EXHIBIT I-1B

LEASE AND EASEMENT AGREEMENT

(Airport Substation 6)

THIS LEASE AND EASEMENT AGREEMENT (the "**Lease**"), made and entered into as of [_____ __], 201[__] (the "**Effective Date**") is by and between THE CITY OF VERO BEACH, FLORIDA, a Florida municipal corporation (herein called "**Landlord**"), with an address of 1053 20th Place, Vero Beach, FL 32960, and FLORIDA POWER & LIGHT COMPANY, a Florida corporation (herein called "**Tenant**"), with an address of 700 Universe Boulevard, Juno Beach, FL 33408. Landlord and Tenant are sometimes collectively referred to herein as the "**Parties**" and individually as a "**Party.**"

RECITALS

A. As of the Effective Date of this Lease, Landlord has conveyed all right, title and interest in and to certain electric utility assets of the City of Vero Beach to Tenant, and Tenant has commenced 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 [_____], 201[__], by and between Landlord and Tenant (the "**Asset Purchase and Sale Agreement**").

B. In order to provide retail electric services to said electric utility customers as contemplated by the Asset Purchase and Sale Agreement, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, for use as an electrical substation during the Term of this Lease, the real property more commonly known as the "**Substation 6 Parcel**" and more particularly described on the attached **Exhibit "A"** made a part hereof, and all related facilities and improvements (collectively, the "**Substation Parcel**"), together with all tenements, hereditaments, easements and appurtenances thereto belonging or in anywise appertaining to the Substation Parcels.

C. To provide for transmission and distribution facilities connecting to the Substation 6 Parcel, Landlord desires to provide a perpetual easement in gross (the "**Transmission and Distribution Easements**") in favor of Tenant, its successors and assigns, as legally described on **Exhibits "B-1" and "B-2"** attached hereto and made a part hereof (the "**Transmission and Distribution Easement Parcels**")

D. A resolution of the City of Vero Beach authorizing the execution and delivery of this Lease and the granting of the Transmission and Distribution Easements by Landlord in favor of Tenant has been obtained and is being recorded in the Public Records of Indian River County contemporaneously with the execution and delivery of this Lease and the Transmission and Distribution Easements.

NOW THEREFORE, in consideration of and subject to the terms, covenants, agreements, provision and limitations set forth in this Lease, Landlord and Tenant agree as follows:

1. Recitals. The above-stated recitals are true and correct and are incorporated herein by this reference.

2. Premises. Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Substation Parcel consisting of approximately [_____] acres of land located in the City of Vero Beach, Indian River County, Florida, identified as the Substation 6 Parcel on **Exhibit "A"** attached hereto and made a part hereof, together with all tenements, hereditaments, easements and appurtenances thereto belonging or in anywise appertaining to the Substation Parcel, collectively, the "**Premises**," for purposes of the Business of the Vero Beach Electric Utility (as defined in the Asset Purchase and Sale Agreement) as conducted by Tenant.

3. Easements. This Lease also includes the right to use all existing easements and appurtenances benefitting the Premises or necessary to operate Substation 6 and related facilities. In addition, Landlord acknowledges and confirms that, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable considerations, the receipt and sufficiency of which has been acknowledged, Landlord grants, bargains, sells and conveys unto the Tenant, its successors and assigns under the Lease, non-exclusive perpetual transmission and distribution easements, in the forms attached hereto as **Exhibits "C-1" and "C-2"** (the "**Transmission and Distribution Easements**" described in Recital C. above) for transmission and distribution facilities over and across the real property owned by Landlord lying adjacent to Substation 6, (being the "**Transmission and Distribution Easement Parcels**" referred to in Recital C. above and legally described on **Exhibits "B-1 and "B-2**" attached hereto and made a part hereof) (said existing easements, and Transmission and Distribution Easements being herein referred to collectively as the "**Easements**").

(a) **Nature of the Easements.** The Transmission and Distribution Easements shall be perpetual and in gross, for the benefit of Tenant its successors and assigns.

(b) **Non-Interference with Easements.** Landlord covenants and agrees not to use (or permit the use of) or construct (or permit the construction of) any improvements on, under or over any of the Easements and appurtenances that would interfere with Tenant's use of the Premises as permitted herein.

4. Term. The term of this Lease shall be for a period of thirty (30) years from the Effective Date (the "**Initial Term**") and can be renewed by Tenant at Tenant's sole option for up to two (2) additional terms of thirty (30) years each (each, an "**Extended Term**") provided that Tenant shall deliver to Landlord written notice of Tenant's intent to renew this Lease not less than thirty (30) days prior to the expiration of the then current Term. The Initial Term and each successive renewal term of thirty (30) years, if one or both of the renewal terms are exercised, shall be collectively referred to herein as the "**Term**." For purposes of this Lease, the term "**Lease Year**" shall mean for the first Lease Year, that period of time commencing upon the Effective Date and continuing up through and including the last day of the month of the twelfth (12th) full month following the Effective Date. Each Lease Year thereafter shall mean the first day of the first month following the end of the previous Lease Year up through and including the last day of the twelfth (12th) month thereafter. The expiration date of the Term (the "**Expiration Date**") shall be the last day of the 30th Lease Year or the last day of the sixtieth (60th) Lease Year or the last day of the ninetieth (90th) Lease Year, whichever shall be applicable depending upon whether

Tenant shall exercise its option to renew for one (1) or two (2) successive thirty (30) year renewal terms. Notwithstanding the foregoing, at any time during the Term, Tenant may terminate this Lease in whole or in part, without charge or penalty with six (6) months prior notice to Landlord and the Rent shall be due only through the date of termination or the final date of possession by Tenant, whichever is later and shall be prorated for any portion less than one year. Notwithstanding anything in this Lease to the contrary, the Transmission and Distribution Easements shall survive, in perpetuity, the expiration or termination of the Lease.

