

Prepared by/Return to:

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(Remains under review by COVB)

**SUBLICENSE AGREEMENT**

(No. VB-[\_\_])

THIS **SUBLICENSE AGREEMENT** (“**Agreement**”), dated as of this [\_\_] day of [\_\_\_\_], 201[ ] (the “**Effective Date**”), by and between the **CITY OF VERO BEACH, FLORIDA**, a municipal corporation of the State of Florida, whose address is 1053 20<sup>th</sup> Place, P.O. Box 1389, Vero Beach, Florida 32961-1389 (the “**Sublicensor**”) and **FLORIDA POWER & LIGHT COMPANY**, a corporation organized under the laws of the State of Florida whose address is 700 Universe Blvd, Juno Beach, FL 33408 (the “**Sublicensee**”). The Sublicensor and the Sublicensee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party.**”

**WHEREAS**, the Sublicensor and Indian River Farms Water Control District, a drainage district organized and existing under the General Drainage Laws of the State of Florida (the “**District**”), have entered into that certain Permit and Interlocal Agreement (No. VB-[\_\_]), dated [\_\_\_\_], 201[ ] (the “**License Agreement**”), pursuant to which the District has granted unto the Sublicensor a permit and license (collectively, the “**Permit**”), which Permit is effective from the date of the License Agreement and continues for a period of fifty (50) years (collectively, the “**Term**”), for the purpose of installing, maintaining, inspecting, operating, repairing and using electrical transmission lines, utility poles and related improvements (collectively, the “**Electrical Facilities**”) on, over and across the District’s right-of-way along the Main Canal at the locations (the “**Permit Area**”) and in accordance with the plans and specifications attached hereto as “**Exhibit A**” signed by the District and the Sublicensor and incorporated in the License Agreement by reference, together with the right of ingress and egress on and over the property at said locations;

**WHEREAS**, as of the Effective Date, the Sublicensor has either conveyed or leased to Sublicensee all right, title and interest in and to certain electric utility assets of the City of Vero

Beach, and the Sublicensee will commence on the Effective Date providing retail electric service to the City of Vero Beach's electric utility customers as contemplated under that certain Asset Purchase and Sale Agreement, dated as of [\_\_\_\_\_], 201[\_], by and between the Sublicensor and the Sublicensee (the "**Asset Purchase and Sale Agreement**");

**WHEREAS**, in order to provide retail electric services to said electric utility customers as contemplated by the Asset Purchase and Sale Agreement, the Sublicensee desires to sublicense from the Sublicensor, and the Sublicensor desires to sublicense to the Sublicensee, all of the Sublicensor's rights and obligations under the Permit for the remainder of the Term, as permitted by and in accordance with paragraph 18 of the License Agreement.

**NOW, THEREFORE**, in consideration of and subject to the terms, covenants, agreements, provision and limitations set forth in this Agreement, the Sublicensor and the Sublicensee agree as follows:

1. Capitalized terms used in this Agreement and not otherwise defined herein shall have the same meanings when used herein as in the License Agreement.
2. Subject to all of the terms, conditions and obligations imposed upon the District and the Sublicensor pursuant to the License Agreement, the Sublicensor does hereby grant unto the Sublicensee an exclusive sub-permit and sub-license of all of the Sublicensor's rights and obligations under the Permit and under the License Agreement for the remainder of the Term for the purpose of installing, maintaining, inspecting, operating, repairing and using the Electrical Facilities on, over and across the Permit Area. If the License Agreement is hereafter extended, renewed or replaced upon the expiration of the Term, then, at the option of the Sublicensee exercised by written notice to the Sublicensor, the Parties agree that this Agreement shall be extended, renewed or replaced on terms and conditions equivalent to those set forth in the extension, renewal or replacement of the License Agreement.
3. The Sublicensee, except as specifically permitted pursuant to paragraph 18 herein, shall not have any right to otherwise assign, sublet, grant a further sub-permit or sub-license of the Permit or any part thereof unto a third party. The Sublicensor agrees that it will not, without the prior written consent of the Sublicensee, which consent may be withheld in the Sublicensee's sole and absolute discretion, amend, release or terminate the License Agreement or the Permit.
4. Except for the gas main or line removal obligation of Sublicensor in the Permit, the Sublicensee assumes full responsibility for the payment and performance of all obligations of the Sublicensor arising under the License Agreement from and after the Effective Date, and the Sublicensor shall have no liability in connection therewith other than losses, damages or claims to the extent caused by or relating to the acts or omissions of Sublicensor or its subcontractors. Without limiting the foregoing, from and after the Effective Date, the Sublicensee assumes full responsibility for the operation and maintenance of the Electrical Facilities and shall save and hold harmless the Sublicensor from any expense, loss, damage or claim in regard thereto under the License Agreement arising from and after the Effective Date.

