the maximum rate of	2.10
25	interest on bonds allowed by the State of Florida, and may be	2.11
26	made redeemable before maturity, at the option of the	2.12
27	Authority, at such price or prices and under such terms and	
28	conditions as may be fixed by the Authority prior to the	2.13
29	issuance of the bonds. The Authority shall determine the form	2.14
30	and the manner of execution of the bonds, including any	
31	interest to be attached thereto, and shall fix the	2.15

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1	denomination or denominations of the bonds and the place or	2.16
2	places of payment of principal and interest, which may be at	
3	any bank or trust company within or without the State. In	2.18
4	case any officer whose signature or a facsimile of whose	
5	signature shall appear on any bonds or coupons shall cease to	2.19
6	be such officer before the delivery of such bonds, such	
7	signature or such facsimile shall nevertheless be valid and	2.20
8	sufficient for all purposes, the same as if he had remained in	2.21
9	office until such delivery. Notwithstanding any of the other	2.22
10	provisions of this Act or any recitals in any bonds issued	
11	under the provisions of this Act, all such bonds shall be	2.24
12	deemed to be negotiable instruments under the laws of this	
13	State. The bonds may be issued in coupon or registered form,	2.25
14	or both, as the Authority may determine, and provisions may be	2.26
15	made for the registration of any coupon bonds as to principal	
16	alone and also as to both principal and interest, and for the	2.27
17	reconversion into coupon bonds of any bonds registered as to	2.28
18	both principal and interest. The Authority may sell such	2.29
19	bonds in such manner, either at public or private sale, and	
20	for such price as it may determine to be for the best	2.30
21	interests of the Authority, but no such sale shall be made at	2.31
22	a price so low as to require the payment of interest on the	
23	money received therefor at more than the maximum rate of	2.32
24	interest on bonds allowed by the State of Florida, computed	
25	with relation to the absolute maturity or maturities of the	2.33
26	bonds in accordance with standard tables of bond values,	2.34
27	excluding, however, from such computation the amount of any	
28	premium to be paid on redemption of any bonds at more than the	2.35
29	maximum rate of interest on bonds allowed by the State of	
30	Florida, computed with relation to the absolute maturity or	2.36
31	maturities of the bonds in accordance with standard tables of	2.37

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1	bond values, excluding, however, from such computation the	
2	amount of any premium to be paid on redemption of any bonds	2.38
3	prior to maturity.	
4	The proceeds of the bonds of each issue shall be used	2.39
5	solely for the purpose for which such bonds shall have been	2.40
6	authorized and shall be disbursed in such manner and under	
7	such restrictions, if any, as the Authority may provide in the	2.41
8	resolution authorizing the issuance of such bonds or in the	2.42
9	trust agreement hereinafter mentioned securing the same.	
10	Unless otherwise provided in the authorizing resolution or in	2.43
11	the trust agreement securing such bonds, if the proceeds of	2.44
12	such bonds, by error of estimates or otherwise, shall be less	
13	than such costs, additional bonds may in like manner be issued	2.45
14	to provide the amount of such deficit and shall be deemed to	2.46
15	be of the same issue and shall be entitled to payment from the	
16	same fund without preference or priority of the bonds first	2.47
17	issued for the same purpose.	
18	The resolution providing for the issuance of bonds, and	2.48
19	any trust agreement securing such bonds, may also contain such	2.49
20	limitations upon the issuance of additional bonds as the	
21	Authority may deem proper, and such additional bonds shall be	2.50
22	issued under such restrictions and limitations as may be	2.51
23	prescribed by such resolution or trust agreement.	
24	Prior to the preparation of definitive bonds, the	2.52
25	Authority may, under like restrictions, issue interim receipts	2.54
26	or temporary bonds, with or without coupons, exchangeable for	
27	definitive bonds when such bonds shall have been executed and	2.55
28	are available for delivery. The Authority may also provide	2.56
29	for the replacement of any bonds which shall become mutilated	
30	or be destroyed or lost.	2.57
31		