5. Rent. The rent (the **"Rent"**) to be paid under this Lease shall be paid as follows:

(a) **Rent During Initial Term**. Rent during the Initial Term shall be in the total amount of $_____ and shall be paid in thirty (30) equal annual installments during the Initial Term commencing on the Effective Date and continuing on each subsequent anniversary date of the Effective Date for each of the subsequent Lease Years of the Initial Term thereafter.

(b) **Rent During First Extended Term.** If this Lease is extended by option of Tenant for an additional thirty (30 year term after the Initial Term (the "**First Extended Term"**), the Rent during the First Extended Term shall be in the total amount of $_____ and shall be paid in thirty (30 equal annual installments during the First Extended Term commencing on the first (1st) day of the First Extended Term (the "**First Extended Term Effective Date**") and continuing on each subsequent anniversary date of the First Extended Term Effective Date for each subsequent Lease Year of the First Extended Term thereafter.

(c) **Rent During Second Extended Term.** If this Lease is extended by option of Tenant for an additional thirty (30) year term after the First Extended Term (the "**Second Extended Term"**), the Rent shall be in the total amount of $_____ and shall be paid in thirty (30) equal annual installments during the Second Extended Term commencing on the first (1st) day of the Second Extended Term (the "**Second Extended Term Effective Date**") and continuing on each subsequent anniversary date of the Second Extended Term Effective Date for each subsequent Lease Year of the Second Extended Term thereafter.

6. Representations, Warranties and Covenants.

(a) Landlord represents and warrants to Tenant as follows:

(i) Landlord has taken all actions required and has full power and authority to enter into this Lease and grant Transmission and Distribution Easements to Tenant.

(ii) The person executing and delivering this Lease on Landlord's behalf is acting pursuant to proper authorization and this Lease is the valid, binding and enforceable obligation of Landlord.

(iii) As owner of the Premises, Transmission and Distribution Easement Parcels and the Access Parcel, Landlord remains responsible for any cleanup, remediation or damages associated with any Pollution found to

exist on, in, under or adjacent to the Premises, Transmission and Distribution Easement Parcels or the Access Parcel as of the Effective Date.

(b) Tenant represents and warrants to Landlord as follows:

(i) Tenant is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with the necessary corporate power and authority to enter into this Lease.

(ii) The person executing and delivering this Lease on Tenant's behalf is acting pursuant to proper authorization and that this Lease is the valid, binding and enforceable obligation of Tenant.

7. Hazardous Materials and Pre-Existing Conditions.

(a) For purposes of this Lease:

(i) "***Pollutant***" shall mean any hazardous or toxic substance, chemical, material, or waste of any kind, petroleum, petroleum product or by-product, contaminant or pollutant as defined or regulated by Environmental Laws.

(ii) "***Disposal***" shall mean Pollution as defined in § 376.301(37) of the Florida Statutes Annotated (provided that for purposes of this Section "pollutants" in § 376.301(37) shall mean Pollutants as defined herein) and the release, storage, use, handling, discharge or disposal of Pollutants.

(iii) "***Environmental Laws***" shall mean any applicable federal, state or local laws, statutes, ordinances, rules, regulations or other governmental restrictions.

(iv) ***"Pre-Existing Conditions"*** shall mean (i) any Pollutants or other environmental conditions set forth in the Environmental Assessment, and (ii) any Pollutants or other environmental condition subsequently discovered by Tenant (but not caused by Tenant) during the Term.

(b) Prior to the Effective Date, Tenant may perform a baseline Environmental Assessment of the Premises, Transmission and Distribution Easement Parcels and/or the Access Parcel (***"Environmental Assessment"***). Pursuant to the Agreement for Sale and Purchase, Landlord has agreed to perform or remain responsible for the Remediation of all Pre-Existing Conditions. Tenant shall have no responsibility or liability under the terms of this Lease for Remediation of or the Disposal of any Pollutants identified in the Environmental Assessment or any Pollutants subsequently discovered on the Premises, Transmission and Distribution Easement Parcels or the Access Parcel for which Disposal occurred prior to the Effective Date.

(c) From and after the Effective Date, Tenant shall not cause or permit the Disposal in any manner of any Pollutants upon the Premises or upon adjacent lands, including the Transmission and Distribution Easement Parcels and Access Parcel, during the Term, which violates any Environmental Laws during the Term. Any Disposal of a Pollutant in violation of

Environmental Laws, whether caused by Tenant or any other third party (other than Landlord), shall be reported to Landlord immediately upon the knowledge thereof by Tenant. During the Term, Tenant shall operate Substation 5 and maintain and monitor the Premises, Transmission and Distribution Easement Parcels and the Access Parcel in accordance with good industry practices.