5. In no event shall the Sublicensor or the District be liable for any damages done or caused by the Sublicensee to the public, to the Sublicensee or any other person, using the right-of-way or Permit Area under the Permit, and the Sublicensee shall save the District and the Sublicensor, and their respective officers, agents, supervisors, and employees harmless from any costs, charge or expense or claim or demand of any person against the District or the Sublicensor for bodily injury, death or property damage arising from or pertaining to the Sublicensee's exercise of rights under this Agreement. The Sublicensee shall, prior to accessing the Permit Area, provide the District with evidence satisfactory to the District, of adequate reserves held or owned by the Sublicensee, as self insurer, to protect the interests of the District.

6. The Sublicensee is cautioned that electrical, water, sewer, gas or other installations or utilities may be located within the Permit Area, and the Sublicensee shall use diligent efforts to first detect and locate all such installations and shall coordinate construction with all other lawful users of said right-of-way. The Sublicensee shall be liable for all damages proximately resulting from its interference with or interruption of services provided by other lawful right-of-way users within the Permit Area. The Sublicensee acknowledges that the District has agreed to ensure that this provision is included in all permits issued to water, sewer, gas or other installations or utilities that are or may be located within the Permit Area.

7. Any construction on the District right-of-way or property and cleanup shall be completed promptly by the Sublicensee and in a workmanlike manner with minimum disturbance to existing berm, channel slopes and grade, with proper restoration and planting of any disturbed areas to prevent erosion occurring within thirty (30) days after completion of the Sublicensee construction or installation of Electrical Facilities.

8. Electrical Facilities acquired by the Sublicensee from the Sublicensor pursuant to the Asset Purchase and Sale Agreement currently exist within the Permit Area. For all newly installed Electric Facilities, the Sublicensee shall at all times maintain cable markers above ground at 100 foot intervals to show the location of the electrical transmission cables. For all newly installed Electrical Facilities, the electrical transmission lines and utility poles shall be constructed and installed to permit the crossing of heavy equipment used by the District for the maintenance of its laterals, sublaterals and canals and for any similar heavy equipment used by land owners within the District. In any case where newly installed Electric Facilities, including electrical transmission lines, i) cross a pipe or culvert used for drainage or irrigation purposes, or ii) a pipe or culvert is needed hereafter for drainage or irrigation of adjacent lands, and the pipe or culvert is deemed by the District to be in need of repair or replacement, then the Sublicensor will provide the Sublicensee with a copy of any written notice of such event received from the District, and the Sublicensee and the District will devise a mutually agreeable schedule for the implementation of such work. The Sublicensee agrees to make personnel and equipment available at the time of such repair or replacement work, at no cost to the District, to insure that the transmission lines do not interfere with such activities. The Sublicensee acknowledges that the District has agreed that all District contractors and employees will attend a Sublicensee Safety Six presentation (which will be provided without cost to the District or its contractors) prior to commencing any such work in the vicinity of the Electrical Facilities. The Sublicensee acknowledges that the District has the right to approve the location of each new electrical transmission line installed within the Permit Area, which approval will not be

unreasonably withheld, conditioned or delayed, to ensure that such installation will not interfere with the District's functions and operations.

9. The Sublicensee shall provide advance notice to the District's office of any planned construction, or the anticipated completion date of all new construction.

10. The Sublicensee shall not discharge any pollutants or contaminants into waters or canals owned or maintained by, or subject to the jurisdiction of the District, nor shall the Sublicensee permit the Sublicensee's employees, contractors and agents to obstruct the flow of water within the District's canals. The Sublicensee shall save and hold the District and the Sublicensor harmless from an expense, loss or damage incurred by the District or the Sublicensor as a result of the Sublicensee, its employees, contractors or agents discharging pollutants or contaminants into the canals owned, operated or maintained by the District in violation of applicable environmental law, or obstructing the flow of waters in such canals. The Sublicensee shall cure, or commence to cure, any such default within thirty (30) days following written notice of such default from the District or the Sublicensor to the Sublicensee.

11. The Sublicensee shall comply with all applicable requirements of the Department of Environmental Protection for the State of Florida, as such requirements relate to the Sublicensee's use of the Permit Area under the Permit, and if, at any time, the Sublicensee shall fail to meet such requirements, the Sublicensee shall be in default under this Agreement if such failure continues beyond the applicable cure period available to the Sublicensee as set forth in paragraph 18(f) of the License Agreement.

12. The Sublicensee shall reimburse the District, within forty-five (45) days of the District's demand together with detailed, supporting documentation, for any reasonable fees for testing or other professional services, costs or expenses to the District associated with or arising from the Sublicensee's use of the Permit Area. The Sublicensee acknowledges that the Permit may be suspended by the District for so long as such costs or expenses remain unpaid beyond such forty-five (45) day period.