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1	Bonds may be issued under the provisions of this Act	2.58
2	without obtaining the consent of any commission, board, bureau	2.59
3	or agency of the State or of any political subdivision, and	
4	without any other proceedings or the happening of other	2.60
5	conditions or things than those proceedings, conditions or	2.61
6	things which are specifically required by this Act.	
7	Bonds issued by the Authority under the provisions of	2.62
8	this Act shall not be deemed to constitute a debt of the State	2.63
9	or of any political subdivision thereof or a pledge of the	
10	faith and credit of the State or of any such political	2.64
11	subdivision, but such bonds shall be obligations of the	2.65
12	Authority payable solely from the funds herein provided	
13	therefor, and a statement to that effect shall be recited on	2.66
14	the face of the bonds.	
15	The maximum rate of interest on bonds allowed by the	2.67
16	State of Florida is determined pursuant to the provisions of	2.68
17	s. 215.84, Florida Statutes.	
18	Section 5. Section 16 of chapter 67-2070, Laws of	2.69
19	Florida, is amended to read:	
20	Section 16. The Sebring Airport Authority shall	2.70
21	maintain acceptable books of account reflecting all income and	2.71
22	expenditures, and said books shall be open to reasonable	
23	public inspection. In addition, the Sebring Airport Authority	2.73
24	Board shall prepare on or before the first of each year a	2.74
25	budget, and no money shall be spent or obligations incurred by	
26	the Board or Authority except in accordance with the terms of	2.75
27	said budget. An audit of the affairs of the Airport Authority	2.76
28	shall be conducted annually by a certified public accountant	2.77
29	and shall, at the option of the Authority or the City of	
30	Sebring, be submitted to the State Auditor for his review by	2.78
31	March of each year. Within two (2) weeks of completion of	2.79

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CODING: Words stricken are deletions; words underlined are additions.

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1	said audit, the Authority shall cause to be published once in	
2	a newspaper published and circulated in the City of Sebring a	2.80
3	notice that the audit is available for public inspection at	2.81
4	the Sebring Airport Authority's office.	
5	Section 6. Section 22.1 is added to chapter 67-2070,	2.82
6	Laws of Florida, to read:	
7	Section 22.1. The Sebring Airport Authority is	2.83
8	authorized from time to time to issue revenue certificates of	3.1
9	the Authority to fund its operations, acquisitions,	
10	construction, reconstruction, improving, enlarging or	3.2
11	equipping its functions and facilities under this Act.	
12	Revenue certificates shall pay no more than the maximum	3.3
13	interest payable upon bonds issued by the State of Florida.	3.4
14	The interest rate paid may vary provided that it does not	3.5
15	exceed the maximum paid by the State of Florida. Revenue	3.7
16	certificates may pledge only the revenues generated by one or	
17	more of the Authority's facilities or improvements, and shall	3.8
18	not be an obligation of the State of Florida or the City of	
19	Sebring.	3.9
20	Section 7. This act shall take effect upon becoming a	3.10
21	law.	
22	Became a law without the Governor's approval <u>JUN 29 1989</u>	
23	Filed in Office Secretary of State <u>JUN 29 1989</u>	
24		
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This Indenture

Made this 3rd day of October, A. D. 1967.

Between CITY OF SEBRING, a municipal corporation existing under the laws of the State of Florida having its principal place of business in the County of Highlands and State of Florida party of the first part, and SEBRING AIRPORT AUTHORITY, a body politic and corporate as created under an Act of the Legislature of the State of Florida, of the County of Highlands and State of Florida party of the second part.

Witnesseth, That the said party of the first part, for and in consideration of the sum of ONE DOLLAR and other valuable considerations Dollars, to it in hand paid, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, remised, released, conveyed and confirmed, and by these presents doth grant, bargain, sell, alien, remise, release, convey and confirm unto the said party of the second part, and its successors heirs and assigns forever, all that certain parcel of land lying and being in the County of Highlands and State of Florida, more particularly described as follows:

SEE DESCRIPTION ATTACHED.

SUBJECT to any and all reservations and/or restrictions of record and/or existing leases.

SUBJECT to the express reservation that the Grantee herein shall not sell or convey the fee simple title to the described lands to any third person, firm or corporation without first having obtained the express consent of the Grantor herein, however, this reservation shall not prohibit the Grantee from leasing or encumbering said property in any fashion whatsoever.

It is the intent of this instrument of the Grantor herein to convey to the Grantee herein, all property now owned by the Grantor known as the Sebring Air Terminal and/or Industrial Airpark.

Sold by Clerk's Office Highlands Co. Fla. STATE OF FLORIDA DOCUMENTARY SUR TAX \$55

SEBRING COUNTY 030

Together with all the tenements, hereditaments and appurtenances, with every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in anywise appertaining:

To Have and to Hold the same in fee simple forever. And the said party of the first part doth covenant with the said party of the second part that it is lawfully seized of the said premises; that they are free of all incumbrances, and that it has good right and lawful authority to sell the same; and the said party of the first part 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 party of the first part has caused these presents to be signed in its name by its President; and its corporate seal to be affixed, attested by its Clerk the day and year above written.