(d) Tenant shall be responsible, at Tenant's sole cost and expense, for commencing and thereafter performing, or causing to be performed, any and all assessments, cleanup and monitoring (collectively, "**Remediation**") of all Pollutants disposed of by Tenant in violation of Environmental Laws during the Term, as a result of use or occupation of the Premises or use of the Access Parcel and Transmission and Distribution Easement Parcels by Tenant, its agents, licensees, invitees, subcontractors or employees (provided, however, that the foregoing shall not in any way limit any liability, obligations or rights of Tenant or Landlord, to the extent independently arising under the Agreement for Sale and Purchase, as modified and amended). In the event any Remediation is necessary as required in the previous sentence, then Tenant shall furnish to Landlord within a reasonable period of time written proof from the appropriate local, state and/or federal agency with jurisdiction over the Remediation that the Remediation has been satisfactorily completed in full compliance with all Environmental Laws.

(e) For good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Tenant shall indemnify, defend and hold harmless Landlord from and against, and pay, reimburse and fully compensate as the primary obligor Landlord for, any and all claims, suits, judgments, loss, damage, and liability which may be incurred by Landlord, including but not limited to Landlord's reasonable attorney's fees and costs, which are proximately caused by the Disposal of any Pollutants in violation of Environmental Laws by Tenant, its agents, licensees, invitees, subcontractors or employees on the Premises, Transmission and Distribution Easement Parcels or Access Parcel during the Term. This responsibility shall continue to be in effect for any Disposal of Pollutants by Tenant in violation of Environmental Laws for which Landlord provides written notice to Tenant on or before the second anniversary of the Expiration Date.

(f) For good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Landlord shall indemnify, defend and hold harmless Tenant from and against, and pay, reimburse and fully compensate as the primary obligor Tenant for, any and all claims, suits, judgments, loss, damage, and liability which may be incurred by Tenant, including but not limited to Tenant's reasonable attorney's fees and costs, which arises directly, indirectly or proximately as a result of any Pre-existing Conditions or other Disposal of any Pollutants which violate Environmental Laws which (i) occurred prior to the Effective Date, or (ii) was otherwise caused by Landlord, its agents, licensees, invitees, subcontractors or employees with respect to the Premises, Transmission and Distribution Easement Parcels or the Access Parcel.

(g) While this Section 7 establishes contractual liability for Tenant and Landlord regarding Disposal of Pollutants on the Premises, Transmission and Distribution Easement Parcels or Access Parcel as provided herein, it does not alter or diminish any statutory or common law liability of Tenant or Landlord for such Disposal of Pollutants.

(h) Landlord and Tenant acknowledge and agree that Landlord shall remain fully responsible for all Pre-Existing Conditions and Tenant shall have no responsibility or liability under the terms of this Lease for any of the Pre-Existing Conditions.

8. Non-interference and Use.

(a) Landlord covenants and agrees not to use (or permit the use of) or construct (or permit the construction of) any improvements on, under or over the Premises.

(b) The Premises shall be used by Tenant (and any permitted assignees or transferees of Tenant) for the Business of the Vero Beach Electric Utility (as defined in the Asset Purchase and Sale Agreement) as conducted by Tenant during the Term of this Lease. The Transmission and Distribution Easement Parcels shall be used by Tenant (and any permitted assignees or transferees of Tenant) for the Business of the Vero Beach Electric Utility (as defined in the Asset Purchase and Sale Agreement) as conducted by Tenant. Tenant shall comply with all laws, ordinances, rules, regulations, codes, permits and approvals in the use of the Premises, Transmission and Distribution Easement Parcels and Access Parcel.

(c) Tenant has inspected the Premises, Transmission and Distribution Easement Parcels and the Access Parcel and accepts both in an "as is" condition in all respects.

(d) Tenant agrees not to construct (or permit the construction of) any improvements on, under or over the Premises that would interfere with normal and lawful airport operations and development, including but not limited to, the Federal Aviation Administration and the Florida Department of Transportation.

9. Mechanics and Materialmen's Liens; Notice of Work. Tenant shall give Landlord forty-eight (48) hours prior notice of any major construction or renovation work on the Premises, Transmission and Distribution Easement Parcels or Access Parcel, and Landlord shall have the right to post notices of non-responsibility in or on the Premises, Transmission and Distribution Easement Parcels or Access Parcel as provided by law. In accordance with the applicable provisions of the Florida Construction Lien Law and specifically Florida Statutes, Section 713.10, no interest of Landlord whether personally or in the Premises, or the leasehold interest granted to Tenant shall be subject to liens for work requested or caused to be made by Tenant hereunder. Further, Tenant acknowledges that Tenant, with respect to work, improvements or alterations made by Tenant or caused to be made by Tenant under this Lease, shall promptly notify the contractor performing such work or alterations or making such improvements to the Premises, Transmission and Distribution Easement Parcels or the Access Parcel of this provision exculpating Landlord's liability for such liens. Notwithstanding the foregoing, if any mechanic's lien or other lien, attachment, judgment, execution, writ, charge or encumbrance is filed against the Premises, Transmission and Distribution Easement Parcels, the Access Parcel or this leasehold, or any alterations, fixtures or improvements therein or thereto, as a result of any work, action or inaction done by or at the direction of Tenant, Tenant will discharge or remove such lien of record whether by payment or posting of an appropriate surety bond in accordance with applicable law within sixty (60) days following Tenant's receipt of written notice of the filing of such lien. In the event that Tenant fails to remove or discharge such lien within such sixty (60) day period, Landlord may do so, and Tenant will reimburse Landlord for all reasonable costs and

expenses so incurred by Landlord within forty-five (45) days following receipt of Landlord's written request for reimbursement together with supporting documentation.