13. The Sublicensee shall pay to the District on behalf of the Sublicensor the amounts payable under paragraphs 12 and 13 of the Permit due from the Sublicensor to the District under the License Agreement as the sole consideration payable (except as otherwise provided in paragraph 16 of this Agreement) for the sub-permit and sub-license granted hereunder by the Sublicensor to the Sublicensee.

14. The Sublicensor and the Sublicensee shall be entitled to exercise any remedy available at law or in equity, including without limitation, a suit for specific performance of any obligations set forth in this Agreement or any appropriate injunctive or other equitable relief, or for damages resulting from a default or breach. Notwithstanding the foregoing or anything to the contrary contained in this Agreement or applicable law, in no event shall any default or breach of this Agreement, or any failure to perform any obligations under this Agreement, terminate, or entitle the Sublicensor or the Sublicensee to terminate, rescind or cancel this Agreement or the rights granted hereunder. Notwithstanding any provision of this Agreement or the License Agreement to the contrary, the Sublicensee shall have the right at all times during the Term to take any and all actions it deems necessary or appropriate to maintain the

License Agreement in full force and effect, including, without limitation, the right to cure any and all breaches or defaults by the Sublicensor thereunder whether during or after any cure period granted to the Sublicensor pursuant to the License Agreement and with or without notice from the District of the occurrence of any such breach or default. In addition, if the District defaults in any of its obligations under the License Agreement or seeks to terminate or repudiate the License Agreement, the Sublicensor agrees that Sublicensee may, at its expense, pursue a claim against the District in the name of the Sublicensor to enforce the rights of the Sublicensor under the License Agreement and Sublicensor agrees to cooperate with Sublicensee in pursuit of such claim.

15. This Agreement shall be considered to be an irrevocable sub-permit and sub-license only for the Term, for the limited purpose of installation, maintenance, inspection, operation, repair and use of the Electrical Facilities specified in the License Agreement, and does not convey any other right, title or interest of the District in the subject right-of-way property.

16. The Sublicensee assumes all risks of its use of the Permit Area under the Permit, which use is at the Sublicensee's sole risk. Any loss or damage to the Sublicensee's Electrical Facilities or bodily injury or death of the Sublicensee's personnel while on the Permit Area, regardless of the cause of the same, including, without limitation, negligence or want of care on the part of the District, the Sublicensor or their respective employees, is the Sublicensee's responsibility and not the District's and, as a condition of this Agreement, the Sublicensee promises, covenants and agrees to release the District and the Sublicensor from any such Sublicensee claims and indemnify the District and the Sublicensor against any claims by the Sublicensee's employees against the Sublicensor by reason of bodily injury, death or property damage suffered by such Sublicensee employees, including attorney's fees, fines and penalties, except that the Sublicensee shall not be required to release or indemnify the Sublicensor for losses, damages or claims to the extent caused by or relating to the acts or omissions of Sublicensor or its subcontractors. The Parties further acknowledge and agree that this hold harmless, indemnification and release is further consideration to the Sublicensor for the Sublicensee's use of the Permit Area under this Agreement.

17. In the event any of the Sublicensee's Electrical Facilities within the Permit Area are abandoned by the Sublicensee, the Sublicensee shall provide the District and the Sublicensor with written notice of such abandonment within ten (10) business days of such event, and the Sublicensee shall promptly cause all Electrical Facilities within the abandoned Permit Area to be removed within ninety (90) days from the Sublicensee's notice of abandonment, and this Agreement shall terminate as to the abandoned Permit Area.

18. Except for the rights granted to the Sublicensee pursuant to this Agreement, neither the Permit, nor any portion thereof, may be otherwise assigned, sublet, licensed or otherwise conveyed (collectively, a "**Conveyance**") by the Sublicensor and any Conveyance in contravention of this sentence by the Sublicensor shall be null and void and without force or effect. The Sublicensee shall not, without the consent of the District, enter into any Conveyance with respect to the Sublicensee's rights, title or interest in the Permit, nor any portion thereof, nor under this Agreement.

19. Sublicensor agrees to deliver to the District a fully executed counterpart of this Agreement within three (3) business days following the Effective Date.

20. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

21. No waiver by any Party of any provision of this Agreement shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by the other Party of the same or any other provision.

22. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

23. This Agreement shall bind the Parties, and their respective successors and assigns.

24. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one instrument.

25. In the event the Sublicensee or the Sublicensor defaults in the performance of any of the terms, covenants, conditions, agreements, or provisions contained in this Agreement and the Sublicensor or the Sublicensee employs attorneys and brings suit in connection with the enforcement of this Agreement or any provision hereof or the exercise of any of its remedies hereunder, then the prevailing Party in any suit so instituted shall be promptly reimbursed by the other Party for all reasonable attorneys' fees so incurred.