(Corporate Seal) Attest: [Signature] By: Its Clerk

CITY OF SEBRING By: [Signature] Its Mayor President

Signed, Sealed and Delivered in Our Presence: [Signature]

MACCETH AND BREED Attorneys at Law P. O. Box 591 SEBRING, FLORIDA

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LEGAL DESCRIPTION
SEBRING AIR TERMINAL

The West Half (W $\frac{1}{2}$) of Section 4; All of Section 5, less and except that portion of the North Half (N $\frac{1}{2}$) lying West of the canal and the Railroad right-of-way spur; the Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 6; All of Section 7, less and except that portion of the West Half (W $\frac{1}{2}$) lying northerly of State Road No. 62 and West of the canal; All of Section 8; the West Half (W $\frac{1}{2}$) of Section 9; and that part of Section 18 lying North and West of the airport access road, less and except the following land deeded to the Humane Society generally described as being a 10-acre tract lying adjacent to the westerly boundary of the Hendricks Field access road and adjacent to and South of the north boundary of Section 18, Township 35 South, Range 30 East, more particularly described as follows: Commencing as a point of beginning at the intersection of the westerly boundary of Hendricks Field access road (said road being 100 feet in width, being 50 feet on either side of said center line) with the North boundary of Section 18, Township 35 South, Range 30 East, Highlands County, Florida, thence South 89°01'45" West along the North boundary of Section 18 a distance of 505.70 feet to a point, thence South 01°54'30" East a distance of 908.84 feet to a point, thence North 88°05'30" East a distance of 500.00 feet to a point on the westerly boundary of Hendricks Field access road, thence North 01°54'30" West along the westerly boundary of the Hendricks Field access road a distance of 718.68 feet to a point of curve, thence along a curve to the right having a radius of 2,914.79 feet an arc distance of 181.32 feet to the point of beginning.

All of the above described land lying in Township 35 South, Range 30 East, Highlands County, Florida.

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State of Florida,

County of HIGHLANDS

I HEREBY CERTIFY, That on this 3rd day of October .f. D. 1967, before me personally appeared J. A. BUILER and JACK R. STROUP, and respectively of the CITY OF SEBRING, a municipal corporation under the laws of the State of Florida, Mayor President and Clerk, to me known to be the persons described in and who executed the foregoing conveyance to SEBRING AIRPORT AUTHORITY, a body politic and corporate as created under an Act of the Legislature of the State of Florida, and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Sebring in the County of Highlands and State of Florida, the day and year last aforesaid.

My Commission Expires 10/18/68 Harold Sigman
Notary Public



MACCETH AND BREED
Attorneys at Law
P. O. Box 591
KNOXVILLE, FLORIDA

258963
FILED
JUL 2 11 51 AM '69
EARL RICH, CLERK
HIGHLANDS COUNTY, FLA.

FROM CORPORATION
TO
Date
ABSTRACT OF DESCRIPTION

McGraw-Hill

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ANDREW B. JACKSON

Attorney at Law
150 NORTH COMMERCE AVENUE
SEBRING, FLORIDA 33870

December 8, 1986

TELEPHONE
(813) 382-3686

Steven A. McClaren
Corporate Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733

Re: Florida Power Corporation/Sebring Utilities
Commission/Territorial Agreement

Dear Steve:

I am enclosing two originals of the proposed Territorial Agreement with the attachments and two originals of the Joint Petition of Approval of the Territorial Agreement. Sebring Utilities Commission's Chairman J.W. Jones has executed the Agreement and the seal has been affixed by the Secretary, Cecil G. Heston. I have executed the Petition as Attorney for Sebring Utilities Commission. These documents are submitted to you with the understanding that they will be executed by the proper officials of Florida Power Corporation as soon as possible without change. The fully executed Agreement and petition will then be immediately filed with the Florida Public Service Commission.

~~It is further my understanding that Paragraph 6 of the en-~~
closed Agreement is to be interpreted as follows: The phrase "owned or controlled by the City of Sebring" shall also mean "owned or controlled by the Sebring Airport Authority". As far as Paragraph 6 is concerned, the City of Sebring and the Sebring Airport Authority shall be used interchangeably.

Please return to this office a fully executed original when Florida Power Corporation has completed their execution of the Agreement.

Sincerely,



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**Florida
Power**
CORPORATION

December 16, 1986

Andrew B. Jackson, Esquire
Attorney at Law
150 North Commerce Avenue
Sebring, Florida 33870

Hand Delivered

Re: Territorial Agreement between Florida Power
Corporation and Sebring Utilities Commission
dated December 11, 1986

Dear Andy:

I have received your transmittal dated December 8, 1986 of the original documents and I agree with your stated understanding of Paragraph 6. Enclosed for your files are fully executed originals of the Territorial Agreement and the Joint Petition and a complete copy of the submittal to the Florida Public Service Commission.

I appreciate your cooperation in this matter. You have represented your client well and have greatly assisted in bringing about a territorial agreement which will benefit both utilities.

Sincerely,

Steven A. McClaren
Steven A. McClaren
Corporate Counsel

SAM/rdt

cc: D. G. MacCallum