10. Insurance; Indemnity.

(a) **Insurance – Tenant.** Tenant shall maintain its self-insurance and a comprehensive property and liability insurance program with deductibles in excess of $2,000,000.00 per occurrence.

(b) **Tenant Indemnity.** Tenant shall indemnify, defend and hold harmless Landlord and its elected and appointed officials, employees, agents and its Council (as defined in the Asset Purchase and Sale Agreement) (each a "**Landlord Indemnitee**") from and against, and pay, reimburse and fully compensate as the primary obligor the Landlord Indemnitee for, any and all claims, damages, liabilities, costs and expenses (including reasonable attorney's fees and court costs at trial) arising from Tenant's use of the Premises, Transmission and Distribution Easement Parcels and the Access Parcel (but specifically excluding any liability arising from hazardous substances, as defined in this Lease, existing on, in, under or adjacent to the Premises, Transmission and Distribution Easement Parcels or the Access Parcel as of the Effective Date of this Lease or transported onto the Premises, Transmission and Distribution Easement Parcels or Access Parcel by third parties not acting on behalf of Tenant or with Tenant's authorization), or arising from any uncured breach or uncured default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease.

(c) **Landlord Indemnity.** Landlord agrees to indemnify and save Tenant and its employees and agents harmless against, and pay, reimburse and fully compensate as the primary obligor Tenant for, any and all claims, damages, demands, liabilities, costs and expenses (including reasonable attorney's fees and court costs at trial) for injury to or death of persons or property damage, arising from the negligence or willful misconduct of Landlord or the negligence of its agents, contractors or employees in or about the Premises, or arising from any uncured breach or uncured default in the performance of any obligation of Landlord's part to be performed under the terms of this Lease. Landlord's obligations under this Section 10(c) shall be subject to the limitations set forth and provided for in Section 768.28 of the Florida Statutes with respect to injury to or death of employees or agents of Tenant or property damage of Tenant or its employees or agents, in each case caused directly by employees of Landlord.

(d) **Actual Damages**. Notwithstanding any other provisions in this Lease to the contrary, neither party nor its partners, officers, directors, elected officials, appointed board members, employees, lenders or agents, shall be liable to the other for consequential or indirect loss or damage, including loss of profit, loss of use, loss of operating time, loss of revenue, increased costs of producing revenues, cost of capital, or loss of goodwill, on account of any defaults or breaches under this Lease. The parties further agree that the waivers and disclaimers of liability, indemnities, releases from liability, sole remedy provisions and limitations on liability expressed in this Lease shall survive termination or expiration of this Lease, and shall apply (unless otherwise expressly indicated), whether in contract, equity, tort or otherwise, even in the event of the fault, negligence, including sole negligence, strict liability, or breach of warranty of the party indemnified, released or whose liabilities are limited, and shall extend to the partners, officers, directors, elected officials, appointed board members, employees and

agents and related or affiliated entities of such parties and their respective partners, directors, officers and employees.

(e) This Section 10 shall not apply to claims relating to Pollutants on the Premises which are addressed by Section 7 hereof and not this Section 10.

11. Taxes. Tenant shall pay the real property taxes for the Premises,. As used herein, the term "**real property tax**" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Tenant's leasehold interest or the Premises or any portion thereof by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Tenant in the Premises or in any portion thereof, but does not include any income tax or tax against Landlord's right to rent or otherwise receive income therefrom.

12. Utilities. Tenant shall pay for all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises and utilized by Tenant, together with any taxes thereon, upon same becoming due.

13. Assignment and Subletting. Tenant shall not transfer this Lease without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

14. Default and Remedies.

(a) **Tenant Events of Default.** The occurrence of any one or more of the following events shall constitute an "***event of default***" under this Lease by Tenant:

(i) The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due, which failure continues for a period of forty-five (45) days following written notice from Landlord to Tenant.

(ii) Failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, where such failure shall continue for a period of forty-five (45) days after written notice thereof from Landlord to Tenant. In the event the default cannot reasonably be cured within such forty-five (45) day period, Tenant shall not be in default if Tenant commences the cure within the forty-five (45) day period and thereafter diligently prosecutes the cure to completion.