26. The Sublicensor and the Sublicensee shall, from time to time and without additional consideration, execute and deliver to each other or to any person whom the requesting Party may designate, within ten days after the request therefor (a) an estoppel certificate consisting of statements, if true, that (i) this Agreement is in full force and effect; (ii) this Agreement has not been modified or amended (or setting forth all modifications and amendments); and (iii) to the best of such Party's knowledge and belief, the other Party is not then in default (or if in default, specifying such default), and the Sublicensee and the Sublicensor have fully performed all of the Sublicensee's and the Sublicensor's obligations, respectively, required to have been performed under this Agreement as of the date of the certificate; and (b) such further consents and instruments of a similar nature evidencing the agreement (subject to the provisions of this Agreement) of the Sublicensor or the Sublicensee to the mortgage or other hypothecation by the Sublicensee of the sub-permit and sub-license created hereby, as may be reasonably requested by the Sublicensee or any mortgagee, or assignee or transferee of the interest of the Sublicensor or the Sublicensee, as applicable.

27. Every notice, approval, consent or other communication required or permitted under this Agreement shall be in writing, shall be deemed to have been duly given on the date of receipt, and shall be deemed delivered if either served personally on the Party to whom notice is to be given, or mailed to the Party to whom notice is to be given, by overnight courier

or by first class registered or certified mail (return receipt requested), postage prepaid, and addressed to the addressee at the address stated opposite its name below, or at the most recent address specified by written notice given to the other Party in the manner provided in this paragraph.

To the Sublicensor: City of Vero Beach  
1053 20<sup>th</sup> Place  
Vero Beach, FL 32960  
Attention:

With a copy to:

To the Sublicensee: Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408  
Attention: Corporate Real Estate

With a copy to: Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408  
Attention: Law Department

A copy of any notice required or permitted under this Agreement to be given to the Sublicensee shall at the same time and in the same manner also be provided by the Sublicensor to any mortgagee of, or grantee of a security interest in, the sub-permit and sub-license granted pursuant to this Agreement, the identity and address of which the Sublicensee shall provide to the Sublicensor.

28. This Agreement and the Asset Purchase and Sale Agreement contain the entire agreement between the Parties hereto and supersedes all previous negotiations leading thereto, and it may be modified only by an agreement in writing executed and delivered by the Sublicensor and the Sublicensee. Any formally executed addendum to or modification of this Agreement shall be expressly deemed incorporated by reference herein unless a contrary intention is clearly stated therein.

29. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without giving effect to conflict of law principles) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. **THE PARTIES HERETO AGREE THAT VENUE IN ANY AND ALL ACTIONS AND PROCEEDINGS ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT, THE RELATIONSHIP OF THE SUBLICENSOR AND THE SUBLICENSEE, THE SUBLICENSEE'S USE OR OCCUPANCY OF THE PERMIT AREA, OR ANY CLAIM FOR INJURY OR DAMAGE, SHALL BE IN THE COURT OF THE STATE OF FLORIDA IN INDIAN RIVER COUNTY, FLORIDA, WHICH COURT SHALL**

HAVE EXCLUSIVE JURISDICTION FOR SUCH PURPOSE AND THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURT AND IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING. SERVICE OF PROCESS MAY BE MADE IN ANY MANNER RECOGNIZED BY SUCH COURT.

30. THE PARTIES HERETO SHALL, AND THEY HEREBY DO, IRREVOCABLY WAIVE TRIAL BY JURY IN ANY AND EVERY ACTION OR PROCEEDING BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT, THE RELATIONSHIP OF THE SUBLICENSOR AND THE SUBLICENSEE, THE SUBLICENSEE'S USE OR OCCUPANCY OF THE PERMIT AREA, AND ANY CLAIM FOR INJURY OR DAMAGE.

31. In consideration of the grant to the Sublicensee, for itself, its successors and assigns, of the right to use and occupy Indian River Farms Water Control District's property without acquiring the same, Sublicensee expressly waives and relinquishes the power of eminent domain or condemnation of the property as to which the Permit applies for the use for which the Permit is granted. This clause shall survive termination or expiration of the Permit for so long as Sublicensee has the right to use and occupy District's property for the use for which the Permit is granted.

**[Remainder of page intentionally left blank]**

**[signatures on following page]**

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned have caused this Agreement to be executed as of the date first set forth above.

**Sublicensor:**

**Sublicensee:**

CITY OF VERO BEACH,  
FLORIDA

FLORIDA POWER & LIGHT COMPANY,  
a Florida Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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Witness:

\_\_\_\_\_  
Witness:

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Witness:

\_\_\_\_\_  
Witness:

Sublicense Agreement by and between The City of Vero Beach, Florida and Florida Power &  
Light Company

**Exhibit "A"**

**Description of Permit Area**