(iii) (a) The making by Tenant of any general arrangement or general assignment for the benefit of creditors; (b) Tenant becomes a debtor as defined in 11 U.S.C. 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (c) the appointment of a trustee or receiver to take possession of substantially all of Tenant 's assets located at the Premises or of Tenant's interest in this Lease,

where possession is not restored to Tenant within sixty (60) days; or (d) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

(b) **Landlord Events of Default.** The occurrence of any one or more of the following events shall constitute an "***event of default***" under this Lease by Landlord:

(i) Failure by Landlord to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Landlord, where such failure shall continue for a period of forty-five (45) days after written notice thereof from Tenant to Landlord. In the event the default cannot reasonably be cured within such forty-five (45) day period, Landlord shall not be in default if Landlord commences the cure within the forty-five (45) day period and thereafter diligently prosecutes the cure to completion.

(ii) (A) The making by Landlord of any general arrangement or general assignment for the benefit of creditors; (B) Landlord becomes a debtor as defined in 11 U.S.C. 101 or any successor statute thereto (unless, in the case of a petition filed against Landlord, the same is dismissed within sixty (60) days); (C) the appointment of a trustee or receiver to take possession of substantially all of Landlord 's assets, where possession is not restored to Tenant within sixty (60) days; or (D) the attachment, execution or other judicial seizure of substantially all of Landlord's assets, here such seizure is not discharged within sixty (60) days.

(c) **Remedies.** If an event of default occurs hereunder and remains uncured after notice and expiration of the applicable cure period, the non-defaulting Party shall have the right at its option and without further notice, but subject to the limitations set forth in the last sentence of this paragraph, 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 Lease or any appropriate injunctive or other equitable relief, or for damages resulting from such default. The Parties agree that remedies at law may be inadequate to protect against any actual or threatened breach of this Lease. In the event of any breach or threatened breach, either Party shall have the right to apply for the entry of an immediate order to restrain or enjoin the breach and otherwise specifically enforce the provisions of this Lease. Notwithstanding the foregoing or anything to the contrary contained in this Lease, in no event shall any default or breach of this Lease, or any failure to perform any obligations under this Lease, terminate, or entitle any Party to terminate, rescind or cancel this Lease or the rights granted hereunder.

15. Condemnation. If the Premises, Transmission and Distribution Easement Parcels or the Access Parcel or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "**condemnation**"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If so much of the Premises, Transmission and Distribution Easement Parcels or Access Parcel is taken under the power of eminent domain such that the Premises is no longer suitable for its intended use or suitable access cannot be provided to the Premises, Tenant may, at Tenant's option, to be exercised in writing only within ten (10) days

after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises, Transmission and Distribution Easement Parcels or Access Parcel remaining, except that the base annual Rent shall be reduced in proportion to the area of the Premises, Transmission and Distribution Easement Parcels or Access Parcel taken bears to the area of the Premises, Transmission and Distribution Easement Parcels or Access Parcel. Any award for the taking of all or any part of the Premises, Transmission and Distribution Easement Parcels or Access Parcel under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Landlord; provided, however, that Tenant shall be entitled to any award for loss of Tenant's leasehold interest.

16. Severability. If any provision or portion of this Lease 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 Lease shall remain in full force and effect.

17. Waivers. No waiver by any Party of any provision of this Lease 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.

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

19. Binding Effect. This Lease shall bind the Parties, and their respective successors and assigns.

20. Signs. Tenant will be permitted to have one or more signs on the Premises which identify the Premises as an FPL Substation without Landlord's consent, except that any and all signs shall be installed and maintained in conformance with all applicable federal, state, and local laws and codes, including, but not limited to, the provisions of Landlord's sign ordinance.

21. Quiet Possession. Upon Tenant paying the Rent for the Premises and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises and use of the Transmission and Distribution Easement Parcels and Access Parcel for the entire Term and any Extended Term of this Lease.

22. Right of Entry. Landlord, or any of its agents, shall only have the right to enter the Premises during reasonable hours to examine the same and only when accompanied by a qualified employee of Tenant.

23. Force Majeure. In the event that any Party is unable to fulfill, or shall be delayed or restricted in the fulfillment of any obligation, or the curing of a default, under any provision of

this Lease by reason of strike, lock-out, war, acts of military authority, rebellion or civil commotion, fire or explosion, flood, wind, storm, hurricane, water, earthquake, acts of God or other casualty or by reason of any statute or law or any regulation or order passed or made, or by reason of any order or direction of any administrator, controller, board or any governmental department or officer or other authority (other than, in the case of Landlord claiming relief under this Section, any statute or law or any regulation or order passed or made, or by reason of any order or direction of, any administrator, controller, board or any governmental department or officer or other authority of Landlord), or by reason of any other cause beyond such Party's control or not wholly or mainly within such Party's control, whether of the foregoing character or not, such Party shall, so long as any such impediment exists, be relieved from the fulfillment of such obligation and the other Party shall not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned, or to terminate this Lease.

24. Counterparts. This Lease 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. Brokerage. Landlord and Tenant each represent and warrant one to the other that neither of them has employed any broker in connection with the negotiations of the terms of this Lease or the execution thereof. Landlord and Tenant hereby agree to indemnify and to hold each other harmless against any loss, expense, or liability with respect to any claims for commissions or brokerage fees arising from or out of any breach of the foregoing representation and warranty. This provision shall survive the expiration or earlier termination of this Lease.

26. Attorneys' Fees. In the event that either Landlord or Tenant employs attorneys and brings suit in connection with the enforcement of this Lease or any provision hereof or the exercise of any of its remedies hereunder, each Party shall bear its own costs and attorneys' fees with respect to such suit.

27. Estoppel Certificate. Landlord and Tenant 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 Lease is in full force and effect, with Rent current through the date of the certificate; (ii) this Lease 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 Tenant and Landlord have fully performed all of Tenant's and Landlord's obligations, respectively, required to have been performed under this Lease as of the date of the certificate; and (h) such further consents and instruments of a similar nature evidencing the agreement (subject to the provisions of this Lease) of Landlord or Tenant to the mortgage or other hypothecation by Tenant of the leasehold estate created hereby, as may be reasonably requested by Tenant or any leasehold mortgagee, or assignee or transferee of the interest of Landlord or Tenant, as applicable. Each and every such mortgage or other hypothecation by Tenant of its leasehold estate shall affect only Tenant's leasehold interest in the Premises under this Lease.

28. Notices. Every notice, approval, consent or other communication required or permitted under this Lease 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 Section.

To Landlord: City of Vero Beach
1053 20th Place
Vero Beach, FL 32960
Attention:

With a copy to: Edwards Wildman Palmer LLP
525 Okeechobee Blvd., Suite 1600
West Palm Beach, FL 33401

To Tenant: 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 Lease to be given to Tenant shall at the same time and in the same manner also be provided by Landlord to any leasehold mortgagee of the Premises, the identity and address of which Tenant shall provide to Landlord.

29. Memorandum of Lease; Recording. This Lease shall not be recorded but the Parties shall execute and record in the appropriate recorder's office a Memorandum of Lease, in the form attached hereto as **Exhibit "D"**. Any amendment or supplement to this Lease required to be entered into pursuant to the terms hereof shall be executed in recordable form and said amendment or a short form memorandum thereof shall be recorded in the appropriate recorder's office. Tenant agrees that, upon expiration of this Lease, Tenant will, within ten (10) business days of request by Landlord, execute and deliver to Landlord a release of this Lease in recordable form. The foregoing provision shall survive expiration or earlier termination of this Lease.

30. Entire Agreement. This Lease and the Asset Purchase and Sale Agreement, including all exhibits and schedules, 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 Landlord and Tenant. Any formally executed

addendum to or modification of this Lease shall be expressly deemed incorporated by reference herein unless a contrary intention is clearly stated therein.

31. Governing Law; Forum. This Lease 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 LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM FOR INJURY OR DAMAGE, SHALL BE IN THE COURT OF THE STATE OF FLORIDA IN VOLUSIA 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.

32. WAIVER OF JURY TRIAL. 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 LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND ANY CLAIM FOR INJURY OR DAMAGE.

33. RADON GAS. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present a health risk to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

34. CONFLICTS. In the event of any conflict between the terms of this Lease and the PSA, the terms of the PSA shall control to the extent applicable to this Lease.

[Remainder of page intentionally blank; Signature page follows]

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

ATTEST: By:_____ Print Name: Title: City Clerk	**LANDLORD:** **CITY OF VERO BEACH** By: _____ Print Name: Title: Executed on:
WITNESSES: BY: _____ Print Name: BY:_____ Print Name:	**TENANT:** **FLORIDA POWER & LIGHT COMPANY**, a Florida corporation By:_____ Name: Title: Executed on:

:

Exhibit "A"

Premises Legal Description

<u>SUBSTATION 6 PARCEL</u>:
Parcels 71, 72 and 73, VERO BEACH MUNICIPAL AIRPORT, being a portion of Section 27, Township 32 South, Range 39 Range, Indian River County, Florida, more particularly described as follows: the East 225.0' of the North 350.0' of the West 260.0' of the NE 1/4 of the SE 1/4 of Section 27,27 Township 32 South, Range 39 Range East, Indian River County, Florida, said parcel containing 65,250 square feet, more or less.

(NOTE: THIS LEGAL WILL BE REPLACED BY A METES AND BOUNDS DESCRIPTION TO BE PROVIDED PRIOR TO LEASE EXECUTION)

Parcel ID # 32-39-26-00011-0710-00001.0

Exhibit "B-1"

TRANSMISSION EASEMENT PARCEL

[Legal Description to be provided]

Exhibit "B-2"

DISTRIBUTION EASEMENT PARCEL

[Legal Description to be provided]

Exhibit "C-1"

FORM OF DISTRIBUTION EASEMENT

Work Request No.

Sec., Twp , Rge E

Parcel
(Maintained by County Appraiser)

EASEMENT
This Instrument Prepared By

Name: _____
Co. Name: _____
Address: _____
_____

Form 3722 (Stocked) Rev. 7/94

The undersigned, in consideration of the payment of $1.00 and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, grant and give to Florida Power & Light Company, its licensees, agents, successors, and assigns ("FPL"), a non-exclusive easement forever for the construction, operation and maintenance of overhead and underground electric utility facilities (including wires, poles, guys, cables, conduits and appurtenant equipment) to be installed from time to time; with the right to reconstruct, improve, add to, enlarge, change the voltage, as well as, the size of and remove such facilities or any of them within an easement described as follows:

See Exhibit "A" ("Easement Area").

Reserved for Circuit Court

Together with the right to permit FPL to attach wires to any facilities hereunder and lay cable and conduit within the Easement Area and to operate the same for FPL's communications purposes; the right of ingress and egress to the Easement Area at all times; the right to clear the land and keep it cleared of all trees, undergrowth and other obstructions within the Easement Area; the right to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the Easement Area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution; and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, streets or highways adjoining or through said property.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument on _____, _____.

Signed, sealed and delivered in the presence of:

_____
(Witness' Signature)

Print Name: _____
(Witness)

_____
(Witness' Signature)

Print Name: _____
(Witness)

_____

By: _____

Print Name: _____

Print Address: _____
_____

Attest: _____

Print Name: _____

Print Address: _____
_____

STATE OF _____ AND COUNTY OF _____.

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____, and _____ respectively the _____ President and Secretary of_____, a _____ corporation, on behalf of said corporation, who are personally known to me or have produced _____ as identification, and who did (did not) take an oath. (Type of Identification)

My Commission Expires:

_____
Notary Public, Signature

Print Name _____

Exhibit "C-2"

FORM OF TRANSMISSION EASEMENT

Prepared by and Return to:

Florida Power & Light Company
CRE/JB

Parcel ID# _____

EASEMENT
(Corporate)

KNOW ALL MEN BY THESE PRESENTS that _____ _____ of the County of _____ and State of _____ in consideration of the sum of One Dollar and No Cents ($1.00) and other valuable considerations, receipt of which is hereby acknowledged, does hereby grant to the FLORIDA POWER & LIGHT COMPANY, a corporation organized and existing under the laws of the State of Florida, whose address is P.O. Box 14000, Juno Beach, Florida 33408-0420, and to its successors and assigns (the term "assigns" meaning any person, firm or corporation owning by way of assignment all rights under this agreement or a portion of such rights with the Grantee or its other assigns retaining and exercising the other rights), an easement forever for a right-of-way, _____ feet in width, to be used for the construction, operation and maintenance of one or more overhead and underground electric transmission and distribution lines, including but not limited to, wires, poles, "H" frame structures, towers, cables, conduits, anchors, guys, roads, trails and equipment associated therewith, attachments and appurtenant equipment for communication purposes and one or more pipelines, and appurtenant equipment for the transmission of substances of any kind (all of the foregoing hereinafter referred to as "facilities"), over, under, in, on, upon and across the lands of the Grantor situated in the County of _____ and the State of Florida and being more particularly described as follows:

See Exhibit "A" attached hereto and made a part hereof

together with the right and privilege from time to time to reconstruct, inspect, alter, improve, enlarge, add to, change the voltage, as well as the nature or physical characteristics of, replace, remove or relocate such facilities or any part of them upon, across, over or under the above-described right-of-way with all rights and privileges necessary or convenient for the full enjoyment or the use thereof for the herein described purposes, including, but not limited to, the right to cut and keep clear all trees and undergrowth and other obstructions within said right-of-way and on lands of Grantor adjoining said right-of-way that may interfere with the proper construction, operation and maintenance of such facilities or any part of them, the right to mark the location of any underground facilities by above ground and other suitable markers and the right of ingress and egress for personnel and equipment of Grantee, its contractors, agents, successors or assigns over the adjoining

lands of the Grantor, for the purpose of exercising and enjoying the rights granted by this easement and any or all of the rights granted hereunder.

The Grantor, however, reserves the right and privilege to use the above-described right-of-way for agricultural and such other purposes except as herein granted or as might interfere or be inconsistent with the use, occupation, maintenance or enjoyment thereof by Grantee or its successors or assigns, or as might cause a hazardous condition; provided, however, and by the execution and delivery hereof Grantor so expressly agrees that no portion of the right-of-way shall be excavated, altered, obstructed, improved, surfaced or paved without the prior written permission of the Grantee, or its successors or assigns, and no building, well, irrigation system, structure, obstruction or improvement (including any improvements for recreational activities) shall be located, constructed, maintained or operated over, under, upon or across said right-of-way by the Grantor, or the heirs, personal representatives, successors or assigns of Grantor.

By the execution hereof, Grantor covenants that it has the right to convey this easement and that the Grantee and its successors and assigns shall have quiet and peaceful possession, use and enjoyment of this easement and the rights granted hereby.

IN WITNESS WHEREOF, the Grantor has executed this Agreement this _____ day of _____, 20____.

Signed, sealed and delivered
in the presence of:

_____
Signature
Print Name: _____

_____
Signature:
Print Name: _____

_____
(Corporate Name)
By: _____
Its: _____
Print Name: _____

Attest: _____
Its: _____
Print Name: _____
Address: _____

(Corporate Seal)

(Acknowledgment continued on next page.)

ACKNOWLEDGMENT

STATE OF FLORIDA)
)ss:
COUNTY OF _____)

On this _____ day of _____, 20__ before me, the undersigned notary public, personally appeared _____, _____(title) and _____, _____(title) of _____, a _____ corporation, personally known to me to be the persons who subscribed to the foregoing instrument or who have produced _____ and _____, respectively as identification, and acknowledged that they executed the same on behalf of said corporation and that they were duly authorized so to do.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
NOTARY PUBLIC, STATE OF FLORIDA

Print Name: _____

Commission No.: _____

My Commission Expires: _____

CCC/DGE
3716.Eas (4C)

Exhibit "D"

Form of Memorandum of Lease

This instrument was prepared by and after recording return to:
Jorge Diaz-Silveira, Esq.
Hogan Lovells US LLP
200 South Biscayne Blvd.
Suite 400
Miami, FL 33131

•
•

MEMORANDUM OF LEASE AND EASEMENT AGREEMENT

This is a Memorandum of Lease and Easement Agreement, dated as of the __ day of _____, 201[__] (the "***Lease***"), made by and between the **CITY OF VERO BEACH, FLORIDA**, a municipal corporation organized under the laws of the State of Florida ("***Landlord***") and **FLORIDA POWER & LIGHT COMPANY**, a corporation organized under the laws of the State of Florida ("***Tenant***").

WITNESSETH:

For and in consideration of the sum of Ten Dollars ($10.00), the receipt and sufficiency of which are hereby acknowledged, and in consideration of the agreements hereinafter set forth, and those of the Lease, Landlord and Tenant hereby acknowledge and agree as follows:

1. Landlord and Tenant have entered into the Lease and Easement Agreement , dated as of the date hereof (the "***Lease***"), pursuant to which Landlord leased to Tenant, and

Tenant leased from Landlord, that certain substation real property consisting of approximately [_____] acres of land located in the City of Vero Beach, Indian River County, Florida, identified as the Substation 6 Parcel and more particularly described in **Exhibit A** attached hereto and made a part hereof (the "***Premises***"), and granted to Tenant a perpetual Transmission and Distribution Easements in gross in favor of Tenant, its successors and assigns, over the property more particularly described on the attached **Exhibit B**.

2. The term of the Lease commenced as of the execution of the Lease and continues for a period of thirty (30) years, subject to Tenant's right to extend the Lease pursuant to its terms.

3. Reference is made to the Lease for all of the other terms, conditions and agreements between the parties, which terms, conditions and agreements are incorporated herein by reference. A true and correct copy of the Lease is available at the offices of Tenant, 700 Universe Blvd., EMT/JB Juno Beach, Florida 33408, Attention: EMT Contracts Department, or at the office of Landlord, 1053 20th Place, Vero Beach, Florida 32960, Attention: City Clerk.

4. Tenant and Landlord hereby ratify and reaffirm their respective obligations under the Lease and confirm that all terms and obligations of the Lease are in full force and effect, and that neither Tenant nor Landlord is in default of any of its obligations thereunder. This Memorandum of Lease is executed in connection with and is deemed to be a part of the Lease. This instrument is merely a Memorandum of Lease and Easement Agreement and is subject to all of the terms, provisions and conditions of the Lease. Where the terms of this Memorandum of Lease and Easement

Agreement and the Lease conflict, the terms of the Lease shall control. All capitalized terms not defined herein shall have the same meaning as ascribed in the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease and Easement Agreement as of the day and year first above written.

ATTEST:

By:_____

Print Name:

Title: City Clerk

LANDLORD:

CITY OF VERO BEACH

By: _____

Print Name:

Title:

Executed on:

WITNESSES:

BY: _____
Print Name:

BY:_____
Print Name:

TENANT:

FLORIDA POWER & LIGHT COMPANY, a Florida corporation

By:_____

Name:

Title:

Executed on:

ACKNOWLEDGMENT

[COVB TO PROVIDE FORM OF ACKNOWLEDGMENT]

STATE OF FLORIDA)
)
COUNTY OF [_____])

On this, the ___ day of _____, 201_, before me, a Notary Public in and for the State of Florida, personally appeared _____, who is personally known to me or who provided _____ as identification, and who acknowledged himself/herself to be an authorized officer of Florida Power & Light Company, and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of the Florida Power & Light Company by himself/herself as such.

Given under my hand and official seal, this ___ day of _____, A.D. 201_.

_____
Print Name: _____
Notary Public, State of Florida
Notary Commission No.: _____
My Commission Expires: _____

EXHIBIT A
LEGAL DESCRIPTION

SUBSTATION 6 PARCEL:

Parcels 71, 72 and 73, VERO BEACH MUNICIPAL AIRPORT, being a portion of Section 27, Township 32 South, Range 39 Range, Indian River County, Florida, more particularly described as follows:
the East 225.0' of the North 350.0' of the West 260.0' of the NE 1/4 of the SE 1/4 of Section 27,27 Township 32 South, Range 39 Range East, Indian River County, Florida, said parcel containing 65,250 square feet, more or less.

(NOTE: THIS LEGAL WILL BE REPLACED BY A METES AND BOUNDS DESCRIPTION TO BE PROVIDED PRIOR TO LEASE EXECUTION)

Exhibit "B-1"

TRANSMISSION EASEMENT PARCEL

[Legal Description to be provided]

Exhibit "B-2"

DISTRIBUTION EASEMENT PARCEL

[Legal Description to be provided]